

**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, 2023, 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)

DE

(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	NYSE
2.550% Notes Due 2026	WMT26	NYSE

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, 2022, 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 29, 2022, was \$186,168,142,989. For the purposes of this disclosure only, the registrant has assumed that its directors, executive officers (as defined in Rule 3b-7 under the Exchange Act) and the beneficial owners of 5% or more of the registrant's outstanding common stock are the affiliates of the registrant.

The registrant had 2,695,655,933 shares of common stock outstanding as of March 15, 2023.

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Parts Into Which Incorporated</u>
Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held May 31, 2023 (the "Proxy Statement")	Part III

Walmart Inc.
Form 10-K
For the Fiscal Year Ended January 31, 2023

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WALMART INC.

ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 31, 2023

All references in this Annual Report on Form 10-K, the information incorporated into this Annual Report on Form 10-K by reference to information in the Proxy Statement of Walmart Inc. for its Annual Shareholders' Meeting to be held on May 31, 2023 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.

PART I

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K and other reports, statements, and information that Walmart Inc. (which individually or together with its subsidiaries, as the context otherwise requires, is referred to as "we," "Walmart" or the "Company") has filed with or furnished to the Securities and Exchange Commission ("SEC") or may file with or furnish to the SEC in the future, and prior or future public announcements and presentations that we or our management have made or may make, include or may include, or incorporate or may incorporate by reference, statements that may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Act"), that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Act 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, 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 the Company's results of operations or financial position of the Company's 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," "could be," "could increase," "could occur," "could result," "continue," "estimate," "expansion," "expect," "expectation," "expected to be," "focus," "forecast," "goal," "grow," "guidance," "intend," "invest," "is expected," "may continue," "may fluctuate," "may grow," "may impact," "may result," "objective," "plan," "priority," "project," "strategy," "to be," "we'll," "we will," "will add," "will allow," "will be," "will benefit," "will change," "will come in at," "will continue," "will decrease," "will grow," "will have," "will impact," "will include," "will increase," "will open," "will remain," "will result," "will stay," "will strengthen," "would be," "would decrease" and "would increase," variations of such words or phrases, other phrases commencing with the word "will" or similar words and phrases denoting anticipated or expected occurrences or results.

The forward-looking statements 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 help 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 240 million customers who visit more than 10,500 stores and numerous eCommerce websites in 20 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, 2023 ("fiscal 2023"), January 31, 2022 ("fiscal 2022") and January 31, 2021 ("fiscal 2021"). During fiscal 2023, we generated total revenues of \$611.3 billion, which was comprised primarily of net sales of \$605.9 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. 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, 2023, our Walmart International segment conducted business in 19 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 8,100 pickup and approximately 7,000 delivery locations globally. In recent years, we have heavily invested in omni-channel and eCommerce innovation, which has enabled us to leverage technology, talent and expertise, incubate digitally-native brands, and expand our assortment and service offerings. We have also continued to enhance our eCommerce initiatives, such as with our acquisition of a majority stake in Flipkart Private Limited ("Flipkart"), which is our ecosystem in India that includes eCommerce platforms of Flipkart and Myntra, as well as with our majority stake in PhonePe Private Limited ("PhonePe"), a digital transaction platform.

We are enhancing our ecosystem with our omni-channel capabilities, stores, service offerings, eCommerce websites and marketplaces as well as our supply chain combined with approximately 2.1 million associates as of January 31, 2023 to better serve our customers. Together, we believe these elements produce a flywheel effect which creates relationships where customers view Walmart as their primary 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 flywheel is accelerating through offerings such as our Walmart Connect advertising business, Walmart Fulfillment Services, providing access to quality, affordable healthcare via Walmart Health and Flipkart Health+, and our financial services businesses. These offerings represent mutually reinforcing pieces of our flywheel centered around 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 Argentina prior to the sale of Walmart Argentina in fiscal 2021 and 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, as well as walmart.com and other eCommerce brands. Walmart U.S. had net sales of \$420.6 billion for fiscal 2023, representing 69% of our fiscal 2023 consolidated net sales, and had net sales of \$393.2 billion and \$370.0 billion for fiscal 2022 and 2021, 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, 2023, we had more than 4,600 pickup locations and more than 3,900 same-day delivery locations. 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, access to Paramount+ streaming service, and mobile scan & go for a streamlined in-store shopping experience. We have several eCommerce websites, the largest of which is walmart.com. 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 flywheel strategy, such as our Walmart Connect advertising business. The following table provides the approximate size of our retail stores as of January 31, 2023:

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

⁽¹⁾ Excludes other small formats.

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);
 - Apparel (e.g., apparel for men, women, girls, boys and infants, 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 an in-house advertising offering via Walmart Connect, supply chain and fulfillment capabilities to online marketplace sellers via Walmart Fulfillment Services, and newer initiatives such as B2B last mile delivery services via Walmart GoLocal, and a suite of data products for merchants and suppliers via Walmart Luminat. Additional service offerings include fuel, 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," "Eloqui Elements," "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," "Love & Sports," "Better Homes & Gardens," "Pioneer Woman" and "Sofia Jeans by Sofia Vergara."

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, 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 flywheel 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 163 distribution facilities which are located strategically throughout the U.S. For fiscal 2023, 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 34 dedicated eCommerce fulfillment centers, as well as leveraging our ability to ship or deliver directly from more than 3,900 stores.

Walmart International Segment

Walmart International is our second largest segment and operated in 19 countries outside of the U.S. as of January 31, 2023. Walmart International operates through our wholly-owned subsidiaries in Canada, Chile, China, and Africa (which includes Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, 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 Argentina prior to the sale of Walmart Argentina in fiscal 2021 and 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 walmart.com.mx, walmart.ca, flipkart.com, walmart.cn and other sites. Walmart International had net sales of \$101.0 billion for fiscal 2023, representing 17% of our fiscal 2023 consolidated net sales, and had net sales of \$101.0 billion and \$121.4 billion for fiscal 2022 and 2021, respectively. The gross profit rate is lower than that of Walmart U.S. primarily because of its format 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 Walmart Argentina in November 2020.
- 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 in December 2022.
- Increased our ownership in PhonePe, our digital transaction 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 expand with our digital transaction platform anchored in payments at PhonePe in India. We have expanded our marketplace in Mexico and Canada, which unlocks fulfillment and advertising services, and in China, our partnerships with JD.com and JD Daojia continue to drive ecommerce growth.

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 24,000 square feet to 158,000 square feet. As of January 31, 2023, Walmart International had over 2,900 pickup and approximately 2,500 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," "Lider," and "PhonePe." 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, and in India we launched Flipkart Health+ enabling us to increase access to affordable care in that country. 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. 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 eCommerce retailers, 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 focus on moving our markets towards an EDLP approach. Additionally, our ability to operate food departments effectively has a significant impact on our competitive position in the markets where we operate. 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.

Distribution. We utilize a total of 188 distribution facilities located in Canada, Central America, Chile, China, India, Mexico and South Africa. Through these facilities, we process and distribute both imported and domestic products to the operating units of the Walmart International segment. During fiscal 2023, 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 including from our 100 dedicated eCommerce fulfillment centers, more than 3,600 eCommerce sort centers and last-mile delivery facilities in India, 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 \$84.3 billion for fiscal 2023, representing 14% of our consolidated fiscal 2023 net sales, and had net sales of \$73.6 billion and \$63.9 billion for fiscal 2022 and 2021, 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 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 all 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 29 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 2023, 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, 13 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 law, trade-secret protection, and confidentiality and/or license agreements to protect our proprietary rights. We have registered, or applied for the registration of, a number of U.S. and international domain names, trademarks, service marks and copyrights. Additionally, we have filed U.S. and international patent applications covering certain of our proprietary technology. We have licensed in the past, and expect that we may license in the future, certain of our proprietary rights to third parties.

Suppliers and Supply Chain

As a retailer and warehouse club operator, we utilize a global supply chain that includes 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 revenue streams, 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 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 or avoid 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 Securities and Exchange Commission.

Human Capital Management

At Walmart, we're committed to help people save money and live better around the world. This mission is delivered by our associates who make the difference for our millions of customers and members every day. As of the end of fiscal 2023, we

employed approximately 2.1 million associates worldwide, with approximately 1.6 million associates in the U.S. and approximately 0.5 million associates internationally. In the U.S., approximately 93% of our associates are hourly and approximately 70% of our associates are full-time.

We know the success and progress we've seen this year and throughout our Company's history is because of our associates who work every day to fulfill our mission. That's why we're focused on providing 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, and for others a place where associates can grow their careers across our global omni-channel business. No matter the role or location, we're focused on developing, rewarding, and retaining associates in an ever-changing environment. As customer expectations and technology change the nature of work, we know it's our people – our humanity – that will differentiate us from the competition, so this must be a top priority.

Our workforce strategy includes the following strategic priorities: belonging, well-being, growth and digital.

Belonging - *Build a Walmart for everyone: a diverse, equitable and inclusive company, where associates' ideas and opinions matter.* We are focused on having an inclusive culture where everyone feels they belong. We publish our diversity representation twice yearly, and hold ourselves accountable to providing recurring culture, 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., 50% of the approximately 1.6 million associates identify as people of color.

We review our processes regarding our commitment to fair-pay practices. We 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 engaged, valued and heard, we gather and respond to associates' feedback in a variety of ways, including but not limited to our annual associate engagement survey, our Open Door process, and one-on-one interactions. Management reviews the results of feedback obtained from our formal associate engagement survey.

Well-being - *Focus on the physical, emotional, and financial well-being of our associates.* We invest in our associates by offering competitive wages, as well as a broad range of benefits that vary based on customary local practices and statutory requirements. In the U.S., we offer affordable healthcare coverage to our full-time and eligible part-time associates as well as company paid benefits such as 401(k) match, family building support, maternity leave, 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, and a store discount card or Sam's Club membership. 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 Securities and Exchange Commission. 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. We launched the global Walmart Academy to help associates build and grow their careers, creating one of the largest learning ecosystems in the world. The global Walmart Academy offers training for on-the-job retail skills, leadership courses, and well-being training, serving associates through combination of digital and in-person offerings. The global focus builds on moving much more to a learning in the flow of work approach.

We also provide access to educational opportunities for our part-time and full-time frontline eligible associates in the U.S. through our Live Better U program, which provides access to earn a high school diploma or a college degree. Walmart pays 100% of associates' college tuition, books and fees. Our Live Better U program aligns education offerings with Walmart's own areas of growth, providing opportunities for associates to become great at the job they have today and prepare for the job of tomorrow. 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.

Digital - *Accelerate digital transformation and ways of working to improve the associate experience and drive business results.* To deliver a seamless customer and associate experience, we continue to invest in digital tools like Me@Walmart, MyClub and Me@Campus to improve associate productivity, engagement, and performance. The MyFeedback app was developed to capture real-time associate feedback. Walmart supports associates who are on the U.S. Medical Plan with free virtual visits which include visits for medical doctor urgent care, along with mental health care with psychiatrist 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	51
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	49
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	53
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	48
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	58
Judith McKenna	Executive Vice President, President and Chief Executive Officer, Walmart International, effective February 2018. From February 2015 to January 2018, she served as Executive Vice President and Chief Operating Officer of Walmart U.S.	2018	56
Kathryn McLay	Executive Vice President, President and Chief Executive Officer, Sam's Club effective November 15, 2019. 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.	2019	49
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	56
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	55
John David Rainey	Executive Vice President and Chief Financial Officer, effective June 2022. From September 2016 to June 2022, he served as Chief Financial Officer and Executive Vice President, Global Customer Operations for PayPal Holdings, Inc.	2022	52

Our Website and Availability of SEC Reports and Other Information

Our corporate website is located at www.stock.walmart.com. We file with or furnish to the SEC Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, amendments to those reports, proxy statements and annual reports to shareholders, and, from time to time, other documents. The reports and other documents filed with or furnished to the SEC are available to investors on or through our corporate website free of charge as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers, such as the Company, that file electronically with the SEC. The address of that website is www.sec.gov. 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. 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 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, 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. 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, automation, including any operating losses incurred, 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. 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. 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. Our failure to adequately or effectively respond to changing consumer tastes, preferences (including those related to ESG issues) and shopping patterns, or any other failure on our part to timely identify or effectively respond to changing consumer tastes, preferences and shopping patterns could negatively affect our reputation and relationship with our customers, the demand for the products we sell or services we offer, our market share and the growth of our business.

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, lower or higher prices of petroleum products, including crude oil, natural gas, gasoline, and diesel fuel, higher costs for electricity and other energy, weakness in the housing market, inflation, deflation, increased costs of essential services, such as medical care and utilities, higher levels of unemployment, decreases in consumer disposable income, unavailability of consumer credit, higher consumer debt levels, changes in consumer spending and shopping patterns, fluctuations in currency exchange rates, higher tax rates, imposition of new taxes or other changes in tax laws, changes in healthcare laws, other regulatory changes, the imposition of 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 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.

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 joint venture, and our healthcare initiative with UnitedHealth Group) may not generate the level of sales 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 recently divested markets, could materially adversely affect our financial performance.

Operational Risks

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

The emergence, severity, magnitude and duration of global or regional pandemics or epidemics are uncertain and difficult to predict. A pandemic, such as COVID-19, or other epidemic 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, 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. Customer behaviors changed rapidly during the course of the COVID-19 pandemic. In the event of a resurgence of infections or future mutations, variants or related strains of the virus become prevalent, customer demand for certain products may fluctuate and customer behaviors may change, which may challenge our ability to anticipate and/or adjust inventory levels to meet that demand. These factors may result in higher demand for certain products and less demand for others, as well as out-of-stock positions in certain products, along with delays in delivering those products (due to supply chain and transportation issues) and could impact inventory levels in the future. Other factors and uncertainties may include, but are not limited to: the severity and duration of the pandemic, including whether there are additional outbreaks or spikes in the number of cases, future mutations or related strains of the virus in areas in which we and our suppliers operate; further 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 the pandemic response; the effectiveness and extent of administration of vaccinations and medical treatments, including for any variants; the pace of recovery when the pandemic subsides; and the long-term impact of the pandemic or epidemic 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 the COVID-19 pandemic continues to adversely affect the U.S. and the global economy, or 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, global health epidemics or pandemics, 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; regional or global health epidemics or pandemics or other contagious outbreaks (such as COVID-19); 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 in other areas of the world (such as in Ukraine where a war currently exists between Ukraine and Russia) 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) and in 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 Walmart operates. 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 in the countries in which our suppliers and their manufacturers are located (such as the COVID-19 pandemic), the financial instability of suppliers, 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 (such as, for example, the factors that occurred with respect to the availability of supply for baby formula during the prior fiscal year).

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 products we sell are not safe or otherwise fail to meet our customers' expectations, we could lose customers, incur liability for any injuries suffered by customers using or consuming a product we sell or otherwise experience a material impact to our brand, reputation and financial performance. We are also subject to reputational and other risks related to third-party sales on our digital platforms.

Our customers count on us to provide them with safe products. Concerns regarding the safety of food and non-food products that we source from our suppliers or that we prepare and then sell could cause customers to avoid purchasing certain products from us, or to seek alternative sources of supply for all of their food and non-food needs, even if the basis for the concern is outside of our control. Any lost confidence on the part of our customers would be difficult and costly to reestablish and such products also expose us to product liability or food safety claims. As such, any issue regarding the safety of any food or non-food items we sell, regardless of the cause, could adversely affect our brand, reputation and financial performance. In addition, third-parties sell goods on some of our digital platforms, which we refer to as marketplace transactions. Whether laws related to these marketplace transactions, including, but not limited to, intellectual property and products liability laws, apply to us is currently unsettled and any unfavorable changes or interpretations could expose us to liability, 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 sales of goods that are controversial, counterfeit, pirated, or stolen, or otherwise fail to comply with applicable law or the proprietary rights of others. Although we have marketplace compliance controls and impose contractual terms on sellers to prohibit sales of certain type of products, we may not be able to detect certain prohibited items, enforce such terms, or collect sufficient damages for breaches. 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 (including through cyberattacks, which may be from cybercriminals or sophisticated state-sponsored threat 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. Our information systems are essential to our business operations, including the processing of transactions, management of our associates, facilities, logistics, inventories, physical stores and clubs and our online operations. Our information systems are not fully redundant and 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 critical data as well as suffer interruptions in our business operations in the interim. Any interruption to our information systems may have a material adverse effect on our business or results of operations. In addition, we 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 fiscal year ending 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 or a faulty implementation, 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.

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 our acquired eCommerce, technology or other businesses, are regularly subject to cyberattacks. Those attacks involve attempts to 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, in addition to potential data misuse and/or loss, may also create denials of service or otherwise disable, degrade or sabotage 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 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.

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 receive and store in our information systems personal information and/or payment information about our customers and members, and we also receive and store 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, 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 obtaining access to information in digital and other storage media are becoming increasingly sophisticated and frequent. Attacks against information systems and devices, whether our own or those of our third-party service providers, create risk of cybersecurity incidents, including ransomware, malware, or phishing incidents. We expect to continue to experience such attempted attacks in the future. Cyberattacks and threat actors can be sponsored by particular countries or sophisticated criminal organizations or be the work of hackers with a wide range of motives and expertise. We and the businesses with which we interact have experienced and continue to experience threats to data and systems, including by perpetrators of random or targeted malicious 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. Mitigation and remediation recommendations continue to evolve, and addressing vulnerabilities is a priority for us. The increased use of remote work infrastructure in recent years has also increased the possible attack surfaces. Some of our systems and third-party service providers' systems have experienced security incidents or breaches and although they have not had a material adverse effect on our operating results, there can be no assurance of a similar result in the future.

Associate error or malfeasance, faulty password management, social engineering or other vulnerabilities and irregularities may also result in a defeat of our or our third-party service providers' security measures and a compromise or breach of our or their information systems. Moreover, hardware, software or applications we use may have inherent vulnerabilities or defects of design, manufacture or operations or could be inadvertently or intentionally implemented or used in a manner that could compromise information security.

Any compromise of our data security systems or of those of businesses with which we interact, which results in 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 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 and we or our third-party service providers may not discover any security event, breach, vulnerability or compromise of information for a significant period of time after the security incident occurs. 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 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, 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 ransomware event 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 maintain to protect all of our information technology systems are able to prevent, contain or detect cyberattacks, cyberterrorism, security incidents, breaches, or other compromises from known malware or ransomware or other threats that 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 joint 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 privacy, authentication and tokenization, global anti-money laundering and sanctions laws and regulations as well as international, federal and state consumer financial laws and regulations. Failure to comply with these laws and regulations could result in fines, sanctions, penalties and harm to our reputation.

The Company also has 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 international, federal and state laws to notify affected individuals, government agencies and the media. Consequently, cybersecurity attacks that cause a data breach could subject us to fines, sanctions and other legal liability and harm our reputation.

Changes in 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.

Walmart has 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, Walmart's 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 the Company's 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 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, capital expenditures, comparable store and club sales growth rates, eCommerce growth rates, gross margin, 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 Walmart's 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 and clubs around the world with a currency other than the local currency of the country in which the goods will be sold. When we must acquire the currency to pay for such products and the exchange rates for the payment currency fluctuate in a manner unfavorable to us, our cost of sales may increase and we may be unable or unwilling to change the prices at which we sell those goods to address that increase in our costs, with a corresponding adverse effect on our gross profit. Consequently, unfavorable fluctuations in currency exchange rates have 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 2023, our Walmart International operations generated approximately 17% 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 the competition investigations currently underway in Mexico related to our subsidiary Wal-Mart de Mexico, in Canada related to our subsidiary Wal-Mart Canada and competition proceedings in India related 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.

The economies of some of the countries in which we have operations have in the past suffered from high rates of inflation and currency devaluations, which, if they occurred again, could adversely affect our financial performance. Other factors which may impact our international operations include foreign trade, monetary and fiscal policies of the U.S. and of other countries, laws, regulations and other activities of foreign governments, agencies and similar organizations, and risks associated with having numerous facilities located in countries 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 the laws and regulations of other countries. We maintain a global policy prohibiting such business practices and have in place a global anti-corruption compliance program designed to ensure compliance with these laws and regulations. Nevertheless, we remain subject to the risk that one or more of our associates, contractors or agents, including those based in or from countries where practices that violate such U.S. laws and regulations or the laws and regulations of other countries may be customary, will engage in business practices that are prohibited by our policies, circumvent our compliance

programs and, by doing so, violate such laws and regulations. Any such violations, even if prohibited by our internal policies, could adversely affect our business or financial performance and our reputation.

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

In fiscal 2023, our Walmart U.S. and Sam's Club operating segments generated approximately 83% 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 and other taxes in both the U.S. and the foreign jurisdictions in which we currently operate or have historically operated. The determination of our worldwide provision for income taxes and current and deferred tax assets and liabilities requires judgment and estimation. Our income taxes could be materially adversely affected by earnings being lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, by changes in the valuation of our deferred tax assets and liabilities, or by changes in worldwide tax laws, tax rates, regulations or accounting principles.

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, any of which can impact our current and future years' tax provision. The effect of such changes in tax law could 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 IRS, 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 the Company 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 and for which many jurisdictions have now committed to an effective enactment date 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 and legislation. Although we believe our tax estimates are reasonable, the ultimate tax outcome may materially differ from the tax amounts recorded in our Consolidated Financial Statements and may materially affect our income tax provision, net income, or cash flows in the period or periods for which such determination and settlement is made.

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 and commercial reimbursement (including Medicare and Medicaid); 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 joint 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 security and the sharing and interoperability of data; working conditions, health and safety, equal employment opportunity, 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 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 laws and U.S. sanctions. 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.

Moreover, we are also subject to data privacy and protection laws regulating the collection, use, retention, disclosure, transfer and processing of personal information, such as the California Consumer Privacy Act ("CCPA"), which was significantly modified by the California Privacy Rights Act ("CPRA"), new comprehensive privacy legislation passed in Connecticut (the Connecticut Data Protection Act), Colorado (the Colorado Privacy Act), Utah (the Utah Privacy Act) and Virginia (the Consumer Data Protection Act), each of which go into effect in 2023, as well as other laws and regulations 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, and similar legislation in Quebec (An Act to modernize legislative provisions as regards the protection of personal information, SQ 2021, c 25). The potential effects of these laws are far-reaching, continue to evolve, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses to comply. These and other privacy and cybersecurity laws may carry significant potential penalties for noncompliance. 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 in the prior year. These administrative fines are discretionary and based, in each case, on a multi-factored approach. Residents in jurisdictions with comprehensive privacy laws have expanded 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. Laws such as those in California, Connecticut, Colorado, Illinois, Utah, and Virginia may allow civil penalties for violations, and CCPA and CPRA provide 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.

The Company has been responding to subpoenas, information requests and investigations from governmental entities related to nationwide controlled substance dispensing and distribution practices involving opioids and also is 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. Similar cases that name the Company also have been filed in state courts by state, local and tribal governments, healthcare providers and other plaintiffs. Plaintiffs are seeking compensatory and punitive damages, as well as injunctive relief including abatement. The Company cannot predict the number of such claims that may be filed, and cannot reasonably estimate any loss or range of loss that may arise from such claims and the related opioid 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 the Company's acquisition of a majority stake in Flipkart in 2018. The Company can provide no assurance as to the scope or outcome of any proceeding that might result from the notice, the amount of proceeds the Company may receive in indemnification, and can provide no assurance as to whether there will be a material adverse effect to its business or its consolidated financial statements. The Company is also a defendant in litigation with the Federal Trade Commission regarding the Company's 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 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 Company is 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 its 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 Securities Exchange Act of 1934, 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 achieve 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. From time to time, we announce certain aspirations and goals relevant to our priority ESG issues. 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 2. PROPERTIES

United States

The Walmart U.S. and Sam's Club segments comprise the Company's operations in the U.S. As of January 31, 2023, unit counts for Walmart U.S. and Sam's Club are summarized by format for each state and territory as follows:

State or Territory	Walmart U.S.			Sam's Club	Grand Total
	Supercenters	Discount Stores	Neighborhood Markets and other small formats	Clubs	
Alabama	101	1	29	13	144
Alaska	7	2	—	—	9
Arizona	83	2	28	12	125
Arkansas	76	5	36	9	126
California	144	68	78	30	320
Colorado	70	4	18	17	109
Connecticut	12	20	1	1	34
Delaware	6	3	—	1	10
Florida	233	9	98	46	386
Georgia	154	2	35	24	215
Hawaii	—	10	—	2	12
Idaho	23	—	3	1	27
Illinois	139	15	11	25	190
Indiana	97	6	11	13	127
Iowa	58	2	—	9	69
Kansas	58	2	15	9	84
Kentucky	77	7	9	9	102
Louisiana	88	2	34	14	138
Maine	19	3	—	3	25
Maryland	31	16	3	11	61
Massachusetts	27	21	4	—	52
Michigan	90	3	9	23	125
Minnesota	65	3	1	12	81
Mississippi	65	3	11	7	86
Missouri	112	9	18	19	158
Montana	14	—	—	2	16
Nebraska	35	—	7	5	47
Nevada	30	2	11	7	50
New Hampshire	19	7	—	2	28
New Jersey	35	27	1	8	71
New Mexico	35	2	9	7	53
New York	82	16	9	12	119
North Carolina	143	6	45	22	216
North Dakota	14	—	—	3	17
Ohio	138	5	2	27	172
Oklahoma	81	7	34	13	135
Oregon	29	7	10	—	46
Pennsylvania	116	19	3	24	162
Puerto Rico	13	5	—	7	25
Rhode Island	5	4	—	—	9
South Carolina	83	—	26	13	122
South Dakota	15	—	—	2	17
Tennessee	117	1	19	14	151
Texas	391	18	110	82	601
Utah	41	—	11	8	60
Vermont	3	3	—	—	6
Virginia	110	4	22	15	151
Washington	52	9	5	—	66
Washington D.C.	3	—	2	—	5
West Virginia	38	—	1	5	44
Wisconsin	83	4	2	10	99
Wyoming	12	—	—	2	14
U.S. total	3,572	364	781	600	5,317
Square feet (in thousands)	634,615	38,226	28,885	80,351	782,076

International

The Walmart International segment comprises the Company's operations outside of the U.S. Unit counts as of January 31, 2023⁽¹⁾ for Walmart International are summarized by major category for each geographic market as follows:

Geographic Market	Retail	Wholesale	Total	Square feet ⁽²⁾
Africa ⁽³⁾	289	86	375	20,939
Canada	402	—	402	52,557
Central America ⁽⁴⁾	882	—	882	13,996
Chile	379	13	392	17,688
China	322	43	365	60,331
India	—	28	28	1,527
Mexico	2,694	168	2,862	106,412
International total	4,968	338	5,306	273,450

⁽¹⁾ Walmart International unit counts, with the exception of Canada, are as of December 31, 2022, to correspond with the balance sheet date of the related geographic market. Canada unit counts are as of January 31, 2023.

⁽²⁾ Square feet reported in thousands.

⁽³⁾ Africa unit counts primarily reside in South Africa, with other locations in Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Swaziland, and Zambia.

⁽⁴⁾ Central America unit counts reside in Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

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, 2023⁽¹⁾:

	Owned	Leased ⁽²⁾	Total
U.S. properties			
Walmart U.S. retail units	4,057	660	4,717
Sam's Club retail units	513	87	600
Total U.S. retail units	4,570	747	5,317
Walmart U.S. distribution facilities	110	53	163
Sam's Club distribution facilities	12	17	29
Total U.S. distribution facilities	122	70	192
Total U.S. properties	4,692	817	5,509
International properties			
Africa	33	342	375
Canada	124	278	402
Central America	380	502	882
Chile	205	187	392
China	2	363	365
India	2	26	28
Mexico	710	2,152	2,862
Total International retail units	1,456	3,850	5,306
International distribution facilities	23	165	188
Total International properties	1,479	4,015	5,494
Total properties	6,171	4,832	11,003
Total retail units	6,026	4,597	10,623
Total distribution facilities	145	235	380
Total properties	6,171	4,832	11,003

⁽¹⁾ Walmart International properties, with the exception of Canada, are as of December 31, 2022, to correspond with the balance sheet date of the related geographic market. Canada unit counts are as of January 31, 2023.

⁽²⁾ 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: 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 2,000 cases as of March 3, 2023. 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 \$651 million 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. The MDL has designated five additional single-county cases as bellwethers to proceed through discovery. In addition, there are over 300 other cases pending in state and federal courts throughout the country as of March 3, 2023. The case citations and currently scheduled trial dates, where applicable, are listed on Exhibit 99.1 to this 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. The settlement will take effect if a sufficient number of political subdivisions also join.

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 motion remains 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 Securities Exchange Act of 1934, as amended (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. The court held a hearing on that motion on September 26, 2022; a ruling remains pending. 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.

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.*, and a trial date has been scheduled for April 22, 2024. The Company believes the suit is without merit 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.

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."

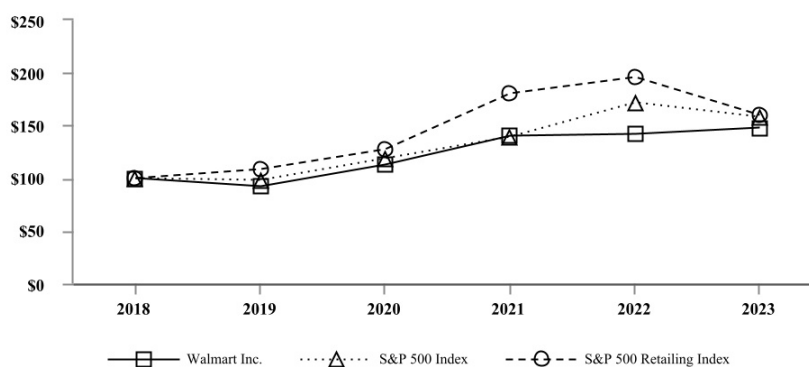
Holders of Record of Common Stock

As of March 15, 2023, there were 205,465 holders of record of Walmart's common stock.

Stock Performance Chart

This graph compares the cumulative total shareholder return on Walmart's common stock during the five fiscal years ended through fiscal 2023 to the cumulative total returns on the S&P 500 Retailing Index and the S&P 500 Index. The comparison assumes \$100 was invested on February 1, 2018 in shares of our common stock and in each of the indices shown and assumes that all of the dividends were reinvested.

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



*Assumes \$100 Invested on February 1, 2018
 Assumes Dividends Reinvested
 Fiscal Year ended January 31, 2023

	Fiscal Years Ended January 31,					
	2018	2019	2020	2021	2022	2023
Walmart Inc.	\$ 100.00	\$ 92.03	\$ 112.17	\$ 139.96	\$ 141.50	\$ 147.89
S&P 500 Index	100.00	97.69	118.87	139.37	171.83	157.71
S&P 500 Retailing Index	100.00	108.42	127.45	180.19	195.77	160.10

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 the fiscal year prior to November 21, 2022 were made under the plan in effect at the beginning of fiscal 2022. In November 2022, the Company approved a new \$20.0 billion share repurchase program which, beginning on November 21, 2022, replaced the previous share repurchase program. As of January 31, 2023, authorization for \$19.3 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, 2023, was as follows:

Fiscal Period	Total Number of Shares Repurchased	Average Price Paid per Share (in dollars)	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Repurchased Under the Plans or Programs⁽¹⁾ (in billions)
November 1-30, 2022	3,972,269	\$ 144.52	3,972,269	\$ 19.9
December 1-31, 2022	2,035,515	145.82	2,035,515	19.6
January 1-31, 2023	2,108,707	143.15	2,108,707	19.3
Total	8,116,491		8,116,491	

⁽¹⁾ Represents the approximate dollar value of shares that could have been repurchased under the current plan at the end of the month. The approximate dollar value of shares that could still have been purchased under the plan in effect at the beginning of fiscal 2022, as of November 21, 2022, when such plan was replaced, was \$1.4 billion.

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, 2023 ("fiscal 2023"), January 31, 2022 ("fiscal 2022") and January 31, 2021 ("fiscal 2021"), 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 flywheel strategy, 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.

We have taken certain strategic actions to strengthen our portfolio, primarily in the Walmart International segment, including the following highlights over the last three years:

- In November 2020, we completed the sale of Walmart Argentina and recorded a pre-tax non-cash loss in fiscal 2021 of \$1.0 billion, primarily due to cumulative foreign currency translation losses. Refer to [Note 12](#).
- In February 2021, we completed the sale of Asda for net consideration of \$9.6 billion, for which we recognized an estimated pre-tax loss in fiscal 2021 of \$5.5 billion, and an incremental loss of \$0.2 billion in fiscal 2022 upon closing of the transaction. Refer to [Note 11](#) and [Note 12](#).
- In March 2021, we completed the sale of Seiyu for net consideration of \$1.2 billion, for which we recognized an estimated pre-tax loss in fiscal 2021 of \$1.9 billion, and an incremental loss of \$0.2 billion in fiscal 2022 upon closing of the transaction. 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, including the COVID-19 pandemic, 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. However, like other retail companies, we have seen supply chain disruptions contributing to higher than normal inventory levels throughout the year. In addition, our merchandise costs for the fiscal year ended January 31, 2023 have been impacted by high inflation, greater than what we have experienced in recent years. 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 pressure from inflation; 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 framework as:

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

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

Strong, Efficient Growth

Our objective of prioritizing strong, efficient growth means we will focus on the most productive growth opportunities, increasing comparable store and club sales through increasing membership at Sam's Club and through Walmart+, accelerating eCommerce sales growth and expanding omni-channel initiatives that complement our flywheel strategy. At times, we make strategic investments which are focused on the long-term growth of the Company.

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.

Calendar comparable sales, including the impact of fuel, for fiscal 2023 and 2022, were as follows:

	Fiscal Years Ended January 31,			
	2023	2022	2023	2022
	With Fuel		Fuel Impact	
Walmart U.S.	7.0%	6.4%	0.4%	0.3%
Sam's Club	14.6%	15.0%	4.2%	5.5%
Total U.S.	8.2%	7.7%	1.0%	1.2%

Comparable sales in the U.S., including fuel, increased 8.2% and 7.7% in fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. Walmart U.S. comparable sales increased 7.0% and 6.4% in fiscal 2023 and 2022, respectively. 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. For fiscal 2022, comparable sales growth was driven by growth in average ticket and transactions, which included strong consumer spending from government stimulus and some higher inflation impacts in certain merchandise categories compared to recent years. Walmart U.S. eCommerce sales positively contributed approximately 0.7% to comparable sales for both fiscal 2023 and 2022 as we continue to focus on a seamless omni-channel experience for our customers.

Comparable sales at Sam's Club increased 14.6% and 15.0% in fiscal 2023 and 2022, respectively. For fiscal 2023, Sam's Club comparable sales benefited from growth in transactions and average ticket and included higher inflation impacts in certain merchandise categories. Sam's Club comparable sales for fiscal 2022 benefited from growth in transactions and average ticket and was aided by consumer spending due to government stimulus, and also included some higher inflation impacts in certain merchandise categories compared to recent years. The growth in comparable sales was partially offset by our decision to remove tobacco from certain club locations. Sam's Club eCommerce sales positively contributed approximately 0.8% and 1.3% to comparable sales for fiscal 2023 and 2022, respectively.

Consistent Operating Discipline

We operate with discipline by managing expenses, optimizing the efficiency of how we work and creating an environment in which we have sustainable lowest cost to serve. We invest in technology and process improvements to increase productivity, manage inventory and reduce costs. We measure operating discipline through expense leverage, which we define as net sales growing at a faster rate than operating, selling, general and administrative ("operating") expenses.

	Fiscal Years Ended January 31,	
	2023	2022
<i>(Amounts in millions, except unit counts)</i>		
Net sales	\$ 605,881	\$ 567,762
Percentage change from comparable period	6.7 %	2.3 %
Operating, selling, general and administrative expenses	\$ 127,140	\$ 117,812
Percentage change from comparable period	7.9 %	1.3 %
Operating, selling, general and administrative expenses as a percentage of net sales	21.0 %	20.8 %

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 impacted by charges of \$3.3 billion related to opioid-related legal settlements and charges of \$0.8 billion related to the reorganization and restructuring of certain businesses in the Walmart International segment. These charges were partially offset by growth in net sales and lower incremental COVID-19 costs.

For fiscal 2022, operating expenses as a percentage of net sales decreased 19 basis points when compared to the previous fiscal year. Operating expenses as a percentage of net sales benefited from growth in comparable sales and lower incremental COVID-19 related costs of \$2.5 billion as compared to the previous year, partially offset by increased wage investments primarily in the Walmart U.S. segment.

Strategic Capital Allocation

Our strategy includes improving our customer-facing initiatives in stores and clubs and creating a seamless omni-channel experience for our customers. As such, we continue to allocate more capital to supply chain, omni-channel initiatives, technology and store remodels and less to new store and club openings. The following table provides additional detail:

	Fiscal Years Ended January 31,	
	2023	2022
<i>(Amounts in millions)</i>		
Allocation of Capital Expenditures		
Supply chain, customer-facing initiatives and technology	\$ 9,209	\$ 7,197
Store and club remodels	4,990	3,278
New stores and clubs, including expansions and relocations	33	134
Total U.S.	\$ 14,232	\$ 10,609
Walmart International	2,625	2,497
Total capital expenditures	\$ 16,857	\$ 13,106

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 4.6% and 5.6% for fiscal 2023 and 2022, respectively. The decrease in ROA was primarily due to the decrease in net income, which was driven by lower operating income, partially offset by lapping debt extinguishment charges. ROI was 12.7% and 14.9% for fiscal 2023 and 2022, respectively, which was primarily due to a decrease in operating income which included charges associated with opioid-related legal settlements as well as reorganization and restructuring expenses, all recorded in fiscal 2023.

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,	
	2023	2022
<i>(Amounts in millions)</i>		
CALCULATION OF RETURN ON ASSETS		
Numerator		
Consolidated net income	\$ 11,292	\$ 13,940
Denominator		
Average total assets ⁽¹⁾	\$ 244,029	\$ 248,678
Return on assets (ROA)	4.6 %	5.6 %
CALCULATION OF RETURN ON INVESTMENT		
Numerator		
Operating income	\$ 20,428	\$ 25,942
+ Interest income	254	158
+ Depreciation and amortization	10,945	10,658
+ Rent	2,306	2,274
ROI operating income	\$ 33,933	\$ 39,032
Denominator		
Average total assets ⁽¹⁾	\$ 244,029	\$ 248,678
+ Average accumulated depreciation and amortization ⁽¹⁾	106,249	98,199
- Average accounts payable ⁽¹⁾	54,502	52,201
- Average accrued liabilities ⁽¹⁾	28,593	32,013
Average invested capital	\$ 267,183	\$ 262,663
Return on investment (ROI)	12.7 %	14.9 %

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

	As of January 31,		
	2023	2022	2021
Certain Balance Sheet Data			
Total assets	\$ 243,197	\$ 244,860	\$ 252,496
Accumulated depreciation and amortization	110,286	102,211	94,187
Accounts payable	53,742	55,261	49,141
Accrued liabilities	31,126	26,060	37,966

Free Cash Flow

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

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We had net cash provided by operating activities of \$28.8 billion, \$24.2 billion and \$36.1 billion for fiscal 2023, 2022 and 2021, respectively. We generated free cash flow of \$12.0 billion, \$11.1 billion and \$25.8 billion for fiscal 2023, 2022 and 2021, respectively. Net cash provided by operating activities for fiscal 2023 increased when compared to fiscal 2022. The increase is 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 operating cash flows described above, partially offset by an increase of \$3.8 billion in capital expenditures to support our investment strategy. Net cash provided by operating activities for fiscal 2022 decreased when compared to fiscal 2021 primarily due to an increase in inventory costs and purchases to support strong sales and lapping the impact of accelerated inventory sell-through in fiscal 2021, as well as timing and payment of wages. Free cash flow for fiscal 2022 decreased when compared to fiscal 2021 due to the same reasons as the decrease in net cash provided by operating activities, as well as \$2.8 billion in increased capital expenditures.

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.

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2023	2022	2021
Net cash provided by operating activities	\$ 28,841	\$ 24,181	\$ 36,074
Payments for property and equipment	(16,857)	(13,106)	(10,264)
Free cash flow	\$ 11,984	\$ 11,075	\$ 25,810
Net cash used in investing activities ⁽¹⁾	\$ (17,722)	\$ (6,015)	\$ (10,071)
Net cash used in financing activities	(17,039)	(22,828)	(16,117)

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

Results of Operations

Consolidated Results of Operations

(Amounts in millions, except unit counts)	Fiscal Years Ended January 31,		
	2023	2022	2021
Total revenues	\$ 611,289	\$ 572,754	\$ 559,151
Percentage change from comparable period	6.7 %	2.4 %	6.7 %
Net sales	\$ 605,881	\$ 567,762	\$ 555,233
Percentage change from comparable period	6.7 %	2.3 %	6.8 %
Total U.S. calendar comparable sales increase	8.2 %	7.7 %	8.7 %
Gross profit rate	23.5 %	24.4 %	24.3 %
Operating income	\$ 20,428	\$ 25,942	\$ 22,548
Operating income as a percentage of net sales	3.4 %	4.6 %	4.1 %
Loss on extinguishment of debt	\$ —	\$ 2,410	\$ —
Other (gains) and losses	\$ 1,538	\$ 3,000	\$ (210)
Consolidated net income	\$ 11,292	\$ 13,940	\$ 13,706
Unit counts at period end ⁽¹⁾	10,623	10,593	11,443
Retail square feet at period end ⁽¹⁾	1,056	1,060	1,121

⁽¹⁾ 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 \$38.5 billion or 6.7% and \$13.6 billion or 2.4% for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. These increases in revenues were primarily due to increases in net sales, which increased \$38.1 billion or 6.7% and \$12.5 billion or 2.3% for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. 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. For fiscal 2022, the increase was primarily due to strong positive comparable sales for the Walmart U.S. and Sam's Club which benefited from strong U.S. consumer spending and some inflation, along with positive comparable sales in most of our remaining international markets. The increase was partially offset by a \$32.6 billion net sales decrease primarily related to the divestiture of our operations in the U.K. and Japan, which closed in the first quarter of fiscal 2022. Net sales also benefited from a \$4.5 billion positive impact of fluctuations in currency exchange rates during fiscal 2022.

Our gross profit rate decreased 98 and increased 14 basis points for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. 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 2022, the increase was primarily due to price management in the Walmart U.S. segment driven by cost inflation as well as merchandise mix, partially offset by increased supply chain costs.

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 impacted by charges of \$3.3 billion related to opioid-related legal settlements and charges of \$0.8 billion related to the reorganization and restructuring of certain businesses in the Walmart International segment. These charges were partially offset by growth in net sales and lower incremental COVID-19 costs. For fiscal 2022, operating expenses as a percentage of net sales decreased 19 basis points when compared to the previous fiscal year. Operating expenses as a percentage of net sales benefited from growth in comparable sales and lower incremental COVID-19 related costs of \$2.5 billion as compared to the previous year, partially offset by increased wage investments primarily in the Walmart U.S. segment.

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.

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 \$1.5 billion and \$3.0 billion for fiscal 2023 and 2022, respectively. The net loss in fiscal 2023 primarily consists of: (a) net losses associated with the fair value changes of our equity and other investments; (b) a gain of \$0.4 billion recognized on the sale of our remaining equity method investment in Brazil; and (c) a \$0.2 billion dividend from one of our investments. The net loss in fiscal 2022 primarily consists of net losses associated with the fair value changes of our equity investments, as well as \$0.4 billion in incremental losses associated with the divestitures of our operations in the U.K. and Japan, which closed in the first quarter of fiscal 2022.

Our effective income tax rate was 33.6% for fiscal 2023, 25.4% for fiscal 2022, and 33.3% for fiscal 2021, respectively. The increase in our effective tax rate for fiscal 2023 as compared to fiscal 2022 is primarily due to the tax impact of the business reorganization resulting in the full separation of PhonePe from Flipkart. The decrease in our effective tax rate for fiscal 2022 as compared to fiscal 2021 is primarily due to the \$8.3 billion loss related to the divestiture of certain international operations classified as held for sale or sold in fiscal 2021, which provided minimal realizable tax benefit. 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 2023, 2022 and 2021 is presented in [Note 9](#).

As a result of the factors discussed above, we reported \$11.3 billion and \$13.9 billion of consolidated net income for fiscal 2023 and 2022, respectively, which represents a decrease of \$2.6 billion and an increase of \$0.2 billion for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. Diluted net income per common share attributable to Walmart ("EPS") was \$4.27, \$4.87 and \$4.75 for fiscal 2023, 2022 and 2021, respectively.

Walmart U.S. Segment

	Fiscal Years Ended January 31,		
	2023	2022	2021
<i>(Amounts in millions, except unit counts)</i>			
Net sales	\$ 420,553	\$ 393,247	\$ 369,963
Percentage change from comparable period	6.9 %	6.3 %	8.5 %
Calendar comparable sales increase	7.0 %	6.4 %	8.7 %
Operating income	\$ 20,620	\$ 21,587	\$ 19,116
Operating income as a percentage of net sales	4.9 %	5.5 %	5.2 %
Unit counts at period end	4,717	4,742	4,743
Retail square feet at period end	702	703	703

Net sales for the Walmart U.S. segment increased \$27.3 billion or 6.9% and \$23.3 billion or 6.3% for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. The increases in net sales were primarily due to increases in comparable sales of 7.0% and 6.4% for fiscal 2023 and 2022, respectively. 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. Comparable sales in fiscal 2022 were driven by growth in average ticket and transactions, which included strong consumer spending from government stimulus and some higher inflation impacts in certain merchandise categories compared to recent years. Walmart U.S. eCommerce sales positively contributed approximately 0.7% to comparable sales for both fiscal 2023 and 2022, as we continue to focus on a seamless omni-channel experience for our customers.

Gross profit rate decreased 85 basis points for fiscal 2023 and increased 51 basis points for fiscal 2022, when compared to the respective previous fiscal year. 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. Gross profit rate for fiscal 2022 benefited from price management driven by cost inflation as well as merchandise mix, which includes lapping the temporary closures of our Auto Care and Vision Centers and growth in our advertising business, partially offset by increased supply chain costs.

Operating expenses as a percentage of segment net sales decreased 25 basis points for fiscal 2023 when compared to the previous fiscal year primarily driven by strong sales growth and lower incremental COVID-19 related costs, partially offset by increased wage costs. For fiscal 2022, operating expenses as a percentage of segment net sales increased 31 basis points primarily due to investments in wages, partially offset by lower incremental COVID-19 related costs of \$1.9 billion.

As a result of the factors discussed above, segment operating income decreased \$1.0 billion and increased \$2.5 billion for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year.

Walmart International Segment

	Fiscal Years Ended January 31,		
	2023	2022	2021
(Amounts in millions, except unit counts)			
Net sales	\$ 100,983	\$ 100,959	\$ 121,360
Percentage change from comparable period	— %	(16.8)%	1.0 %
Operating income	\$ 2,965	\$ 3,758	\$ 3,660
Operating income as a percentage of net sales	2.9 %	3.7 %	3.0 %
Unit counts at period end	5,306	5,251	6,101
Retail square feet at period end	273	277	337

Net sales for the Walmart International segment were flat and decreased \$20.4 billion or 16.8% for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. For fiscal 2023, net sales benefited from positive comparable sales in 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. For fiscal 2022, the reduction in net sales was driven by a \$32.6 billion decrease primarily related to the divestitures of our operations in the U.K. and Japan, which closed during the first quarter of fiscal 2022. This decrease was partially offset by positive comparable sales in most of our remaining markets, as well as positive fluctuations in currency exchange rates of \$4.5 billion.

Gross profit rate decreased 50 basis points and 55 basis points for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. 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. For fiscal 2022, the decrease was primarily driven by shifts into lower margin formats and the impact related to our divested markets.

Operating expenses as a percentage of segment net sales increased 41 basis points and decreased 71 basis points for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. The increase in operating expenses as a percentage of segment net sales for fiscal 2023 was primarily due to business reorganization and restructuring charges incurred related to Flipkart and Massmart during the fourth quarter. For fiscal 2022, the decrease was primarily due to impacts from the divested markets and \$0.4 billion of lower incremental COVID-19 related costs. Operating expenses as a percentage of net sales benefited from depreciation and amortization expense not having been recorded for our operations in the U.K. and Japan subsequent to their held for sale classification at the end of fiscal 2021 and prior to closing during the first quarter of fiscal 2022.

As a result of the factors discussed above, segment operating income decreased \$0.8 billion and increased \$0.1 billion for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year.

Sam's Club Segment

	Fiscal Years Ended January 31,		
	2023	2022	2021
(Amounts in millions, except unit counts)			
Including Fuel			
Net sales	\$ 84,345	\$ 73,556	\$ 63,910
Percentage change from comparable period	14.7 %	15.1 %	8.7 %
Calendar comparable sales increase	14.6 %	15.0 %	8.7 %
Operating income	\$ 1,964	\$ 2,259	\$ 1,906
Operating income as a percentage of net sales	2.3 %	3.1 %	3.0 %
Unit counts at period end	600	600	599
Retail square feet at period end	80	80	80
Excluding Fuel ⁽¹⁾			
Net sales	\$ 71,665	\$ 64,860	\$ 59,184
Percentage change from comparable period	10.5 %	9.6 %	12.1 %
Operating income	\$ 1,352	\$ 1,923	\$ 1,645
Operating income as a percentage of net sales	1.9 %	3.0 %	2.8 %

⁽¹⁾ 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 \$10.8 billion or 14.7% and \$9.6 billion or 15.1% for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. For fiscal 2023, the increase was primarily due to comparable sales growth, including fuel, of 14.6%. Comparable sales 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 0.8% to comparable sales which was primarily driven by ship to home and curbside pickup. For fiscal 2022, the increase was primarily due to comparable sales growth, including fuel, of 15.0%. Comparable sales benefited from growth in transactions and average ticket due to increased consumer spending, which was aided by government stimulus, and also includes some

higher inflation impacts in certain merchandise categories. The growth in comparable sales was partially offset by our decision to remove tobacco from certain club locations. Sam's Club eCommerce sales positively contributed approximately 1.3% to comparable sales.

Gross profit rate decreased 155 basis points and 68 basis points for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. For fiscal 2023, the decrease in gross profit rate was primarily due to inventory write-downs, elevated supply chain and eCommerce fulfillment costs and inflation related LIFO charges. For fiscal 2022, gross profit rate decreased primarily due to increased fuel sales which have lower margins, cost inflation, and higher supply chain costs, partially offset by favorable sales mix, including reduced tobacco sales.

Membership and other income increased 7.0% and 13.1% for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. For fiscal 2023 and 2022, the increase was primarily due to increases in new member sign-ups and Plus member penetration.

Operating expenses as a percentage of segment net sales decreased 97 basis points and 82 basis points for fiscal 2023 and 2022, respectively, when compared to the previous fiscal year. Fiscal 2023 operating expenses as a percentage of net sales decreased primarily due to higher sales. Fiscal 2022 operating expenses as a percentage of net sales decreased primarily due to higher sales as well as a benefit from \$0.2 billion of lower incremental COVID-19 related costs, partially offset by reduced tobacco sales.

As a result of the factors discussed above, segment operating income decreased \$0.3 billion and increased \$0.4 billion for fiscal 2023 and 2022, 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 thereafter for the foreseeable future.

Net Cash Provided by Operating Activities

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2023	2022	2021
Net cash provided by operating activities	\$ 28,841	\$ 24,181	\$ 36,074

Net cash provided by operating activities was \$28.8 billion, \$24.2 billion and \$36.1 billion for fiscal 2023, 2022 and 2021, respectively. Net cash provided by operating activities for fiscal 2023 increased when compared to the previous fiscal year. The increase is primarily due to moderated levels of inventory purchases, partially offset by a decline in operating income and the timing of certain payments. The decrease in net cash provided by operating activities for fiscal 2022, when compared to the previous fiscal year, was primarily due to an increase in inventory costs and purchases to support strong sales and lapping the impact of accelerated inventory sell-through in fiscal 2021, as well as timing and payment of wages.

Cash Equivalents and Working Capital Deficit

Cash and cash equivalents were \$8.6 billion and \$14.8 billion as of January 31, 2023 and 2022, respectively. Our working capital deficit, defined as total current assets less total current liabilities, was \$16.5 billion and \$6.3 billion as of January 31, 2023 and 2022, respectively. The increase in our working capital deficit is primarily driven by a decrease in cash and cash equivalents and an increase in accrued liabilities. 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. Historically, U.S. taxes were due upon repatriation of foreign earnings. Due to the enactment of U.S. tax reform, 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, 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, 2023 and 2022, cash and cash equivalents of \$2.9 billion and \$4.3 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,		
	2023	2022	2021
Net cash used in investing activities	\$ (17,722)	\$ (6,015)	\$ (10,071)

Net cash used in investing activities was \$17.7 billion, \$6.0 billion and \$10.1 billion for fiscal 2023, 2022 and 2021, respectively, and generally consisted of capital expenditures. 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. Net cash used in investing activities decreased \$4.1 billion for fiscal 2022 when compared to the previous fiscal year, primarily due to the net proceeds received from the divestitures of our operations in the U.K. and Japan, partially offset by increased capital expenditures.

Capital expenditures

Refer to the "[Strategic Capital Allocation](#)" section in our [Company Performance Metrics](#) for capital expenditure detail for fiscal 2023 and 2022. For the fiscal year ending January 31, 2024 ("fiscal 2024"), we project capital expenditures will be approximately \$17 billion to \$18 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,		
	2023	2022	2021
Net cash used in financing activities	\$ (17,039)	\$ (22,828)	\$ (16,117)

Net cash from financing activities generally consists of debt transactions, dividends paid, repurchases of Company stock and transactions with noncontrolling interest shareholders. Fiscal 2023 net cash used in financing activities decreased \$5.8 billion when compared to the previous fiscal year. The decrease is primarily due to repayments of long-term debt and related payment of premiums for the early extinguishment of certain notes in the prior fiscal period, partially offset by the equity funding from the sale of subsidiary stock in the prior fiscal period. Fiscal 2022 net cash used in financing activities increased \$6.7 billion when compared to the previous fiscal year. The increase was primarily due to repayments of long-term debt and related payment of premiums for the early extinguishment of certain notes, as well as increased share repurchases, partially offset by long-term debt issuances and equity funding from the sale of subsidiary stock.

Purchase and Sale of Subsidiary Stock

In the fourth quarter of 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 of 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.

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%.

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 Company's short-term borrowings for fiscal 2023, 2022 and 2021:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2023	2022	2021
Maximum amount outstanding at any month-end	\$ 11,432	\$ 716	\$ 4,048
Average daily short-term borrowings	7,250	626	1,577
Annual weighted-average interest rate	2.4 %	3.7 %	3.1 %

Short-term borrowings as of January 31, 2023 and 2022 were \$0.4 billion, with weighted-average interest rates of 6.6% and 2.9%, respectively. We also have \$15.0 billion of various undrawn committed lines of credit in the U.S. as of January 31, 2023 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, 2023, we have \$2.1 billion of syndicated and fronted letters of credit available, of which \$1.8 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 2023:

<i>(Amounts in millions)</i>	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2022	\$ 2,803	\$ 34,864	\$ 37,667
Proceeds from issuance of long-term debt	—	5,041	5,041
Repayments of long-term debt	(2,689)	—	(2,689)
Reclassifications of long-term debt	4,197	(4,197)	—
Currency and other adjustments	(120)	(1,059)	(1,179)
Balances as of January 31, 2023	<u>\$ 4,191</u>	<u>\$ 34,649</u>	<u>\$ 38,840</u>

Our total outstanding long-term debt increased \$1.2 billion during fiscal 2023, primarily due to the issuance of new long-term debt in September 2022, 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 \$18.8 billion, with approximately \$1.7 billion expected to be paid in fiscal 2024. Estimated interest payments are based on our principal amounts and expected maturities of all debt outstanding as of January 31, 2023 and assumes interest rates remain at current levels for our variable rate instruments.

Dividends

Our total dividend payments were \$6.1 billion, \$6.2 billion and \$6.1 billion for fiscal 2023, 2022 and 2021, respectively. Effective February 21, 2023, the Company approved the fiscal 2024 annual dividend of \$2.28 per share, an increase over the fiscal 2023 annual dividend of \$2.24 per share. For fiscal 2024, the annual dividend will be paid in four quarterly installments of \$0.57 per share, according to the following record and payable dates:

Record Date	Payable Date
March 17, 2023	April 3, 2023
May 5, 2023	May 30, 2023
August 11, 2023	September 5, 2023
December 8, 2023	January 2, 2024

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 the fiscal year prior to November 21, 2022 were made under the plan in effect at the beginning of fiscal 2022. In November 2022, the Company approved a new \$20.0 billion share repurchase program which, beginning on November 21, 2022, replaced the previous share repurchase program. As of January 31, 2023, authorization for \$19.3 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 2023, 2022 and 2021:

<i>(Amounts in millions, except per share data)</i>	Fiscal Years Ended January 31,		
	2023	2022	2021
Total number of shares repurchased	73.9	69.7	19.4
Average price paid per share	\$ 134.17	\$ 140.45	\$ 135.20
Total amount paid for share repurchases	\$ 9,920	\$ 9,787	\$ 2,625

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 opioid and other legal settlements, short-term borrowings, long-term debt and related interest payments, leases, purchases of subsidiary stock and purchase obligations. See [Note 3](#), [Note 6](#) and [Note 7](#) to our Consolidated Financial Statements for information regarding purchase of subsidiary stock, outstanding short-term borrowings and long-term debt, and leases, respectively.

As of January 31, 2023, the Company has \$33.3 billion of unrecorded purchase obligations outstanding, of which \$11.6 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, 2023, 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 as well as 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. 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 items related to the Asda Equal Value Claims matter, the Money Transfer Agent Services Matters and 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.

Inventories

The Walmart U.S. segment comprises the largest portion of our inventory and is primarily accounted for under the retail inventory method of accounting to determine inventory cost, using the last-in, first-out ("LIFO") valuation method. The majority of the Sam's Club segment inventories are accounted for and valued using the weighted-average cost LIFO method. When necessary, we record a LIFO provision for the estimated annual effect of inflation, and these estimates are adjusted to actual results determined at year-end. As a measure of sensitivity, an incremental 1% inflationary impact to the cost of our inventory purchases would not have resulted in a material increase to the LIFO provision recorded during fiscal 2023.

Indefinite-Lived Intangible Assets

Intangible assets acquired in a business combination are stated at the fair value acquired as determined by a valuation technique commensurate with the intended use of the related asset. Significant estimates in valuing certain intangible assets include, but are not limited to, the amount and timing of future cash flows, growth rates, discount rates and useful lives. Indefinite-lived acquired intangible assets are not amortized but are evaluated for impairment annually and whenever events or changes in circumstances indicate that the value of the asset may be impaired. Generally, this evaluation begins with a qualitative assessment to determine whether a quantitative impairment test is necessary. If we determine, after performing an assessment based on qualitative factors, that the fair value of the indefinite-lived acquired intangible asset is more likely than not less than the carrying amount, then a quantitative impairment test would be performed. The quantitative test for impairment requires management to make judgments relating to future cash flows, growth rates and economic and market conditions. Our indefinite-lived acquired intangible assets have historically generated sufficient returns to recover their cost. Because of the nature of the factors used in these tests, if different conditions occur in future periods, future operating results could be materially impacted.

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.

Income Taxes

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

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

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

As guidance is issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, any resulting changes to our estimates will be treated in accordance with the relevant accounting guidance.

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 2023, the net fair value of our interest rate swaps decreased \$0.6 billion 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, 2023.

(Amounts in millions)	Expected Maturity Date							Total
	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	Fiscal 2028	Thereafter		
Liabilities								
Short-term borrowings:								
Variable rate	\$ 372	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 372
Weighted-average interest rate	6.6 %	— %	— %	— %	— %	— %	— %	6.6 %
Long-term debt⁽¹⁾:								
Fixed rate	\$ 4,191	\$ 3,516	\$ 2,604	\$ 2,737	\$ 1,817	\$ 23,975	\$ —	\$ 38,840
Weighted-average interest rate	3.2 %	2.9 %	3.8 %	2.0 %	3.5 %	4.3 %	— %	3.8 %
Interest rate derivatives								
Interest rate swaps:								
Fixed to variable	\$ 1,750	\$ 1,500	\$ —	\$ —	\$ —	\$ 4,771	\$ —	\$ 8,021
Weighted-average pay rate	5.2 %	5.9 %	— %	— %	— %	— %	5.8 %	5.7 %
Weighted-average receive rate	2.6 %	3.3 %	— %	— %	— %	— %	2.5 %	2.7 %

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

As of January 31, 2023, our variable rate borrowings, including the effect of our commercial paper and interest rate swaps, represented 21% of our total short-term and long-term debt. Based on January 31, 2023 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 2023, movements in currency exchange rates and the related impact on the translation of the balance sheets resulted in the \$1.1 billion net loss 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 \$1.4 billion and \$1.0 billion as of January 31, 2023 and January 31, 2022, respectively. The change in the fair value of these swaps was due to fluctuations in currency exchange rates, primarily due to the strengthening of the U.S. dollar relative to certain currencies in fiscal 2023. 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, 2023 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 equity securities, as well as certain immaterial equity method investments where we have elected the fair value option measured on a recurring basis. These changes in fair value are recorded within other gains and losses and resulted in a loss of \$1.7 billion in fiscal 2023 primarily due to net decreases in the underlying stock prices of those investments. As of January 31, 2023, the fair value of our equity investments, including certain equity method investments, measured on a recurring basis was \$10.7 billion. As of January 31, 2023, a hypothetical 10% change in the stock price of such investments would have changed the fair value of such investments by approximately \$1.1 billion.

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

**Consolidated Financial Statements of Walmart Inc.
For the Fiscal Year Ended January 31, 2023**

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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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2023, 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, 2023, 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 17, 2023 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 disclosure to which it relates.

Contingencies

Description of the Matter

As described in Note 10 to the Consolidated Financial Statements, at January 31, 2023, the Company is involved in a number of legal proceedings and 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, such as whether sufficient participation in settlement proceedings will occur, or whether it can predict the number of claims that may be filed. For example, management exercised judgment in accruing a liability for approximately \$3.3 billion for the Settlement Framework and other previously agreed state and tribal settlements regarding opioid-related lawsuits. 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 occurrence 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 occurrence 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, and evaluated the current status of contingencies based on discussions with internal and outside legal counsel. As part of this assessment, we evaluated management's assumptions and calculations by, among other things, comparing those assumptions to key terms in the Settlement Framework and to payments made during the year. 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 17, 2023

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, 2023, 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, 2023, 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 Walmart Inc. as of January 31, 2023 and 2022, 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, 2023, and the related notes and our report dated March 17, 2023 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 17, 2023

Walmart Inc.
Consolidated Statements of Income

	Fiscal Years Ended January 31,		
	2023	2022	2021
<i>(Amounts in millions, except per share data)</i>			
Revenues:			
Net sales	\$ 605,881	\$ 567,762	\$ 555,233
Membership and other income	5,408	4,992	3,918
Total revenues	611,289	572,754	559,151
Costs and expenses:			
Cost of sales	463,721	429,000	420,315
Operating, selling, general and administrative expenses	127,140	117,812	116,288
Operating income	20,428	25,942	22,548
Interest:			
Debt	1,787	1,674	1,976
Finance lease	341	320	339
Interest income	(254)	(158)	(121)
Interest, net	1,874	1,836	2,194
Loss on extinguishment of debt	—	2,410	—
Other (gains) and losses	1,538	3,000	(210)
Income before income taxes	17,016	18,696	20,564
Provision for income taxes	5,724	4,756	6,858
Consolidated net income	11,292	13,940	13,706
Consolidated net (income) loss attributable to noncontrolling interest	388	(267)	(196)
Consolidated net income attributable to Walmart	\$ 11,680	\$ 13,673	\$ 13,510
Net income per common share:			
Basic net income per common share attributable to Walmart	\$ 4.29	\$ 4.90	\$ 4.77
Diluted net income per common share attributable to Walmart	4.27	4.87	4.75
Weighted-average common shares outstanding:			
Basic	2,724	2,792	2,831
Diluted	2,734	2,805	2,847
Dividends declared per common share	\$ 2.24	\$ 2.20	\$ 2.16

See accompanying notes.

Walmart Inc.
Consolidated Statements of Comprehensive Income

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2023	2022	2021
Consolidated net income	\$ 11,292	\$ 13,940	\$ 13,706
Consolidated net (income) loss attributable to noncontrolling interest	388	(267)	(196)
Consolidated net income attributable to Walmart	11,680	13,673	13,510
Other comprehensive income (loss), net of income taxes			
Currency translation and other	(1,858)	2,442	842
Net investment hedges	—	(1,202)	(221)
Cash flow hedges	(203)	(444)	235
Minimum pension liability	5	1,974	(30)
Other comprehensive income (loss), net of income taxes	(2,056)	2,770	826
Other comprehensive loss attributable to noncontrolling interest	404	230	213
Other comprehensive income (loss) attributable to Walmart	(1,652)	3,000	1,039
Comprehensive income, net of income taxes	9,236	16,710	14,532
Comprehensive (income) loss attributable to noncontrolling interest	792	(37)	17
Comprehensive income attributable to Walmart	\$ 10,028	\$ 16,673	\$ 14,549

See accompanying notes.

Walmart Inc.
Consolidated Balance Sheets

(Amounts in millions)	As of January 31,	
	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,625	\$ 14,760
Receivables, net	7,933	8,280
Inventories	56,576	56,511
Prepaid expenses and other	2,521	1,519
Total current assets	75,655	81,070
Property and equipment, net	100,760	94,515
Operating lease right-of-use assets	13,555	13,758
Finance lease right-of-use assets, net	4,919	4,351
Goodwill	28,174	29,014
Other long-term assets	20,134	22,152
Total assets	\$ 243,197	\$ 244,860
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY		
Current liabilities:		
Short-term borrowings	\$ 372	\$ 410
Accounts payable	53,742	55,261
Accrued liabilities	31,126	26,060
Accrued income taxes	727	851
Long-term debt due within one year	4,191	2,803
Operating lease obligations due within one year	1,473	1,483
Finance lease obligations due within one year	567	511
Total current liabilities	92,198	87,379
Long-term debt	34,649	34,864
Long-term operating lease obligations	12,828	13,009
Long-term finance lease obligations	4,843	4,243
Deferred income taxes and other	14,688	13,474
Commitments and contingencies		
Redeemable noncontrolling interest	237	—
Equity:		
Common stock	269	276
Capital in excess of par value	4,969	4,839
Retained earnings	83,135	86,904
Accumulated other comprehensive loss	(11,680)	(8,766)
Total Walmart shareholders' equity	76,693	83,253
Noncontrolling interest	7,061	8,638
Total equity	83,754	91,891
Total liabilities, redeemable noncontrolling interest, and equity	\$ 243,197	\$ 244,860

See accompanying notes.

Walmart Inc.
Consolidated Statements of Shareholders' Equity

<i>(Amounts in millions)</i>	Common Stock		Capital in	Retained	Accumulated	Total	Noncontrolling	Total
	Shares	Amount	Excess of Par Value	Earnings	Other Comprehensive Income (Loss)	Walmart Shareholders' Equity	Interest	Equity
Balances as of February 1, 2020	2,832	\$ 284	\$ 3,247	\$ 83,943	\$ (12,805)	\$ 74,669	\$ 6,883	\$ 81,552
Consolidated net income	—	—	—	13,510	—	13,510	196	13,706
Other comprehensive income (loss), net of income taxes	—	—	—	—	1,039	1,039	(213)	826
Cash dividends declared (\$2.16 per share)	—	—	—	(6,116)	—	(6,116)	—	(6,116)
Purchase of Company stock	(20)	(2)	(97)	(2,559)	—	(2,658)	—	(2,658)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(365)	(365)
Sale of subsidiary stock	—	—	29	—	—	29	111	140
Other	9	—	467	(15)	—	452	(6)	446
Balances as of January 31, 2021	<u>2,821</u>	<u>282</u>	<u>3,646</u>	<u>88,763</u>	<u>(11,766)</u>	<u>80,925</u>	<u>6,606</u>	<u>87,531</u>
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 (\$2.20 per share)	—	—	—	(6,152)	—	(6,152)	—	(6,152)
Purchase of Company stock	(70)	(7)	(426)	(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	10	1	667	(5)	—	663	124	787
Balances as of January 31, 2022	<u>2,761</u>	<u>276</u>	<u>4,839</u>	<u>86,904</u>	<u>(8,766)</u>	<u>83,253</u>	<u>8,638</u>	<u>91,891</u>
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 (\$2.24 per share)	—	—	—	(6,114)	—	(6,114)	—	(6,114)
Purchase of Company stock	(74)	(7)	(533)	(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	6	—	633	(9)	—	624	139	763
Balances as of January 31, 2023	<u>2,693</u>	<u>269</u>	<u>4,969</u>	<u>83,135</u>	<u>(11,680)</u>	<u>76,693</u>	<u>7,061</u>	<u>83,754</u>

See accompanying notes.

Walmart Inc.
Consolidated Statements of Cash Flows

	Fiscal Years Ended January 31,		
	2023	2022	2021
<i>(Amounts in millions)</i>			
Cash flows from operating activities:			
Consolidated net income	\$ 11,292	\$ 13,940	\$ 13,706
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation and amortization	10,945	10,658	11,152
Net unrealized and realized (gains) and losses	1,683	2,440	(8,589)
Losses on disposal of business operations	—	433	8,401
Deferred income taxes	449	(755)	1,911
Loss on extinguishment of debt	—	2,410	—
Other operating activities	1,919	1,652	1,521
Changes in certain assets and liabilities, net of effects of acquisitions and dispositions:			
Receivables, net	240	(1,796)	(1,086)
Inventories	(528)	(11,764)	(2,395)
Accounts payable	(1,425)	5,520	6,966
Accrued liabilities	4,393	1,404	4,623
Accrued income taxes	(127)	39	(136)
Net cash provided by operating activities	<u>28,841</u>	<u>24,181</u>	<u>36,074</u>
Cash flows from investing activities:			
Payments for property and equipment	(16,857)	(13,106)	(10,264)
Proceeds from the disposal of property and equipment	170	394	215
Proceeds from disposal of certain operations, net of divested cash	—	7,935	56
Payments for business acquisitions, net of cash acquired	(740)	(359)	(180)
Other investing activities	(295)	(879)	102
Net cash used in investing activities	<u>(17,722)</u>	<u>(6,015)</u>	<u>(10,071)</u>
Cash flows from financing activities:			
Net change in short-term borrowings	(34)	193	(324)
Proceeds from issuance of long-term debt	5,041	6,945	—
Repayments of long-term debt	(2,689)	(13,010)	(5,382)
Premiums paid to extinguish debt	—	(2,317)	—
Dividends paid	(6,114)	(6,152)	(6,116)
Purchase of Company stock	(9,920)	(9,787)	(2,625)
Dividends paid to noncontrolling interest	(444)	(424)	(434)
Purchase of noncontrolling interest	(827)	—	—
Sale of subsidiary stock	66	3,239	140
Other financing activities	(2,118)	(1,515)	(1,376)
Net cash used in financing activities	<u>(17,039)</u>	<u>(22,828)</u>	<u>(16,117)</u>
Effect of exchange rates on cash, cash equivalents and restricted cash	<u>(73)</u>	<u>(140)</u>	<u>235</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(5,993)	(4,802)	10,121
Change in cash and cash equivalents reclassified from (to) assets held for sale	—	1,848	(1,848)
Cash, cash equivalents and restricted cash at beginning of year	14,834	17,788	9,515
Cash, cash equivalents and restricted cash at end of year	<u>\$ 8,841</u>	<u>\$ 14,834</u>	<u>\$ 17,788</u>
Supplemental disclosure of cash flow information:			
Income taxes paid	\$ 3,310	\$ 5,918	\$ 5,271
Interest paid	2,051	2,237	2,216

See accompanying notes.

Walmart Inc.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

General

Walmart Inc. ("Walmart" or the "Company") people-led, technology-powered omni-channel retailer dedicated to help 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, 2023 ("fiscal 2023"), January 31, 2022 ("fiscal 2022") and January 31, 2021 ("fiscal 2021"). 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 2023 related to the operations consolidated using a lag that materially affected the Consolidated Financial Statements.

Use of Estimates

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

Cash and Cash Equivalents

The Company considers investments with a maturity when purchased of three months or less to be cash equivalents. All credit card, debit card and electronic transfer transactions that process in less than seven days are classified as cash and cash equivalents. The amounts due from banks for these transactions classified as cash and cash equivalents totaled \$2.0 billion and \$1.7 billion as of January 31, 2023 and 2022, respectively.

The Company's cash balances are held in various locations around the world. Of the Company's \$8.6 billion and \$14.8 billion in cash and cash equivalents as of January 31, 2023 and January 31, 2022, approximately 62% and 50% 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, 2023 and 2022, cash and cash equivalents of approximately \$2.9 billion and \$4.3 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. As of January 31, 2023 and January 31, 2022, net receivables from transactions with customers were \$3.7 billion and \$3.4 billion, respectively.

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,	
		2023	2022
Land	N/A	\$ 19,317	\$ 19,204
Buildings and improvements	3 - 40	104,554	100,376
Fixtures and equipment	2 - 30	65,235	60,282
Transportation equipment	3 - 15	2,462	2,263
Construction in progress	N/A	10,802	7,199
Property and equipment		202,370	189,324
Accumulated depreciation		(101,610)	(94,809)
Property and equipment, net		\$ 100,760	\$ 94,515

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 2023, 2022 and 2021 was \$10.9 billion, \$10.7 billion and \$11.2 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, 2023, 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.

The following table reflects goodwill activity, by reportable segment, for fiscal 2023 and 2022:

<i>(Amounts in millions)</i>	Walmart U.S.	Walmart International	Sam's Club	Total
Balances as of February 1, 2021	\$ 2,696	\$ 25,966	\$ 321	\$ 28,983
Changes in currency translation and other	—	(415)	—	(415)
Acquisitions	245	201	—	446
Balances as of January 31, 2022	2,941	25,752	321	29,014
Changes in currency translation and other	—	(1,475)	—	(1,475)
Acquisitions	433	202	—	635
Balances as of January 31, 2023	<u>\$ 3,374</u>	<u>\$ 24,479</u>	<u>\$ 321</u>	<u>\$ 28,174</u>

Intangible assets are recorded in other long-term assets in the Company's Consolidated Balance Sheets. As of January 31, 2023 and 2022, the Company had \$4.3 billion and \$4.8 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 2023, 2022 or 2021.

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 fair value of equity securities, as well as certain immaterial equity method investments where the Company has elected the fair value option measured on a recurring basis, are 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 \$1.7 billion and \$2.4 billion for fiscal 2023 and fiscal 2022, respectively and net gains of \$8.6 billion in fiscal 2021, 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, 2023 and January 31, 2022, the Company had \$0.5 billion and \$1.0 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, 2023 and January 31, 2022, the Company had \$0.6 billion and \$0.7 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 \$3.1 billion, based on exchange rates as of January 31, 2023.

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, 2023 and 2022.

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 2023 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 on 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, 2023, 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 \$2.6 billion for fiscal 2023, \$2.2 billion for fiscal 2022 and \$1.7 billion for fiscal 2021. 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, except in certain limited situations when the payment is a reimbursement of specific, incremental and identifiable costs, and are recognized in the Company's Consolidated Statements of Income when the related inventory is sold.

Operating, Selling, General and Administrative Expenses

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

Advertising Costs

Advertising costs are expensed as incurred, consist primarily of digital, television and print advertisements and are recorded in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. Advertising costs were \$4.1 billion, \$3.9 billion and \$3.2 billion for fiscal 2023, 2022 and 2021, 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 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 amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the disclosure of rollforward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. The amendments should be applied retrospectively to each period in which a balance sheet is presented, except for disclosure of rollforward information, which 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 2023, 2022 and 2021.

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

<i>(Amounts in millions, except per share data)</i>	Fiscal Years Ended January 31,		
	2023	2022	2021
Numerator			
Consolidated net income	\$ 11,292	\$ 13,940	\$ 13,706
Consolidated net (income) loss attributable to noncontrolling interest	388	(267)	(196)
Consolidated net income attributable to Walmart	\$ 11,680	\$ 13,673	\$ 13,510
Denominator			
Weighted-average common shares outstanding, basic	2,724	2,792	2,831
Dilutive impact of stock options and other share-based awards	10	13	16
Weighted-average common shares outstanding, diluted	2,734	2,805	2,847
Net income per common share attributable to Walmart			
Basic	\$ 4.29	\$ 4.90	\$ 4.77
Diluted	4.27	4.87	4.75

Note 3. Shareholders' Equity

The total authorized shares of \$0.10 par value common stock is 11.0 billion, of which 2.7 billion and 2.8 billion were issued and outstanding as of January 31, 2023 and 2022, respectively.

Purchases and Sales of Subsidiary Stock

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, a digital transaction platform in India, 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 recorded a liability to noncontrolling interest holders of \$0.9 billion within accrued liabilities on the Company's Consolidated Balance Sheet.

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%.

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 \$1.6 billion, \$1.2 billion and \$1.2 billion for fiscal 2023, 2022 and 2021, 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 \$0.4 billion, \$0.3 billion and \$0.3 billion for fiscal 2023, 2022 and 2021, respectively. The following table summarizes the Company's share-based compensation expense by award type for all plans:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2023	2022	2021
Restricted stock units	\$ 927	\$ 659	\$ 742
Restricted stock and performance-based restricted stock units	444	321	277
Other	207	183	150
Share-based compensation expense	\$ 1,578	\$ 1,163	\$ 1,169

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 260 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 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 2023, 2022 and 2021 was 2.3%, 3.8% and 4.4%, 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 2023, 2022 and 2021 was 3.3%, 4.2% and 4.5%, 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 2023:

	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, 2022	17,283	\$ 111.42	6,140	\$ 125.25
Granted	9,357	143.97	4,572	142.74
Adjustment for performance achievement ⁽¹⁾	—	—	638	132.00
Vested/exercised	(8,338)	111.69	(3,242)	120.18
Forfeited	(2,082)	127.36	(948)	128.68
Outstanding as of January 31, 2023	16,220	\$ 128.01	7,160	\$ 138.86

⁽¹⁾ 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:

	Fiscal Years Ended January 31,		
	2023	2022	2021
<i>(Amounts in millions, except years)</i>			
Fair value of restricted stock units vested	\$ 931	\$ 703	\$ 597
Fair value of restricted stock and performance-based restricted stock units vested	390	264	275
Unrecognized compensation cost for restricted stock units	1,323	1,102	1,062
Unrecognized compensation cost for restricted stock and performance-based restricted stock units	548	417	344
Weighted average remaining period to expense for restricted stock units (years)	1.0	1.2	1.1
Weighted average remaining period to expense for restricted stock and performance-based restricted stock units (years)	1.4	1.5	1.4

Share Repurchase Program

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made during the fiscal year prior to November 21, 2022 were made under the plan in effect at the beginning of fiscal 2022. In November 2022, the Company approved a new \$20.0 billion share repurchase program which has no expiration date or other restrictions limiting the period over which the Company can make repurchases, and beginning November 21, 2022, replaced the previous share repurchase program. As of January 31, 2023 authorization for \$19.3 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 2023, 2022 and 2021:

	Fiscal Years Ended January 31,		
	2023	2022	2021
<i>(Amounts in millions, except per share data)</i>			
Total number of shares repurchased	73.9	69.7	19.4
Average price paid per share	\$ 134.17	\$ 140.45	\$ 135.20
Total cash paid for share repurchases	\$ 9,920	\$ 9,787	\$ 2,625

Note 4. Accumulated Other Comprehensive Loss

The following table provides the changes in the composition of total accumulated other comprehensive loss for fiscal 2023, 2022 and 2021:

<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
Balances as of February 1, 2020	\$ (11,827)	\$ 1,517	\$ (539)	\$ (1,956)	\$ (12,805)
Other comprehensive income (loss) before reclassifications, net	214	(221)	186	(172)	7
Reclassifications to income, net ⁽¹⁾	841	—	49	142	1,032
Balances as of January 31, 2021	(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 ⁽²⁾	3,258	(1,195)	30	1,966	4,059
Reclassifications to income, net	—	—	66	8	74
Balances as of January 31, 2022	(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 ⁽³⁾	(1,262)	—	—	—	(1,262)
Reclassifications to income, net	(309)	—	368	—	59
Balances as of January 31, 2023	\$ (10,816)	\$ 94	\$ (951)	\$ (7)	\$ (11,680)

⁽¹⁾ Includes a cumulative foreign currency translation loss of \$0.8 billion, for which there was no related income taxes, upon sale of the majority stake in Walmart Argentina. Refer to [Note 12](#).

⁽²⁾ 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.

⁽³⁾ 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 foreign currency on matured bonds (reflected in currency translation and other) and derivatives are 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, 2023 and 2022:

(Amounts in millions)	January 31,	
	2023	2022
Accrued wages and benefits ⁽¹⁾	8,287	7,908
Self-insurance ⁽²⁾	4,724	4,652
Accrued non-income taxes ⁽³⁾	3,425	3,247
Opioid litigation settlement ⁽⁴⁾	2,949	—
Deferred gift card revenue	2,488	2,559
Other ⁽⁵⁾	9,253	7,694
Total accrued liabilities	\$ 31,126	\$ 26,060

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

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

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

⁽⁴⁾ Represents the remaining balance for the opioids litigation settlement. See [Note 10](#).

⁽⁵⁾ Other accrued liabilities includes items such as deferred membership revenue, the purchase of PhonePe stock (see [Note 3](#)), interest, 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, 2023 and 2022 were \$0.4 billion, with weighted-average interest rates of 6.6% and 2.9%, 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, 2023			January 31, 2022		
	Available	Drawn	Undrawn	Available	Drawn	Undrawn
Five-year credit facility ⁽¹⁾	\$ 5,000	\$ —	\$ 5,000	\$ 5,000	\$ —	\$ 5,000
364-day revolving credit facility ⁽¹⁾	10,000	—	10,000	10,000	—	10,000
Total	\$ 15,000	\$ —	\$ 15,000	\$ 15,000	\$ —	\$ 15,000

⁽¹⁾ In April 2022, 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 2023 and April 2027, carry interest rates of SOFR plus 60 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 and \$1.8 billion as of January 31, 2023 and 2022, respectively, of which \$1.8 billion and \$1.7 billion was drawn as of January 31, 2023 and 2022, 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, 2023 and 2022:

(Amounts in millions)	January 31, 2023			January 31, 2022	
	Maturity Dates By Fiscal Year	Amount	Average Rate ⁽¹⁾	Amount	Average Rate ⁽¹⁾
Unsecured debt					
Fixed	2024 - 2053	\$ 33,707	3.6%	\$ 29,957	3.5%
Total U.S. dollar denominated		33,707		29,957	
Fixed	2027 - 2030	1,790	4.0%	2,787	3.3%
Total Euro denominated		1,790		2,787	
Fixed	2031 - 2039	3,318	5.4%	3,601	5.4%
Total Sterling denominated		3,318		3,601	
Fixed	2025 - 2028	767	0.4%	1,475	0.3%
Total Yen denominated		767		1,475	
Total unsecured debt		39,582		37,820	
Total other⁽²⁾		(742)		(153)	
Total debt		38,840		37,667	
Less amounts due within one year		(4,191)		(2,803)	
Long-term debt		\$ 34,649		\$ 34,864	

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

⁽²⁾ 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)

Fiscal Year	Annual Maturities
2024	\$ 4,191
2025	3,516
2026	2,604
2027	2,737
2028	1,817
Thereafter	23,975
Total	\$ 38,840

Debt Issuances

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

(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
Total					\$ 4,969

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.

Maturities and Extinguishments

The following table provides details of debt repayments during fiscal 2023:

(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
Total repayment of matured debt				2,689

The following table provides details of debt repayments during fiscal 2022:

(Amounts in millions)

Maturity Date	Principal Amount	Fixed vs. Floating	Interest Rate	Repayment
April 15, 2021	\$510	Fixed	4.250%	\$ 510
June 23, 2021	\$750	Floating	Floating	750
June 23, 2021	\$1,750	Fixed	3.125%	1,750
Total repayment of matured debt				3,010
June 26, 2023	\$2,750	Fixed	3.400%	470
October 15, 2023	\$152	Fixed	6.750%	2
July 8, 2024	\$1,500	Fixed	2.850%	510
December 15, 2024	\$1,000	Fixed	2.650%	370
June 26, 2025	\$1,500	Fixed	3.550%	625
July 8, 2026	\$1,250	Fixed	3.050%	451
April 5, 2027	\$483	Fixed	5.875%	110
June 26, 2028	\$2,750	Fixed	3.700%	1,271
July 8, 2029	\$1,250	Fixed	3.250%	517
September 24, 2029	\$500	Fixed	2.375%	181
February 15, 2030	\$588	Fixed	7.550%	119
September 1, 2035	\$1,968	Fixed	5.250%	635
August 15, 2037	\$1,300	Fixed	6.500%	262
April 15, 2038	\$919	Fixed	6.200%	116
June 28, 2038	\$1,500	Fixed	3.950%	925
April 1, 2040	\$751	Fixed	5.625%	142
July 8, 2040	\$378	Fixed	4.875%	101
October 25, 2040	\$519	Fixed	5.000%	125
April 15, 2041	\$918	Fixed	5.625%	305
April 11, 2043	\$709	Fixed	4.000%	296
October 2, 2043	\$269	Fixed	4.750%	38
April 22, 2044	\$502	Fixed	4.300%	172
December 15, 2047	\$1,000	Fixed	3.625%	566
June 29, 2048	\$3,000	Fixed	4.050%	1,317
September 24, 2049	\$1,000	Fixed	2.950%	371
Total repayment of extinguished debt⁽¹⁾				10,000
Total				13,010

⁽¹⁾ Represents portion of the outstanding principal amount which was repaid during fiscal 2022. Individual repayment amounts may not sum due to rounding.

The Company recorded a \$2.4 billion loss on extinguishment of debt during fiscal 2022, which included payment of \$2.3 billion in early extinguishment premiums.

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 Statement of Income consist of the following:

(Amounts in millions)	Fiscal years ended January 31,		
	2023	2022	2021
Operating lease cost	\$ 2,306	\$ 2,274	\$ 2,626
Finance lease cost:			
Amortization of right-of-use assets	596	565	583
Interest on lease obligations	256	232	298
Variable lease cost	899	823	777

Other lease information is as follows:

<i>(Amounts in millions)</i>	Fiscal years ended January 31,		
	2023	2022	2021
Cash paid for amounts included in measurement of lease obligations:			
Operating cash flows from operating leases	\$ 2,280	2,234	2,629
Operating cash flows from finance leases	248	225	286
Financing cash flows from finance leases	563	538	546
Assets obtained in exchange for operating lease obligations	1,714	1,816	2,131
Assets obtained in exchange for finance lease obligations	1,226	1,044	1,547
	As of January 31,		
	2023	2022	
Weighted-average remaining lease term - operating leases	12.0 years	12.2 years	
Weighted-average remaining lease term - finance leases	13.3 years	13.4 years	
Weighted-average discount rate - operating leases	6.0%	5.9%	
Weighted-average discount rate - finance leases	6.5%	6.5%	

The aggregate annual lease obligations at January 31, 2023, are as follows:

<i>(Amounts in millions)</i>	Fiscal Year	
	Operating Leases	Finance Leases
2024	\$ 2,166	\$ 834
2025	2,077	774
2026	1,917	712
2027	1,735	638
2028	1,556	545
Thereafter	11,018	5,438
Total undiscounted lease obligations	20,469	8,941
Less imputed interest	(6,168)	(3,531)
Net lease obligations	\$ 14,301	\$ 5,410

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 equity method investments, on a recurring basis in the accompanying Consolidated Balance Sheets. The fair values of the Company's equity investments measured on a recurring basis are as follows:

<i>(Amounts in millions)</i>	Fair Value as of January 31, 2023	Fair Value as of January 31, 2022
Equity investments measured using Level 1 inputs	\$ 5,099	\$ 6,069
Equity investments measured using Level 2 inputs	5,570	5,819
Total	\$ 10,669	\$ 11,888

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, 2023 and January 31, 2022, the notional amounts and fair values of these derivatives were as follows:

(Amounts in millions)	January 31, 2023		January 31, 2022	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges	\$ 8,021	\$ (689) ⁽¹⁾	\$ 8,021	\$ (47) ⁽¹⁾
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as cash flow hedges	5,900	(1,423) ⁽¹⁾	7,855	(1,048) ⁽¹⁾
Total	\$ 13,921	\$ (2,112)	\$ 15,876	\$ (1,095)

⁽¹⁾ 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, 2023.

For the fiscal year ended January 31, 2021, the Company's operations in Argentina, Japan and the U.K. met the held for sale criteria in fiscal 2021, as further discussed in [Note 12](#). As a result, the individual disposal groups were measured at fair value, less costs to sell, which is considered a Level 3 fair value measurement based on each transaction's expected consideration. The carrying value of the Argentina, Japan and U.K. disposal groups exceeded their fair value, less costs to sell, and as a result, the Company recognized non-recurring impairment charges. The aggregate pre-tax loss of \$8.3 billion associated with the divestiture of these operations in the Walmart International segment was recorded in other gains and losses in the Consolidated Statements of Income for the year ended January 31, 2021, and included these impairment charges as well as a \$2.3 billion charge related to the Asda pension plan. These impairment charges included the anticipated release of non-cash cumulative foreign currency translation losses associated with the disposal groups. Other impairment charges for assets measured at fair value on a nonrecurring basis during fiscal 2021 were immaterial.

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, 2023 and 2022, are as follows:

(Amounts in millions)	January 31, 2023		January 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including amounts due within one year	\$ 38,840	\$ 38,169	\$ 37,667	\$ 42,381

Note 9. Taxes

The components of income before income taxes are as follows:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2023	2022	2021
U.S.	\$ 15,089	\$ 15,536	\$ 18,068
Non-U.S.	1,927	3,160	2,496
Total income before income taxes	\$ 17,016	\$ 18,696	\$ 20,564

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

(Amounts in millions)	Fiscal Years Ended January 31,		
	2023	2022	2021
Current:			
U.S. federal	\$ 2,030	\$ 3,313	\$ 2,991
U.S. state and local	610	649	742
International	2,654	1,553	1,127
Total current tax provision	5,294	5,515	4,860
Deferred:			
U.S. federal	608	(671)	2,316
U.S. state and local	119	41	23
International	(297)	(129)	(341)
Total deferred tax expense (benefit)	430	(759)	1,998
Total provision for income taxes	\$ 5,724	\$ 4,756	\$ 6,858

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,		
	2023	2022	2021
U.S. statutory tax rate	21.0 %	21.0 %	21.0 %
U.S. state income taxes, net of federal income tax benefit	3.1 %	2.8 %	2.9 %
Income taxed outside the U.S.	1.1 %	(1.5)%	(0.1)%
Separation, disposal and wind-down of certain business operations	6.3 %	0.5 %	7.1 %
Valuation allowance	1.7 %	4.4 %	2.3 %
Net impact of repatriated international earnings	(0.4)%	(0.3)%	(0.4)%
Federal tax credits	(1.3)%	(1.1)%	(0.9)%
Change in unrecognized tax benefits	0.3 %	0.2 %	0.8 %
Other, net	1.8 %	(0.6)%	0.6 %
Effective income tax rate	33.6 %	25.4 %	33.3 %

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,	
	2023	2022
Deferred tax assets:		
Loss and tax credit carryforwards	\$ 7,690	\$ 9,456
Accrued liabilities	3,312	2,752
Share-based compensation	237	231
Lease obligations	4,653	4,320
Other	839	893
Total deferred tax assets	16,731	17,652
Valuation allowances	(7,815)	(9,542)
Deferred tax assets, net of valuation allowances	8,916	8,110
Deferred tax liabilities:		
Property and equipment	4,352	4,414
Acquired intangibles	932	1,065
Inventory	3,032	1,588
Lease right of use assets	4,727	4,355
Mark-to-market investments	1,390	1,825
Other	249	307
Total deferred tax liabilities	14,682	13,554
Net deferred tax liabilities	\$ 5,766	\$ 5,444

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

(Amounts in millions)	January 31,	
	2023	2022
Balance Sheet classification		
Assets:		
Other long-term assets	\$ 1,503	\$ 1,473
Liabilities:		
Deferred income taxes and other	7,269	6,917
Net deferred tax liabilities	<u>\$ 5,766</u>	<u>\$ 5,444</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, 2023, the Company has not recorded approximately \$3 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, 2023, the Company's net operating loss and capital loss carryforwards totaled approximately \$32.3 billion. Of these carryforwards, approximately \$19.6 billion will expire, if not utilized, in various years through 2043. 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 \$7.8 billion and \$9.5 billion as of January 31, 2023 and 2022, respectively, on deferred tax assets associated primarily with the net operating loss carryforwards. Activity in the valuation allowance during fiscal 2023 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, 2023 and 2022, the amount of gross unrecognized tax benefits related to continuing operations was \$3.3 billion and \$3.2 billion, respectively. The amount of unrecognized tax benefits that would affect the Company's effective income tax rate was \$1.5 billion and \$1.8 billion as of January 31, 2023 and 2022, respectively.

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

(Amounts in millions)	Fiscal Years Ended January 31,		
	2023	2022	2021
Gross unrecognized tax benefits, beginning of year	\$ 3,245	\$ 3,135	\$ 1,817
Increases related to prior year tax positions	79	170	92
Decreases related to prior year tax positions	(248)	(97)	(264)
Increases related to current year tax positions	357	75	1,582
Settlements during the period	(89)	(5)	(64)
Lapse in statutes of limitations	(37)	(33)	(28)
Gross unrecognized tax benefits, end of year	<u>\$ 3,307</u>	<u>\$ 3,245</u>	<u>\$ 3,135</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 2023, 2022 and 2021. 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 2022. The Company also remains subject to income tax examinations for international income taxes for fiscal 2013 through 2022, and for U.S. state and local income taxes generally for the fiscal years ended 2015 through 2022. 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. Because loss contingencies are inherently unpredictable and unfavorable developments or resolutions can occur, the assessment is highly subjective and requires judgments about future events. Moreover, the Settlement Framework will only take effect once a sufficient number of political subdivisions join, and there is no assurance regarding such participation. The amount of ultimate loss may thus differ materially from this accrual. 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.

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.

Similar cases that name the Company also have been filed in state courts by state, local, and tribal governments, healthcare providers, and other plaintiffs. Plaintiffs in these state court 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.

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 pending 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. The settlement with the Settling States is now contingent upon, among other applicable terms and conditions, a sufficient number of political subdivisions also agreeing to participate in the Settlement Framework.

If all conditions for the Settlement Framework, including, but not limited to, the minimum participation thresholds applicable for political subdivisions are satisfied within the prescribed deadlines, then the Company would expect to pay up to the full portion of the Settlement Amount attributable to the Settling States, beginning as early as the second quarter of fiscal 2024 and being completed during fiscal 2024. However, the Company cannot predict if, when, or to what extent the Settlement Framework will be finalized with any of the Settling States.

In the fourth quarter of fiscal 2023, the Company paid \$0.4 billion for separate settlements with Cherokee Nation, New Mexico, and Florida. Following these payments, the remaining \$2.9 billion liability for the Settlement Framework and other settlements is recorded in accrued liabilities within the Company's Consolidated Balance Sheet as of January 31, 2023.

The Settlement Framework also provides for payments to Native American tribes (excluding Cherokee Nation), contingent upon the number of tribes, including those tribes that have not yet sued the Company, that agreed to participate in the Settlement Framework or otherwise have their claims foreclosed within a prescribed deadline (the "Settling Tribes"). Pursuant to the terms of the Settlement Framework, on March 3, 2023, the Company paid approximately \$0.1 billion to the Settling Tribes in satisfaction of their claims against the Company.

Other Opioid Related Litigation

The Company will continue to vigorously defend against any opioid-related litigation not covered or otherwise extinguished 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, as well as any action filed by a state, political subdivision, or Native American tribe that does not agree to 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. 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.

The MDL has designated five additional single-county cases as bellwethers to proceed through discovery; however, these five counties ultimately may elect to participate in the Settlement Framework and receive a portion of the Settlement Amount rather than go to trial.

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. That motion remains 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 current directors and two current 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

current Board 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. On September 26, 2022, the court held a hearing on that motion, and a ruling remains pending.

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 U.S. Department of Justice (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. The Company continues to cooperate with and provide information in response to 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 October 5, 2022, the FTC responded to the motion, and on October 28, 2022, the Company filed its reply. The court has entered an order staying discovery pending a decision on the Company's motion to dismiss. 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.

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 2023, 2022 and 2021:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2023	2022	2021
Defined contribution plans:			
U.S.	\$ 1,491	\$ 1,441	\$ 1,290
International	74	39	200
Total contribution expense for defined contribution plans	\$ 1,565	\$ 1,480	\$ 1,490

Additionally, the Company's previously owned subsidiary in the United Kingdom sponsored a defined benefit pension plan. In fiscal 2020, Asda, Walmart and the Trustee of the Asda Group Pension Scheme (the "Plan") entered into an agreement pursuant to which Asda made a cash contribution of \$1.0 billion to the Plan (the "Asda Pension Contribution") which enabled the Plan to purchase a bulk annuity insurance contract for the benefit of Plan participants, and released the Plan and Asda from any future obligations. In connection with the sale of Asda, all accumulated pension components of \$2.3 billion were included in the disposal group and the estimated pre-tax loss recognized during the fourth quarter of fiscal 2021 as discussed in [Note 8](#) and [Note 12](#).

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 Statement 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 on the Consolidated Balance Sheet.

Asda was classified as held for sale in the Consolidated Balance Sheet as of January 31, 2021, and as a result, the Company recognized an estimated pre-tax loss of \$5.5 billion in other gains and losses in its Consolidated Statement of Income in the fourth quarter of fiscal 2021. Upon classifying the Asda disposal group as held for sale, \$2.3 billion of accumulated pension components associated with the expected derecognition of the Asda pension plan were included as part of the loss. In calculating the loss, the fair value of the disposal group was reduced by approximately \$0.8 billion related to the estimated fair value of certain indemnities and other transaction related costs.

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 Statement 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 on the Consolidated Balance Sheet.

Seiyu was classified as held for sale in the Consolidated Balance Sheet as of January 31, 2021, and as a result, the Company recognized an estimated pre-tax loss of \$1.9 billion in other gains and losses in its Consolidated Statement of Income in the fourth quarter of fiscal 2021.

Walmart Argentina

In November 2020, the Company completed the sale of Walmart Argentina. As a result, the Company recorded a pre-tax loss of \$1.0 billion in the third quarter of fiscal 2021 in other gains and losses in its Consolidated Statement of Income primarily due to the impact of cumulative translation losses on the carrying value of the disposal group.

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, located throughout the U.S., Africa, Canada, Central America, Chile, China, India and Mexico. The Company previously operated in Argentina prior to the sale of Walmart Argentina in the fourth quarter of fiscal 2021 and 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>	Walmart U.S.	Walmart International	Sam's Club	Corporate and support	Consolidated
Fiscal Year Ended January 31, 2023					
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					<u>\$ 17,016</u>
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
Fiscal Year Ended January 31, 2022					
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					<u>\$ 18,696</u>
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
Fiscal Year Ended January 31, 2021					
Net sales	\$ 369,963	\$ 121,360	\$ 63,910	\$ —	\$ 555,233
Operating income (loss)	19,116	3,660	1,906	(2,134)	22,548
Interest, net					(2,194)
Other gains and (losses)					210
Income before income taxes					<u>\$ 20,564</u>
Total assets	\$ 113,490	\$ 109,445	\$ 13,415	\$ 16,146	\$ 252,496
Depreciation and amortization	6,561	2,633	599	1,359	11,152
Capital expenditures	6,131	2,436	488	1,209	10,264

Total revenues, consisting of net sales and membership and other income, and long-lived assets, consisting primarily of property and equipment, net and lease right-of-use assets, aggregated by the Company's U.S. and non-U.S. operations for fiscal 2023, 2022 and 2021, are as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2023	2022	2021
Revenues			
U.S. operations	\$ 508,685	\$ 470,295	\$ 436,649
Non-U.S. operations	102,604	102,459	122,502
Total revenues	<u>\$ 611,289</u>	<u>\$ 572,754</u>	<u>\$ 559,151</u>
Long-lived assets			
U.S. operations	\$ 95,567	\$ 89,795	\$ 87,068
Non-U.S. operations	23,667	22,829	22,780
Total long-lived assets	<u>\$ 119,234</u>	<u>\$ 112,624</u>	<u>\$ 109,848</u>

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 are provided for each segment, which include omni-channel sales where a customer initiates an order digitally and the order is fulfilled through a store or club.

(Amounts in millions)

Walmart U.S. net sales by merchandise category	Fiscal Years Ended January 31,		
	2023	2022	2021
Grocery	\$ 247,299	\$ 218,944	\$ 208,413
General merchandise	118,597	125,876	119,406
Health and wellness	46,591	42,839	38,522
Other categories	8,066	5,588	3,622
Total	\$ 420,553	\$ 393,247	\$ 369,963

Of Walmart U.S.'s total net sales, approximately \$53.4 billion, \$47.8 billion and \$43.0 billion related to eCommerce for fiscal 2023, 2022 and 2021, respectively.

(Amounts in millions)

Walmart International net sales by market	Fiscal Years Ended January 31,		
	2023	2022	2021
Mexico and Central America	\$ 40,496	\$ 35,964	\$ 32,642
Canada	22,300	21,773	19,991
China	14,711	13,852	11,430
United Kingdom	—	3,811	29,234
Other	23,476	25,559	28,063
Total	\$ 100,983	\$ 100,959	\$ 121,360

Of Walmart International's total net sales, approximately \$20.3 billion, \$18.5 billion and \$16.6 billion related to eCommerce for fiscal 2023, 2022 and 2021, respectively.

(Amounts in millions)

Sam's Club net sales by merchandise category	Fiscal Years Ended January 31,		
	2023	2022	2021
Grocery and consumables	\$ 53,027	\$ 46,822	\$ 42,148
Fuel, tobacco and other categories	14,636	10,751	7,590
Home and apparel	9,579	9,037	7,340
Health and wellness	4,248	3,956	3,792
Technology, office and entertainment	2,855	2,990	3,040
Total	\$ 84,345	\$ 73,556	\$ 63,910

Of Sam's Club's total net sales, approximately \$8.4 billion, \$6.9 billion and \$5.3 billion related to eCommerce for fiscal 2023, 2022 and 2021, respectively.

Note 14. Subsequent Event

Dividends Declared

The Company approved, effective February 21, 2023, the fiscal 2024 annual dividend of \$2.28 per share, an increase over the fiscal 2023 dividend of \$2.24 per share. For fiscal 2024, the annual dividend will be paid in four quarterly installments of \$0.57 per share, according to the following record and payable dates:

Record Date	Payable Date
March 17, 2023	April 3, 2023
May 5, 2023	May 30, 2023
August 11, 2023	September 5, 2023
December 8, 2023	January 2, 2024

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. These changes have not materially affected, and are not reasonably likely to materially affect, the Company's internal control over financial reporting. However, they allow us to continue to enhance our internal control over financial reporting and ensure that our internal control environment remains effective.

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

Report on Internal Control Over Financial Reporting

Management has responsibility for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of the Company's internal control over financial reporting as of January 31, 2023. 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, 2023. The Company's internal control over financial reporting as of January 31, 2023, has been audited by Ernst & Young LLP as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting as of January 31, 2023, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

In the first quarter of fiscal 2024, we will begin upgrading our financial system, including our general ledger and other applications, in stages. This financial system will continue to be a significant component of our internal control over financial reporting as it is implemented.

ITEM 9B. OTHER INFORMATION

None.

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 2023 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 2022 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.⁽¹⁾

- 3.1 [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](#)
- 3.2 [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) ^(P)
- 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) ^(P)
- 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 February 1, 2023](#) ^(C)
- 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](#) ^(C)
- 10.3 [Walmart Inc. 2016 Associate Stock Purchase Plan, as amended effective February 1, 2018 is incorporated by reference to Exhibit 10\(c\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2018, filed on March 30, 2018](#) ^(C)
- 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](#) ^(C)
- 10.5* [Walmart Inc. Supplemental Executive Retirement Plan, as amended and restated effective February 1, 2023](#) ^(C)
- 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](#) ^(C)
- 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](#) ^(C)
- 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](#) ^(C)
- 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](#) ^(C)
- 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](#) ^(C)
- 10.10* [Walmart Inc. Officer Deferred Compensation Plan, as amended and restated effective February 1, 2023](#) ^(C)
- 10.11 [Form of Share Settled Restricted Stock Unit Notification and Terms and Conditions Awarded to Suresh Kumar on July 9, 2019 is incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended July 31, 2019 filed on September 6, 2019](#) ^(C)
- 10.12 [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](#) ^(C)
- 10.13 [Separation Agreement between the Company and Marc Lore dated January 26, 2021 is incorporated herein by reference to Exhibit 10.18 to the Annual Report on Form 10-K for the fiscal year ended January 31, 2021 filed on March 19, 2021](#) ^(C)
- 10.14 [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](#) ^(C)
- 10.15 [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 \(portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.\)](#)
- 10.16 [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 \(portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.\)](#)

21*	List of the Company's Significant Subsidiaries
23*	Consent of Independent Registered Public Accounting Firm
31.1*	Chief Executive Officer Section 302 Certification
31.2*	Chief Financial Officer Section 302 Certification
32.1**	Chief Executive Officer Section 906 Certification
32.2**	Chief Financial Officer Section 906 Certification
99.1*	Certain Federal and State Court Opioids Litigation Case Citations and Currently Scheduled Trial Dates
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 17, 2023

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 17, 2023

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

Date: March 17, 2023

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

Date: March 17, 2023

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

Date: March 17, 2023

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, 2023

Date: March 17, 2023	By	<u>/s/ Cesar Conde</u> Cesar Conde Director
Date: March 17, 2023	By	<u>/s/ Timothy P. Flynn</u> Timothy P. Flynn Director
Date: March 17, 2023	By	<u>/s/ Sarah Friar</u> Sarah Friar Director
Date: March 17, 2023	By	<u>/s/ Carla A. Harris</u> Carla A. Harris Director
Date: March 17, 2023	By	<u>/s/ Thomas W. Horton</u> Thomas W. Horton Director
Date: March 17, 2023	By	<u>/s/ Marissa A. Mayer</u> Marissa A. Mayer Director
Date: March 17, 2023	By	<u>/s/ Randall L. Stephenson</u> Randall L. Stephenson Director
Date: March 17, 2023	By	<u>/s/ S. Robson Walton</u> S. Robson Walton Director
Date: March 17, 2023	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, 2023

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

As of January 31, 2023, Walmart Inc. (“**Walmart**” or the “**Company**”) had two 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**”) and (ii) 2.550% Notes due 2026 (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**”). References in this Exhibit to the “**Company**,” “**us**,” “**we**” and “**our**” are solely to Walmart Inc. (parent company only) and not to any of its subsidiaries, unless the context requires otherwise.

DESCRIPTION OF COMMON STOCK

The following is a description of the rights of holders of the Company’s Common Stock and related provisions of the Company’s Restated Certificate of Incorporation (the “**Certificate**”) and Amended and Restated Bylaws (the “**Bylaws**”) 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 11,100,000,000 shares, with a par value of \$0.10 per share, of which 11,000,000,000 shares are designated as Common Stock and 100,000,000 shares are designated as preferred stock. At January 31, 2023, we had 2,693,381,600 shares of Common Stock issued and outstanding and no shares of preferred stock issued and outstanding. 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-sub 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;
- 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 following description of the Notes is a summary and does not purport to be complete. This description is qualified in its entirety by reference to the Indenture, dated as of July 19, 2005, as supplemented, between the Company and The Bank of New York Mellon Trust Company, N.A. (“**BNYM**”), as trustee (the “**Indenture**”).

The Notes

The Notes were issued under the Indenture, which provides that debt securities may be issued under the Indenture from time to time in one or more series. The Indenture and the Notes are governed by, and construed in accordance with, the laws of the State of New York. The Indenture does not limit the amount of debt securities that we may issue under the 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.

We issued €650,000,000 aggregate principal amount of the Notes on April 8, 2014. The maturity date of the 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. As of January 31, 2023, €650,000,000 aggregate principal amount of the Notes was outstanding.

Ranking

The 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 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 Notes or will guarantee the payment of amounts owing with respect to any of the Notes. The Indenture does not restrict the ability of our subsidiaries to incur indebtedness.

Trustee for the Notes

BNYM is the trustee under the Indenture. 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.

Payment on the Notes

All payments of principal of, including payments made upon any redemption of the Notes, and accrued interest on, and the payment of any additional amounts payable with respect to, the

Notes will be 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 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 Notes so made in U.S. dollars will not constitute an event of default under such Notes or the 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 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 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 Notes as will result in receipt by each beneficial owner of a Note that is not a 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 Notes or the receipt of payments in respect of those 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 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 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 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 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 Notes.

As used in the preceding paragraph, “**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 Notes, then we may redeem the 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 Notes, plus accrued but unpaid interest, if any, on the Notes to the date fixed for redemption.

Optional Redemption

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

- 100% of the principal amount of the 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 Notes redeemed on or after January 8, 2026, will be redeemed at a redemption price equal to 100% of the principal amount of the 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 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 Notes and the Indenture.

“**Comparable Government Bond**” means, in relation to any Comparable Government Bond Rate calculation for the 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 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 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 Notes to be redeemed and the Comparable Government Bond in accordance with generally accepted market practices at the time of such calculations.

Covenants

The Indenture sets forth limited covenants that apply to the 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 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 Notes and under the 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 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 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 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 Indenture as an “event of default” with respect to the debt securities of any series, including the 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 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 Indenture does not necessarily constitute an event of default with respect to the debt securities of any other series issued under the 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 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 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 Indenture.

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

No holder of any debt securities of any series, including the Notes, will have any right to institute any proceeding, judicial or otherwise, with respect to the 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 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 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 Indenture provides that if an event of default occurs and is continuing, the trustee will exercise such of its rights and powers under the 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 Indenture or to modify otherwise the rights of the holders of the Notes if we have the consent of the holders of not less than a majority in aggregate principal amount of the 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 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 Notes;
- reduce the percentage in principal amount of outstanding Notes described above as being required to consent to entry into a particular supplemental indenture or for the waiver of certain defaults under the Indenture and their consequences; or
- modify the provisions of the Indenture relating to modification of the 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 Notes and the Indenture;
- add to our covenants further restrictions or conditions for the benefit of holders of the Notes;
- cure ambiguities or correct or supplement any provision contained in the Indenture or any supplemental indenture that may be inconsistent with another provision;
- add additional events of default with respect to the Notes;
- add to, change or eliminate any provision of the Indenture, provided that the addition, change or elimination will not affect any outstanding 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 Notes and to add or change any provision to or of the Indenture as necessary to have more than one trustee under the Indenture; and
- comply with the requirements of the U.S. Securities and Exchange Commission in order to maintain the qualification of the Indenture under the Trust Indenture Act of 1939.

The holders of a majority in aggregate principal amount of the outstanding Notes may waive an event of default resulting in acceleration of the Notes and rescind and annul that acceleration, but only if all other events of default with respect to the Notes have been remedied or waived and all payments due with respect to the 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 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 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 Indenture, proceed to protect the rights of the holders of the Notes.

The holders of a majority in aggregate principal amount of the Notes may waive any past default under the Indenture and its consequences except an uncured default in the payment of principal of and premium, if any, or interest on the Notes or with respect to any covenant or provision of the Indenture that the Indenture or the Notes specifically provide cannot be waived without the consent of each holder of the 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 Notes.

Discharge, Legal Defeasance and Covenant Defeasance

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

- the rights of holders of the 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 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 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 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 Notes, we may elect to have our obligations as the issuer of the Notes released with respect to covenants relating to the Notes. Thereafter, any failure to comply with those obligations will not constitute a default or event of default with respect to the 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 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 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 Notes, moneys in the currency in which the Notes are denominated, securities issued by a government, governmental agency or central bank of the country in whose currency the 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 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 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 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 Indenture; 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 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 Notes.

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

Book-Entry and Settlement

The 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 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 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 depositary 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 depositary or its nominee.

WALMART DEFERRED COMPENSATION MATCHING PLAN

Amended and Restated Effective February 1, 2023

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WALMART DEFERRED COMPENSATION MATCHING PLAN

ARTICLE I. GENERAL

1.1 Purpose.

The purpose of the Walmart Deferred Compensation Matching Plan is to enable certain individuals to defer compensation and to be credited with matching allocations and earnings. The Plan is intended to reward such individuals for their contributions to the success of Walmart and its Related Affiliates. The Plan is also intended to assist such individuals in saving for retirement by providing benefits that are in excess of benefits permitted by applicable law under the 401(k) Plan.

1.2 Effective Date.

The effective date of the amended and restated Plan is February 1, 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 Committee. In no event will any individual constitute an Eligible Officer if he or she is not subject to federal income tax withholding in the United States. Notwithstanding anything in the preceding provisions of this Section 2.1(k), Eligible Officer shall exclude any individual who, pursuant to Walmart's Global Assignment Policy, is seconded to an Employer and, under the terms of his or her offer or assignment letter, he or she is intended to remain on the home country's benefit and pension programs. 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 a Senior Director or Senior Director equivalent position in Position Pay Range X8 or X9 or a Market Manager position or Market Manager position equivalent in Position Pay Range 10F, or (3) is an employee of an Employer and who as of the October 31 immediately preceding the Plan Year has an annual rate of base compensation from the Employer that is equal to or greater than the annual compensation limit in effect under Code Section 401(a)(17) (or under a comparable provision of the Internal Revenue Code of the Commonwealth of Puerto Rico if the Participant is an eligible participant under the Walmart Puerto Rico 401(k) Plan) for the calendar year in which the Plan Year begins, or if such limit for such calendar year has not been determined as of such October 31 then such annual compensation limit as in effect for the calendar year that includes such October 31. 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, U.S. Benefits 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. 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 (20th) anniversary of the Participant's Separation Pay Date or the Participant's death;
- (5) For purposes of this Section 5.4(b) and Code Section 409A, the entitlement to annual installment payments is treated as the entitlement to a single payment.

If a Participant's distribution election does not satisfy the requirements of this Section 5.4(b), it will not be recognized or given effect by the 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.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

Amended and Restated Effective February 1, 2023

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**WALMART INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

**ARTICLE I
GENERAL**

1.1 Purpose.

The purpose of this Supplemental Executive Retirement Plan is to supplement the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan. This Plan is intended to be in compliance with Code Section 409A and shall be interpreted, applied and administered at all times in accordance with Code Section 409A and guidance issued thereunder.

1.2 Effective Date.

This Plan was initially effective January 31, 1990. The Plan has been amended from time to time, most recently effective February 1, 2011. The Plan is hereby further amended and restated effective as of February 1, 2023 (except as otherwise specifically stated herein).

1.3 Nature of Plan.

The Plan is intended to be (and shall be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. The Plan shall be “unfunded” for tax purposes and for purposes of Title I of ERISA. Any and all payments under the Plan shall be made solely from the general assets of Walmart. A Participant’s interests under the Plan do not represent or create a claim against specific assets of Walmart or any Employer. Nothing herein shall be deemed to create a trust of any kind or create any fiduciary relationship between the Committee, Walmart or any Employer and a Participant, a Participant’s Beneficiary or any other person. To the extent any person acquires a right to receive payments from Walmart under this Plan, such right is no greater than the right of any other unsecured general creditor of Walmart.

**ARTICLE II
DEFINITIONS**

2.1 Definitions.

Except as otherwise expressly provided below, capitalized terms used in the Plan shall have the same meanings as set forth for such terms in the 401(k) Plan, and such 401(k) Plan definitions and operative terms are incorporated herein by reference. Should there be any conflict between the meanings of terms used in the Plan and the meaning of terms used in the 401(k) Plan, the meaning as set forth in the Plan shall prevail.

- (a) **Account** means the bookkeeping account established by the Committee to reflect a Participant’s contribution credits pursuant to Section 4.2, if any, and credited earnings thereon in accordance with Section 4.3.
-

- (b) **Beneficiary** means a person to whom all or a portion of a deceased Participant's Account is payable, as determined in Section 5.3.
- (c) **Code** means the Internal Revenue Code of 1986, as amended.
- (d) **Committee** means the Compensation, Nominating and Governance Committee of the Board of Directors of Walmart, or any successor committee of the Board of Directors granted responsibility and authority for recommending associate compensation.
- (e) **Disability** means, as determined by the Committee or its delegate, the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.
- (f) **Employer** means Walmart and all persons with whom Walmart would be considered a single employer under Code Sections 414(b) and 414(c), except that in applying Code Sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treas. Regs. Sec. 1.414(c)-2 for purposes of determining a controlled group of trades or businesses under Code Section 414(c), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Treas. Regs. Sec. 1.414(c)-2.
- (g) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- (h) **401(k) Plan** means, collectively, the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan.
- (i) A Participant is deemed to have engaged in **Gross Misconduct** if the Committee or its delegate determines that the Participant has engaged in conduct detrimental to the best interests of Walmart or any Employer or any entity in which Walmart has an ownership interest. Examples of such conduct include, without limitation, disclosure of confidential information in violation of Walmart's Statement of Ethics, theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses.
- (j) **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.

- (k) **Investment Options** means the investment options, determined from time to time by the Committee, used to credit earnings, gains and losses on Account balances.
- (l) **Normal Retirement Age** shall mean age sixty-five (65).
- (m) **Participant** means any eligible individual who becomes a participant of the Plan in accordance with Section 3.2. An individual remains a Participant until the Participant's Account has been fully distributed.
- (n) **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.
- (o) **Plan** means the Walmart Inc. Supplemental Executive Retirement Plan, as herein set forth, and as may be amended from time to time.
- (p) **PR Code** means the Internal Revenue Code of Puerto Rico, as amended from time to time.
- (q) **Retirement** means Separation from Service after the Participant attains Normal Retirement Age.
- (r) **Separation from Service** means the Participant has a termination of employment with the Employer. Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate the Participant and Employer reasonably anticipate that no further services will be performed by the Participant for the Employer; provided, however, that a Participant shall be deemed to have a termination of employment if the level of services he or she would perform for the Employer after a certain date permanently decreases to no more than twenty percent (20%) of the average level of bona fide services performed for the Employer (whether as an employee or independent contractor) over the immediately preceding thirty-six (36)-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer for less than thirty-six (36) months). For this purpose, a Participant is not treated as having a Separation from Service while he or she is on a military leave, sick leave, or other bona fide leave of absence, if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant has a right to reemployment with the Employer under an applicable statute or by contract.
- (s) **Valuation Date** means the last day of each Plan Year quarter and, solely for purposes of valuing a Participant's Account under Article V, the date specified therein as a Valuation Date. Valuation Date shall also include such other dates as the Committee may designate from time to time.
- (t) **Vested Percentage** means the percentage determined as of the Participant's Separation from Service in accordance with the schedule then effective with respect to Profit Sharing Contributions under the Walmart 401(k) Plan or the Walmart Puerto Rico 401(k) Plan, as applicable, and based on the Participant's Years of Service with the Employer (as defined herein) as of such date. For this purpose, a Participant's Vested Percentage shall be one hundred percent

(100%) upon his or her Normal Retirement Age, Disability or death if he or she is employed by Walmart or an Employer upon the occurrence of such event.

- (u) **Walmart** means Walmart Inc.

ARTICLE III PARTICIPATION

3.1 Eligibility.

The following individuals shall be eligible to participate in the Plan:

- (a) 401(k) Plan participants whose allocation of Profit Sharing Contributions to their Profit Sharing Contribution Account in the 401(k) Plan, had Walmart made such contributions for such Plan Year, would have been limited due to the application of Code Section 415 and/or Code Section 401(a)(17), or any like provision of the PR Code; and/or
- (b) 401(k) Plan participants who have elected to defer salary and/or bonuses under the Officer Deferred Compensation Plan or successor plan (and expressly excluding any 401(k) Plan participant who has been credited with incentive payments under the Walmart Inc. Officer Deferred Compensation Plan or successor plan, but who have not made a voluntary election to defer salary or bonuses under such Plan).

Notwithstanding the above, Participants shall not include 401(k) Plan participants who are primarily compensated on a commission basis.

3.2 Participation.

An eligible individual under Section 3.1 shall become a Plan Participant on the later of:

- (a) January 31, 1990; or
- (b) January 31 of the Plan Year in which the individual satisfies the requirements of Section 3.1;

provided, however, that no new Participant shall be added to the Plan on or after February 1, 2013.

Once amounts are credited to a Participant's Account under Section 4.2, such individual shall remain a Participant until his or her Account is distributed in full in accordance with Article V; provided, however, in order for the Participant's Account to be credited with employer contributions credits for a Plan Year, the Participant must satisfy the requirements of Section 4.2 for such Plan Year.

**ARTICLE IV
PLAN ACCOUNTS AND CREDITS**

4.1 Nature of Plan Accounts.

A Participant's Account shall be used solely as a measuring device to determine the amount (if any) to be paid to a Participant. No amounts shall actually be set aside with respect to any Account. All amounts at any time attributable to an Account shall be, and remain, the sole property of Walmart. A Participant's rights hereunder are limited to the right to receive Plan benefits as provided herein. An Account represents an unsecured promise by Walmart to pay the benefits provided by the Plan.

4.2 Contribution Credits.

- (a) For the Plan Year ending January 31, 2012, Walmart shall credit as of the last day of such Plan Year to each Participant's Account:
 - (1) the amount of Profit Sharing Contributions which would have been (but were not) allocated to such Participant's Profit Sharing Contribution Account in the 401(k) Plan for such Plan Year had such contributions not been limited by application of Code Section 415 and/or Code Section 401(a)(17), or like Sections (if any) of the PR Code, calculated as if Walmart had made a four percent (4%) Profit Sharing Contribution to the 401(k) Plan for such Plan Year;
 - (2) with respect to Participants who during the Plan Year elected to defer salary and/or bonuses under the Walmart Inc. Officer Deferred Compensation Plan or successor plan, the amount of Profit Sharing Contributions which would have been (but were not) allocated to such Participant's Profit Sharing Contribution Account in the 401(k) Plan for the Plan Year but for such Participant's deferral election in the Walmart Inc. Officer Deferred Compensation Plan or successor plan, calculated as if Walmart had made a four percent (4%) Profit Sharing Contribution to the 401(k) Plan for such Plan Year; and
 - (3) an amount determined in the sole discretion of the Committee, which may differ among Participants or categories of Participants designated by the Committee.

- (b) For the Plan Year ending January 31, 2013, Walmart shall credit as of the last day of such Plan Year to the Account of each Participant who receives a bonus under the Walmart Inc. Management Incentive Plan for the fiscal year ending January 31, 2013 and who would have been entitled to receive a Profit Sharing Contribution in the 401(k) Plan for such year had one been made, an amount equal to four percent (4%) of such bonus to the extent such bonus when added to the Participant's Compensation for such Plan Year exceeds the Code Section 401(a)(17) or like Section (if any) of the PR Code.

- (c) No contribution credits shall be made to any Participant's Account under this Section 4.2 with respect to any Plan Year beginning on or after February 1, 2013.

Notwithstanding anything in this Section 4.2 to the contrary, in no event will an initial contribution be made to a Participant's Account unless the aggregate of such initial contributions is at least one hundred dollars (\$100).

4.3 Income or Loss Adjustment on Plan Accounts.

Except as otherwise provided in Article V, each Account shall be adjusted as of each Valuation Date as follows:

- (a) for the Plan Year ending on January 31, 2012, based on the overall rate of return on the Participant's accounts in the 401(k) Plan since the preceding Valuation Date or, if the Participant did not have any accounts in the 401(k) Plan for any portion of the period since the preceding Valuation Date, based on the rate of return of the default investment option as in effect under the 401(k) Plan since the preceding Valuation Date;
- (b) for Plan Years beginning on or after February 1, 2012 and prior to February 1, 2023, with interest at the Interest Rate, which shall be for the entire quarter and calculated based on the value of such Account as of the immediately preceding Valuation Date, resulting in the quarterly compounding of interest on each Valuation Date; and
- (c) for Plan Years beginning on or after February 1, 2023, each Account will be credited with either of the following, as elected by the Participant in accordance with this Section 4.3(c):
 - (1) Interest at the Interest Rate, in accordance with Section 4.3(b); or
 - (2) Earnings, gains and losses based on the results that would have been achieved had such Account been invested as soon as practicable after such election into the Investment Options selected by the Participant.

The Committee, in its 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 Account to be credited with earnings, gains and losses in accordance with Section 4.3(c)(2). If a Participant does not make such an election in accordance with the procedures established by the Committee in its sole discretion, the Participant's entire Account shall be credited with interest in accordance with Section 4.3(c)(1). Once earnings are elected under Section 4.3(c)(2) with respect to any portion of a Participant's Account, such Participant shall be prohibited from subsequently electing to receive interest with respect to such portion in accordance with Section 4.3(c)(1).

- (d) The Committee shall specify procedures to allow Participants to make elections as to the deemed investment of amounts in Investment Options in accordance with Section 4.3(c)(2). Nothing in this Section 4.3 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 Benefits in the Event of Retirement, Disability or Death.

- (a) Upon a Participant's Separation from Service due to Retirement or Disability, the Participant's Account shall be distributed to the Participant in a lump sum cash payment during the ninety (90)-day period commencing on the Participant's Pay Date. The lump sum amount distributed shall equal:
 - (1) if the Participant's Separation from Service occurs on or before January 31, 2012, the sum of:
 - (i) the value of the Participant's Account as of the Participant's Separation from Service, valued in accordance with Section 4.3, but using such date as the last Valuation Date, and
 - (ii) interest on the amount determined in subsection (i) above at the mid-term applicable federal rate (defined pursuant to Code Section 1274(d) for January 1 of the calendar year, compounded annually) during the period from the Participant's Separation from Service through the date of distribution; or
 - (2) if the Participant's Separation from Service occurs on or after February 1, 2012, the value of the Participant's Account through the date of distribution, valued in accordance with Section 4.3, but using such date as the last Valuation Date.
- (b) Upon a Participant's death (whether before or after the Participant's Separation from Service), the Participant's Account shall be distributed to the Participant's Beneficiary in a lump sum cash payment during the ninety (90)-day period following the last day of the calendar month in which such death occurs.
 - (1) If the Participant's death occurs prior to his or her Separation from Service, the lump sum amount distributed shall be:
 - (i) if the Participant's death occurs on or before January 31, 2012, the sum of: (i) the value of the Participant's Account as of the date of the Participant's death, valued in accordance with Section 4.3, but using the date of the Participant's death as the last Valuation Date, and (2) interest on the amount determined in (1) above at the mid-term applicable federal rate (defined pursuant to Code Section 1274(d) for January 1 of the calendar year, compounded annually) during the period from the Participant's death through the date of distribution.

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- (ii) if the Participant's death occurs on or after February 1, 2012, the lump sum amount distributed shall be the value of the Participant's Account through the date of distribution, valued in accordance with Section 4.3, but using such date as the last Valuation Date.
- (2) If the Participant's death occurs after his or her Separation from Service, the lump sum amount distributed shall be:
- (i) if the Participant's Separation from Service occurs on or before January 31, 2012, the sum of: (i) the value of the Participant's Account as of the Participant's death, valued in accordance with Section 5.1(a) or 5.2, as applicable, but using such date as the last Valuation Date, and (ii) interest on the amount determined in (i) above at the mid-term applicable federal rate (defined pursuant to Code Section 1274(d) for January 1 of the calendar year, compounded annually) during the period from the date of the Participant's death through the date of distribution.
 - (ii) if the Participant's Separation from Service occurs on or after February 1, 2012, the value of the Participant's Account as of the date of distribution, valued in accordance with Section 4.3, but using such date as the last Valuation Date.

5.2 Benefits Due to Separation from Service.

Upon a Participant's Separation from Service for reasons other than Retirement, Disability or death, the Participant's Account shall be distributed to the Participant in a lump sum cash payment during the ninety (90)-day period commencing on the Participant's Pay Date. The lump sum amount distributed shall equal:

- (a) if the Participant's Separation from Service occurs on or before January 31, 2012, the sum of:
 - (1) the value of the Participant's Account as of the Participant's Separation from Service, valued in accordance with Section 4.3, but using such date as the last Valuation Date, multiplied by the Participant's Vested Percentage, and
 - (2) interest on the amount determined in subsection (1) above at the mid-term applicable federal rate (defined pursuant to Code Section 1274(d) for January 1 of the calendar year, compounded annually) during the period from the Participant's Separation from Service through the date of distribution; or
- (b) if the Participant's Separation from Service occurs on or after February 1, 2012, the value of the Participant's Account through the date of distribution, valued in accordance with Section 4.3, but using such date as the last Valuation Date, multiplied by the Participant's Vested Percentage.

5.3 Beneficiary Designations.

A Participant may, by written or electronic instrument delivered to the Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries to receive any benefit payments which may be payable under this Plan following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. A Participant may change such designation from time to time and the last written designation filed with the Committee prior to the Participant's death will control. In the event no beneficiaries are designated, or if the designated beneficiaries die before the Participant's Account is distributed, the Account shall be paid to the Participant's beneficiary given effect with respect to the Participant's Profit Sharing Contribution Account under the 401(k) Plan, whether an affirmative or default election. In the event the Participant has a beneficiary designation in effect with respect to a Profit Sharing Contribution Account under both the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan, the beneficiary designation for the Plan in which the Participant was a participant immediately preceding his or her death shall apply.

5.4 In-Service Withdrawals.

In no event shall benefits hereunder be payable to a Participant prior to the Participant's Separation from Service.

ARTICLE VI GROSS MISCONDUCT -- REDUCTION IN PLAN BENEFITS

6.1 Impact of Gross Misconduct.

Notwithstanding anything herein to the contrary, a Participant's Plan benefits are contingent upon the Participant not engaging in Gross Misconduct while employed with Walmart, any Employer, or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. In the event the Committee determines that a Participant has engaged in Gross Misconduct during the prescribed period, then notwithstanding anything herein to the contrary, the Participant's Account shall be recalculated as if no employer contributions were credited to the Participant's Account under Section 4.2 (including adjustments for earnings or losses thereon under Section 4.3) on or after January 31, 1996. Notwithstanding anything herein to the contrary, such a Participant's Plan benefits (if any) shall be based upon the amount recalculated under the preceding sentence. Any payments received hereunder by a Participant (or the Participant's Beneficiary) are contingent upon the Participant not engaging (or not having engaged) in Gross Misconduct while employed with Walmart or any Employer, or during such additional period as provided in Walmart's Statement of Ethics. If the Committee determines, after payment of amounts hereunder, that the Participant has engaged in Gross Misconduct during the prescribed period, the Participant (or the Participant's Beneficiary) shall repay to Walmart any amount in excess of that to which the Participant is entitled under this Section 6.1.

**ARTICLE VII
ADMINISTRATION**

7.1 Administration.

The Committee is responsible for the management, interpretation and administration of the Plan. The Committee shall have discretionary authority with respect to the determination of benefits under the Plan and the construction and interpretation of Plan provisions. In such capacity, the Committee is granted the following rights and duties:

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

7.2 Allocation and Delegation of Duties.

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

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

ARTICLE VIII CLAIMS AND APPEALS PROCEDURES

8.1 General.

A Participant or Beneficiary (“claimant”) who believes he or she is entitled to Plan benefits which have not been paid may file a written claim for benefits with the Committee within one (1) year of the Participant’s Separation from Service. If any such claim is not filed within one (1) year of the Participant’s Separation from Service, neither the Plan nor Walmart or any Employer shall have any obligation to pay the disputed benefit and the claimant shall have no further rights under the Plan. If a timely claim for a Plan benefit is wholly or partially denied, notice of the decision will be furnished to the claimant by the Committee within a reasonable period of time, not to exceed sixty (60) days (or forty-five (45) days in the event of a claim involving a Disability determination), after receipt of the claim by the Committee. The Committee may extend the initial period up to any additional sixty (60) days (or thirty (30) days, in the case of a claim involving a Disability determination), provided the Committee determines that the extension is necessary due to matters beyond the Plan’s control and the claimant is notified of the extension before the end of the initial sixty (60)-day (or, as applicable, forty-five (45)-day) period and the date by which the Committee expects to render a decision. (In the case of a claim involving a Disability determination, the Committee may extend this period for an additional thirty (30) days if the claimant is notified of the extension before the end of the initial thirty (30)-day extension.) Any claimant who is denied a claim for benefits will be furnished written notice setting forth:

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

8.2 Appeals Procedure.

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

- (a) may request a review by written application to the Committee not later than sixty (60) days (or one-hundred eighty (180) days in the case of a claim involving a Disability determination) after receipt by the claimant of the written notification of denial of a claim;

- (b) may review pertinent documents; and
- (c) may submit issues and comments in writing.

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days (or forty-five (45) days in the event of a claim involving a Disability determination) after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days (or ninety (90) days in the event of a claim involving a Disability determination) after receipt of a request for review. The decision on review will be in writing and shall include the specific reasons for the denial and the specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.1 Amendment, Suspension or Termination of Plan.

Walmart, by action of the Committee, reserves the right to amend, suspend or to terminate the Plan in any manner that it deems advisable. Notwithstanding the preceding sentence, the Plan may not be amended, suspended or terminated to cause a Participant to forfeit his or her then-existing Account. In the event of a complete or partial termination of the Plan, the Vested Percentage applicable to the Accounts of the Participants affected by such complete or partial termination shall be one hundred percent (100%), and such Accounts shall be paid at the time and in the manner provided in Article V (subject to the provisions of Article VI). No amendment or termination of the Plan may accelerate the date of payment of a Participant's benefit as provided herein except as permitted by law.

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

9.2 Non-Alienability.

The rights of a Participant to the payment of benefits as provided in the Plan may not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation. No Participant may borrow against his or her interest in the Plan. No interest or amounts payable under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

9.3 No Employment Rights.

Nothing contained herein shall be construed as conferring upon a Participant the right to continue in the employ of Walmart or any Employer in the Participant's current position or in any other capacity.

9.4 Withholding and Employment Taxes.

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

9.5 Income and Excise Taxes.

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

9.6 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Walmart, each Employer which then has a Participant in the Plan, their successors and assigns, and each Participant, such Participant's Beneficiaries, heirs, and legal representatives.

9.7 Governing Law.

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

9.8 Recovery of Overpayments.

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

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, 2023.

Executive Officer Who is a Party to such a Post-Termination Agreement and Covenant Not to Compete	Date of Agreement	Value of Restricted Stock Award Granted in Connection with Agreement
Daniel J. Bartlett	May 16, 2013	Not Applicable
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
Judith McKenna	May 18, 2015	Not Applicable
Kathryn McLay	December 24, 2015	Not Applicable
Donna Morris	December 17, 2019	Not Applicable
John David Rainey	May 23, 2022	Not Applicable

WALMART INC.
OFFICER DEFERRED COMPENSATION PLAN

Amended and Restated Effective February 1, 2023
(except as otherwise provided herein)

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APPENDIX A

**WALMART INC.
OFFICER DEFERRED COMPENSATION PLAN**

**ARTICLE I.
GENERAL**

1.1 Purpose.

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

In Article VIII of the Plan, Walmart reserved the right to amend, suspend or to terminate the Plan in any manner that it deems advisable by action of the Committee. Walmart previously amended and restated the Plan in certain respects, including to cease deferral elections effective February 1, 2012. Further, the Plan was renamed effective on February 1, 2018. Walmart now desires to provide participants with the opportunity to receive notional earnings based on predetermined actual investments. Accordingly, the Plan is amended as set forth in this amendment and restatement effective February 1, 2023.

1.2 Effective Dates; Code Section 409A.

- (a) This Plan was initially effective February 1, 1996 and was most recently amended and restated as of February 1, 2012. This amendment and restatement is effective February 1, 2023. This Plan (other than Appendix A) is intended to be in compliance with Code Section 409A and shall be interpreted, applied and administered at all times in accordance with Code Section 409A, and guidance issued thereunder.
- (b) Amounts deferred and vested under the Plan on or before December 31, 2004 shall continue to be governed at all times by the Plan as in effect on such date, which Plan is attached hereto as Appendix A. Appendix A shall not be materially modified (within the meaning of Code Section 409A) (formally or informally, including by interpretation), unless such modification expressly provides that it is intended to be a material modification within the meaning of Code Section 409A and guidance issued thereunder.

1.3 Nature of Plan.

The Plan is intended to be (and shall be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. The Plan shall be “unfunded” for tax purposes and for purposes of Title I of ERISA. Any and all payments under the Plan shall be made solely from the general assets of Walmart. A Participant’s interests under the Plan do not represent or create a claim against

specific assets of Walmart or any Employer. Nothing herein shall be deemed to create a trust of any kind or create any fiduciary relationship between the Committee, Walmart or any Employer and a Participant, the Participant's beneficiary or any other person. To the extent any person acquires a right to receive payments from Walmart under this Plan, such right is no greater than the right of any other unsecured general creditor of Walmart.

ARTICLE II. DEFINITIONS

2.1 Definitions.

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

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

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

- (q) **Grandfathered Account** means the bookkeeping account established to reflect: (1) a Participant's Deferred Compensation credited prior to January 1, 2005; (2) Deferred Bonuses credited prior to January 1, 2005; (3) Incentive Payments credited prior to January 1, 2005; and (4) earnings credited on amounts under (1) through (3) above. Such amounts shall be governed at all times by the terms of Appendix A.
- (r) A Participant is deemed to have engaged in Gross Misconduct if the Committee or its delegate determines that the Participant has engaged in conduct detrimental to the best interests of Walmart or any Employer or any entity in which Walmart has an ownership interest. Examples of such conduct include, without limitation, disclosure of confidential information in violation of Walmart's Statement of Ethics, theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses.
- (s) **Incentive Payments** mean the amounts credited to a Participant's Account in accordance with Section 4.2.
- (t) **Interest Rate** means a daily rate of simple interest based on the annual rate on 10 year Treasury notes determined as of the first business day of January preceding the applicable Plan Year, plus two hundred seventy (270) basis points.
- (u) **Investment Options** means the investment options, determined from time to time by the Committee, used to credit earnings, gains and losses on Account balances.
- (v) **MIP** means the Walmart Inc. Management Incentive Plan, as amended from time to time.
- (w) **Participant** means any Eligible Officer who defers Compensation or bonuses under the Plan, as well as any Eligible Officer who receives or has received a grant of Performance Shares, PERS or Restricted Stock under the Walmart Inc. Stock Incentive Plan of 2005 and elects, pursuant to the terms of the SIP Deferral Procedures (to the extent permitted by such Procedures), to have such award deferred to this Plan.
- (x) **Performance Shares** means performance shares awarded under the Walmart Inc. Stock Incentive Plan of 2005 (also commonly referred to as performance share units or "PSUs," performance share plan or "PSPs," or stock value equivalent awards).
- (y) **PERS** means performance-based restricted stock awarded under the Walmart Inc. Stock Incentive Plan of 2005.
- (z) **Plan** means the Walmart Inc. Officer Deferred Compensation Plan, as set forth herein, and as may hereafter be amended from time to time (subject to Section 1.2(b)).

- (aa) **Plan Year** means: (1) for periods before April 1, 2009 (except as otherwise provided in prior Plan documents), the twelve (12)-month period commencing on April 1 and ending on March 31; (2) the period from April 1, 2009 through January 31, 2010; and (3) from and after February 1, 2010, the twelve (12)-month period commencing on February 1 and ending on January 31.
- (bb) **Prior Agreements** means those deferred compensation agreements entered into by certain Eligible Officers with Walmart prior to February 1, 1995 and containing terms similar to those contained in this Plan. Effective February 1, 1996, the Prior Agreements were amended and restated in the form of this Plan.
- (cc) **Related Affiliate** means a trade or business, whether or not incorporated, which is a member of a controlled group of corporations, trades or businesses, as defined in Code Sections 414(b) and 414(c), of which Walmart is a member.
- (dd) **Restricted Stock** means restricted stock awarded under the Walmart Inc. Stock Incentive Plan of 2005.
- (ee) **Retention Bonus** means a retention bonus paid on or after January 1, 2009 under a retention program or individual agreement specifically designated by the Committee, or an officer of the Company in accordance with guidelines established by the Committee, as eligible for deferral under the Plan, and which requires as a condition of receipt that the recipient continue to perform services for a period of at least thirteen (13) months after the date he or she obtains the legally binding right to such bonus.
- (ff) **Retirement**, effective with respect to Separations from Service on or after January 1, 2008, means a Participant's Separation from Service on or after either: (1) the Participant has been continuously employed with Walmart or any Employer for twenty (20) or more years; or (2) the Participant has attained age fifty (50) and completed at least five (5) years of participation in the Plan. With respect to Separations from Service before January 1, 2008, a Participant's eligibility for an installment payout is governed by the corresponding terms of Appendix A (other than with respect to the timing of payout elections).
- (gg) **Retirement Accounts** means the bookkeeping accounts maintained on behalf of a Participant to reflect Deferred Equity, Deferred Compensation, Deferred Bonus, Deferred Special Bonus, Deferred Retention Bonus and Incentive Payment amounts allocated to such Accounts pursuant to the Participant's elections hereunder, and earnings thereon. Each Participant may have up to two (2) Retirement Accounts at any time. All Scheduled In-Service Accounts will be distributed in a lump sum.
- (hh) **Scheduled In-Service Account** means one or more bookkeeping accounts maintained on behalf of a Participant to reflect Deferred Compensation, Deferred Bonus, Deferred Special Bonus and Deferred Retention Bonus amounts credited to such Accounts pursuant to the Participant's elections hereunder, and earnings thereon.

- (ii) **Scheduled Pay Date** means, with respect to each Scheduled In-Service Account, the first day of a calendar month selected by the Participant in accordance with Article III. In no event shall such date be earlier than the first day of the second Plan Year beginning after the Plan Year for which deferrals are first made to such Account. Once selected, the date with respect to any Scheduled In-Service Account is irrevocable.
- (jj) **Separation from Service** means the Participant has a termination of employment with the Employer (other than on account of death). Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate the Participant and Employer reasonably anticipate that no further services will be performed by the Participant for the Employer; provided, however, that a Participant shall be deemed to have a termination of employment if the level of services he or she would perform for the Employer after a certain date permanently decreases to no more than twenty percent (20%) of the average level of bona fide services performed for the Employer (whether as an employee or independent contractor) over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer for less than 36 months). For this purpose, a Participant is not treated as having a Separation from Service while he or she is on a military leave, sick leave, or other bona fide leave of absence, if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant has a right to reemployment with the Employer under an applicable statute or by contract.
- (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) **SIP Deferral Procedures** means the Deferral Procedures under the Walmart Inc. Stock Incentive Plan of 2005 (or any predecessor procedures thereof).
- (mm) **Special Bonus** means any bonus payable to a Participant pursuant to the terms of the Participant's initial offer letter of employment which is dated on or after January 1, 2008. To constitute a Special Bonus hereunder, the offer letter must specifically refer to the deferability of the bonus by explicit reference to this Plan and the offer letter and deferral election must be accepted and elected in writing by the Eligible Officer before his or her commencement of employment.
- (nn) **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.
- (oo) **Valuation Date** means the last day of each Plan Year or, from and after April 1, 2008, each day of the Plan Year.

(pp) **Walmart** means Walmart Inc., a Delaware corporation.

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

3.1 Deferred Compensation.

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

A deferral election under this Section 3.1(b)(2) will be effective only with respect to Compensation for payroll periods beginning after the payroll period in which the Eligible Officer's election form (which may be electronic) is received by Executive Compensation.

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

3.2 Deferred Bonuses.

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

Section 409A to be aggregated with this Plan) at any time during the twenty-four (24)-month period ending on the date he or she again becomes an Eligible Officer, or

- (ii) he or she was paid all amounts previously due under the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) and, on and before the date of the last such payment, was not eligible to continue to participate in the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) for periods after such payment.

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

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

3.3 Deferred Special Bonuses.

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

may be made on or after February 1, 2012, by an Eligible Officer with respect to any Special Bonus payable to the Eligible Officer.

- (b) Special Bonus deferral elections must be filed:
 - (1) no later than the Eligible Officer's commencement of employment as an Eligible Officer with Walmart or a Related Affiliate designated by the Committee as a participating employer; or
 - (2) if the Eligible Officer is or ever was a participant in this Plan, the SIP Deferral Procedures, or any other plan required by Code Section 409A to be aggregated with this Plan, Section 3.3(b)(1) shall not apply and the Eligible Officer may not make a deferral election with respect to Special Bonuses, unless:
 - (A) he or she was not eligible to participate in the Plan (or the SIP Deferral Procedures or any other plan required by Code Section 409A to be aggregated with this Plan) at any time during the twenty-four (24)-month period ending on the date he or she again becomes an Eligible Officer, or
 - (B) he or she was paid all amounts previously due under the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) and, on and before the date of the last such payment, was not eligible to continue to participate in the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) for periods after such payment.
- (c) Effective with respect to Special Bonus deferral elections made on or after January 1, 2009, the Eligible Officer shall also make an election within the time prescribed above to allocate his or her Special Bonus deferrals to one or both of his or her Retirement Accounts. If such allocation will be the first allocation to a Retirement Account, the Eligible Officer shall also elect the form of distribution with respect to such Account. Effective with respect to Special Bonus deferral elections made on or after February 1, 2010, the Eligible Officer may also elect to allocate his or her Special Bonus deferrals to one or more Scheduled In-Service Accounts, in addition to his or her Retirement Accounts. If an Eligible Officer allocates deferrals to a new Scheduled In-Service Account, he or she must also designate the Scheduled Pay Date with respect to such Account.

3.4 Deferred Retention Bonuses.

- (a) An Eligible Officer may elect to defer all or a portion of any Retention Bonuses to be paid by Walmart or a Related Affiliate designated by the Committee as a participating employer. All deferral elections made under this Section 3.4 must be filed with Executive Compensation on forms (which may be electronic) approved by Executive Compensation. For purposes of this Section 3.4, the

date of an Eligible Officer's election is the date the executed election form (which may be electronic) is received by Executive Compensation. Notwithstanding any provisions hereunder to the contrary, no deferral election may be made on or after February 1, 2012, by an Eligible Officer with respect to any Retention Bonus payable to the Eligible Officer.

- (b) Retention Bonus deferral elections must be filed within thirty (30) after the Eligible Officer obtains the legally binding right to the Retention Bonus.
- (c) Effective with respect to Retention Bonus deferral elections made on or after January 1, 2009, the Eligible Officer shall also make an election within the time prescribed above to allocate his or her Retention Bonus deferrals to one or both of his or her Retirement Accounts. If such allocation will be the first allocation to a Retirement Account, the Eligible Officer shall also elect the form of distribution with respect to such Account. Effective with respect to Retention Bonus deferral elections made on or after January 1, 2010, the Eligible Officer may also elect to allocate his or her Retention Bonus deferrals to one or more Scheduled In-Service Accounts, in addition to his or her Retirement Accounts. If an Eligible Officer allocates deferrals to a new Scheduled In-Service Account, he or she must also designate the Scheduled Pay Date with respect to such Account.

3.5 Incentive Payments.

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

3.6 Irrevocability of Deferral Elections.

- (a) Except as otherwise provided herein, once made for a Plan Year, a deferral election under Sections 3.1(b)(1), 3.1(c), 3.2(b)(1), 3.2(c), 3.3(b)(1), 3.3(c), 3.4(b) and 3.4(c) may not be revoked, changed or modified after the applicable filing deadline specified in such sections, and a deferral election under Sections 3.1(b)(2) and Section 3.2(b)(2) may not be revoked, changed or modified after the date of the election as provided in Sections 3.1(b)(2) and 3.2(b)(2). An election for one Plan Year will not automatically be given effect for a subsequent Plan Year, so that if deferral is desired for a subsequent Plan Year, a separate election must be made by the Eligible Officer for such Plan Year or performance period. Notwithstanding the preceding, if an Eligible Officer makes a deferral election for a Plan Year but fails to make an election as to the allocation of deferrals for such Plan Year among his or her Accounts, such deferrals shall be allocated based on source in the same manner as they were

allocated for such source for the last Plan Year for which the Participant made an allocation election or, if none, equally to his or her then effective Retirement Accounts.

- (b) In the event an Eligible Officer has a Separation from Service for any reason, then: (1) his or her deferral election under Section 3.1 will terminate as of the date of such Separation from Service (but will be effective with respect to the last regular paycheck issued to such Eligible Officer), regardless of whether the Eligible Officer continues to receive Compensation, or other remuneration, from Walmart or any Employer thereafter; (2) his or her deferral election under Section 3.2 will remain in effect with respect to the bonus (if any) paid to him or her under the MIP for the performance period in which such Separation from Service occurs; (3) his or her deferral election under Section 3.3 will remain in effect with respect to any Special Bonus (if any) paid to him or her to which such election relates; and (4) his or her deferral election under Section 3.4 will remain in effect with respect to any Retention Bonus (if any) paid to him or her to which such election relates.
- (c) If an Eligible Officer has a Separation from Service for any reason and is rehired (whether or not as an Eligible Officer) within the same Plan Year or performance period, as applicable, his or her deferral elections under Sections 3.1, 3.2, 3.3 and 3.4 shall be automatically reinstated and shall remain in effect for the remainder of such Plan Year or performance period, as applicable.
- (d) In the event an Eligible Officer ceases to be an Eligible Officer (other than on account of a Separation from Service):
 - (1) during any Plan Year, then his or her deferral election under Section 3.1 will terminate as of the next following December 31. In addition, in the event the Compensation of such individual is reduced as a result of the change in status, his or her deferral election following such loss and through the date of termination of such election as provided in the preceding sentence will be pro rated based on his or her new level of Compensation;
 - (2) then his or her deferral election under Section 3.2 will terminate for any performance period beginning in the calendar year following the year of the loss of Eligible Officer status;
 - (3) then his or her deferral election under Section 3.3 shall continue in effect with respect to any Special Bonuses (if any) paid after such loss of Eligible Officer status; and
 - (4) then his or her deferral election under Section 3.4 shall continue in effect with respect to any Retention Bonuses (if any) paid after such loss of Eligible Officer status.
- (e) Notwithstanding anything herein to the contrary, in the event an Eligible Officer goes on an unpaid leave of absence, his or her deferral election under Section

3.1 shall automatically cease when he or she commences the unpaid leave of absence; provided, however, that if he or she returns from the unpaid leave of absence during the same Plan Year, his or her deferral election under Section 3.1 shall automatically resume immediately upon return from the leave of absence and shall continue in effect for the balance of the Plan Year. An Eligible Officer's deferral election under Section 3.1 shall remain in effect with respect to any Compensation paid while on a leave of Absence. An Eligible Officer's deferral elections under Sections 3.2, 3.3 and 3.4 shall not be affected by his or her leave of absence.

3.7 Automatic Suspension of Deferral Elections.

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

3.8 Employer Contribution Credits.

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

3.9 Crediting of Deferrals and Employer Contribution Credits.

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

- (a) Deferred Compensation will be credited to the Participant's Account as of the date such Compensation would have otherwise been paid in cash;

- (b) Deferred Bonuses, Deferred Special Bonuses and Deferred Retention Bonuses will be credited to the Participant's Account as of the date the bonus would have otherwise been paid in cash;
- (c) Deferred Equity will be credited to the Participant's Account as of the date the restrictions on such awards lapse or, in the case of Performance Shares, as of the date payment of such award is processed;
- (d) Employer Contribution Credits will be credited to the Participant's Account as of the date specified by the Committee; and
- (e) Incentive Payments will be credited to the Participant's Account as of the last day of the Plan Year specified in Section 4.2 (or as otherwise provided in Sections 4.2(e) and (f)).

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

3.10 Nature of Accounts.

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

3.11 Valuation of Accounts.

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

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

4.1 Credited Earnings.

- (a) Effective for Plan Years commencing on or after February 1, 2023, every Valuation Date during a Plan Year, a Participant's Account will be credited with either of the following, as elected by the Participant in accordance with Section 4.1(a):
 - (1) Interest at the Interest Rate, which shall be for the entire month and calculated based on the value of the Participant's Account 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 amounts credited to the Account been invested as soon as practicable after such election into the Investment Options selected by the Participant.

The Committee, in its 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 Account to be credited with earnings, gains and losses in accordance with Section 4.1(a)(2). If a Participant does not make such an election in accordance with the procedures established by the Committee in its sole discretion, the Participant's entire Account shall be credited with interest in accordance with Section 4.1(a)(1). Once earnings are elected under Section 4.1(a)(2) with respect to any portion of a Participant's Account, such Participant shall be prohibited from subsequently electing to receive interest with respect to such portion in accordance with Section 4.1(a)(1).

- (b) The Committee shall specify procedures to allow Participants to make elections as to the deemed investment of amounts in Investment Options in accordance with Section 4.1(a)(2). Nothing in this Section 4.1 or otherwise in the Plan, however, will require Walmart to actually invest any amounts in such Investment Options or otherwise.

4.2 Incentive Payments.

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

- (a) The Incentive Payments provided in this Section apply to a Participant's recognized Deferred Compensation and Deferred Bonuses for a Plan Year (other than Deferred Compensation and Deferred Bonuses allocated to the Participant's Scheduled In-Service Accounts) and credited Plan earnings thereon, whether credited to the Participant's Account or Grandfathered Account. For this purpose, Deferred Bonuses shall be treated as being "for a Plan Year" for the Plan Year to which the Deferred Bonus pertains. Incentive Payments are separately awarded based upon a Participant's recognized Deferred Compensation and Deferred Bonuses for a given Plan Year and credited Plan earnings thereon.
- (b) The amount of an Incentive Payment is based on the Participant's recognized Deferred Compensation and Deferred Bonuses for a Plan Year (other than Deferred Compensation and Deferred Bonuses allocated to the Participant's Scheduled In-Service Accounts), plus credited Plan earnings on such sums through and including the Incentive Payment award date. The amount by which a Participant's Deferred Compensation and Deferred Bonuses for a Plan Year (other than Deferred Compensation and Deferred Bonuses allocated to the Participant's Scheduled In-Service Accounts) exceed twenty percent (20%) of the Participant's base compensation will not be recognized in computing an Incentive Payment. Base compensation for this purpose means the Participant's annual base rate of compensation for the last full payroll period in such Plan

Year. Credited Plan earnings on such nonrecognized Deferred Compensation or Deferred Bonuses are likewise not taken into account in determining the amount of an Incentive Payment. Further, in no event shall Deferred Special Bonuses, Deferred Retention Bonuses, Deferred Equity or any Employer Contribution Credits be taken into account in determining the amount of an Incentive Payment.

- (c) If a Participant remains continuously employed with Walmart or any Employer for a period of ten (10) consecutive full Plan Years, beginning with the first day of the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, and ending with the last day of the tenth (10th) Plan Year of such period, an Incentive Payment will be credited to the Participant's Account as of the last day of such tenth (10th) Plan Year. The Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for ten (10), but not less than five (5), Plan Years (i.e., the first six (6) Plan Years of such ten (10)-year period), plus credited Plan earnings thereon through the award date. For each full Plan Year thereafter in which the Participant remains continuously employed with Walmart or any Employer, an Incentive Payment will be credited to the Participant's Account as of the last day of such Plan Year. Such Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for the first Plan Year of the five (5)-consecutive Plan Year period ending on the award date, plus credited Plan earnings thereon through the award date.
- (d) If a Participant remains continuously employed with Walmart or any Employer for a period of fifteen (15) consecutive full Plan Years, beginning with the first day of the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, and ending with the last day of the fifteenth (15th) Plan Year of such period, an Incentive Payment will be credited to the Participant's Account as of the last day of such fifteenth (15th) Plan Year. The Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for fifteen (15), but not less than ten (10), Plan Years (i.e., the first six (6) Plan Years of such fifteen (15)-year period), plus credited Plan earnings thereon through the award date. For each full Plan Year thereafter in which the Participant remains continuously employed with Walmart or any Employer, an Incentive Payment will be credited to the Participant's Account as of the last day of such Plan Year. Such Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for the first Plan Year of the ten (10)-consecutive Plan Year period ending on the award date, plus credited Plan earnings thereon through the award date. The Incentive Payments provided in this Section 4.2(d) shall not take into account Incentive Payments credited under Section 4.2(c) or credited Plan earnings thereon.

- (e) The Incentive Payments provided in this Section 4.2(e) only apply if a Participant has been a Participant under the Plan (or a Prior Agreement) for five (5) or more full Plan Years and if the Participant dies, becomes Disabled, or has a Separation from Service on or after he or she has been continuously employed with Walmart or an Employer for twenty (20) or more years or after attaining age fifty-five (55) before satisfaction of the ten (10)-year or fifteen (15)-year periods described in Sections 4.2(c) and (d) above, after taking into account the application of Section 4.2(f). In that event, only the Incentive Payment next to be credited (i.e., twenty percent (20%) or ten percent (10%)) will be credited to the Participant's Account as provided in this Section 4.2(e). In the event the Participant had not yet been awarded or credited with a twenty percent (20%) Incentive Payment under Section 4.2(c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of: (1) the number of full Plan Years worked since and including the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, to (2) ten (10), multiplied by twenty percent (20%). Such Incentive Payment will be based upon recognized amounts for the Plan Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(c). If the Participant has been awarded a twenty percent (20%) Incentive Payment provided in Section 4.2(c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of: (1) the number of full Plan Years worked since the award date of the initial twenty percent (20%) Incentive Payment, to (2) five (5), multiplied by ten percent (10%). Such Incentive Payment will be based upon recognized amounts for the Plan Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(d). The Incentive Payment provided under this Section 4.2(e) will be determined and credited to the Participant's Account as of the date the Participant's Plan benefits are distributed in a lump sum payment. In addition, the Participant's Account will also be credited as of such date with interest pursuant to Section 4.1 determined as though the Incentive Payment provided under this Section 4.2(e) had been credited to the Participant's Account on the last day of the Plan Year preceding the Participant's death, Disability or Separation from Service. If, however, a Participant's benefits are to be distributed in installments, the amounts provided under this Section 4.2(e) will be determined and credited to the Participant's Account as of the distribution date of the initial installment.
- (f) This Section 4.2(f) shall not apply with respect to Plan Years beginning after March 31, 2009. With respect to Plan Years beginning before March 31, 2009, the Incentive Payments provided in this Section 4.2(f) apply only with respect to those Participants who: (1) incur a Separation from Service on or after the last day of a Fiscal Year, but before the immediately following last day of a Plan Year (e.g., on or after January 31, but before the next March 31); and (2) who, but for such Separation from Service before the last day of a Plan Year, would have been credited with an Incentive Payment under Section 4.2(c) and/or 4.2(d). In that event, the Incentive Payments which would have been credited to the Participant's Account but for such early Separation from Service will be

credited to the Participant's Account as if the Participant had remained employed with Walmart or any Employer through the last day of the Plan Year, with no reduction due to the early Separation from Service. The Incentive Payments provided under this Section 4.2(f) will be determined and credited to the Participant's Account as of the last day of the Plan Year in which the Participant's Separation from Service occurs.

**ARTICLE V.
PAYMENT OF PLAN BENEFITS**

5.1 Scheduled In-Service Benefits.

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

5.2 Separation and Retirement Benefits.

- (a) **Separation Benefits.** In the event of a Participant's Separation from Service other than on account of Retirement or death, the Participant's Account will be distributed in a lump sum under Section 5.2(c).
- (b) **Retirement Benefits.** If the Participant's Separation from Service is on account of Retirement, the Participant's Scheduled In-Service Accounts will be distributed in a lump sum under Section 5.2(c) and the Participant's Company Account and Retirement Accounts will be distributed in one of the forms provided in Section 5.2(c) or 5.2(d) below in accordance with the Participant's distribution election given effect under the provisions of Section 5.4 with respect to each such Account.
- (c) **Lump Sum Distributions.**
 - (1) Any lump sum to be paid under this Section 5.2(c) shall be paid within the 90-day period commencing on the Participant's Separation Pay Date.
 - (2) The lump sum amount will be the value of the Participant's Account, Company Account or Retirement Accounts, as applicable, as of the last day of the month preceding the date of the distribution.
- (d) **Installment Distributions.**

- (1) If the Participant's Company Account or Retirement Account, as applicable, is to be distributed in the form of annual installments, the first such installment shall be made within the 90-day period commencing on the first January 31 following the Participant's Separation from Service; provided, however, that if such January 31 is earlier than the Participant's Separation Pay Date, the first such installment shall be made within the 90-day period commencing on the Participant's Separation Pay Date. Subsequent installments shall be made within the 90-day period commencing on each successive January 31, until the Participant's benefits under such Account are distributed in full.
- (2) If any portion of a Participant's Company Account or Retirement Account is being credited with interest at the Interest Rate in accordance with Section 4.1(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 applicable, determined in accordance with Section 5.2(c)(2) (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the 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 Company Account or Retirement Account is being credited with earnings, gains and losses in accordance with Section 4.1(a)(2) 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 in the applicable 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.

5.3 Death Benefits.

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

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

- (b) **Lump Sum Distributions.**

- (1) Any lump sum to be paid under this Section 5.3(b) shall be paid within the 90-day period commencing on the last day of the month in which the Participant's death occurs.

- (2) The lump sum amount will be the value of the Participant's Account as of the last day of the month preceding the date of distribution.

(c) **Installment Distributions.**

- (1) If the Participant's Account is to be distributed in the form of annual installments, the first such installment shall be made within the 90-day period commencing on the first January 31 coincident with or next following the Participant's death. Subsequent installments will be made during the 90-day period commencing on each successive January 31, until the Participant's benefits are distributed in full.
- (2) If any portion of a Participant's Account is being credited with interest at the Interest Rate in accordance with Section 4.1(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 the Participant's Account determined in accordance with Section 5.3(b)(2) (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's death occurs.
- (3) If any portion of a Participant's Account is being credited with earnings, gains and losses in accordance with Section 4.1(a)(2) 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 in the applicable 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 Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries (which may be a trust or trusts) to receive any benefit payments which may be payable under this Plan following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. Any such designation will apply to both the Participant's Account and his or her Grandfathered Account, if any; a Participant may not designate different beneficiaries for his or her Account and

Grandfathered Account. A Participant may change such designation from time to time and the last designation filed with the Committee in accordance with its procedures prior to the Participant's death will control. For this purpose, a Participant's most recent beneficiary designation properly filed under a Prior Agreement shall continue to be given effect until otherwise modified in accordance with the provisions of this Section. In the event no beneficiary is designated, or if all designated beneficiaries predecease the Participant, payment shall be payable to the following "default" beneficiaries of the Participant in the following order of priority: (1) the Participant's surviving spouse known to the Committee, if any; (2) the Participant's living children known to the Committee in equal shares; (3) the Participant's living parents known to the Committee in equal shares; (4) the Participant's surviving siblings known to the Committee in equal shares; or (5) the beneficiary's estate for distribution in accordance with the terms of the beneficiary's last will and testament or as a court of competent jurisdiction shall determine.

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

5.4 Form of Distribution.

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

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

(b) **Retirement Accounts.**

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

(2) With respect to any individual who is a Participant as of December 31, 2008, Incentive Payments credited after March 31, 2009, if any, will be allocated to his or her Retirement Accounts in accordance with his or her last affirmative form of payment election filed with Executive Compensation on or before December 31, 2008, which election may be separate from the election provided in Section 5.4(b)(1) above. Such election shall be irrevocable as of December 31, 2008.

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

(d) **Subsequent Elections.** A Participant may change his or her distribution election (or deemed distribution election) with respect to his or her Company Account or Retirement Account or, in the event of death, his or her Account, per

this Section 5.4 at any time by making a new election (referred to in this subsection as a “subsequent election”) on a form (which may be electronic) approved by Executive Compensation and filed with Executive Compensation; provided, however, that each such subsequent election shall be subject to the following restrictions:

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

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

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

5.5 Distributions for Unforeseeable Emergencies.

- (a) In the event of an Unforeseeable Emergency, the Committee or its delegate, in its sole and absolute discretion and upon written application of a Participant or, following the Participant's death, the beneficiary to whom a Participant's benefits are then being paid, or will be paid, pursuant to Section 5.3, may direct immediate distribution of all or a portion of the Participant's Account (other than Employer Contribution Credits and Incentive Payments). The Committee or its delegate will permit distribution on account of an Unforeseeable Emergency only to the extent reasonably necessary to satisfy the emergency need, plus amounts necessary to pay federal, state or local income taxes and penalties reasonably anticipated to result from the distribution, after taking into account the extent to which such need is or may be relieved through reimbursement or compensation by insurance, by liquidation of the Participant's or beneficiary's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under the Plan. Any distribution under this Section 5.5 shall first be made from the Participant's Scheduled In-Service Accounts (including earnings thereon), then from his or her Retirement Accounts (including earnings thereon) in the following order: Deferred Equity, Deferred Special Bonuses and Deferred Retention Bonuses, then pro rata from Deferred Compensation and Deferred Bonus. A Participant's Incentive Payments under Section 4.2 shall be ratably adjusted consistent with the above.
- (b) Notwithstanding anything in the Plan to the contrary, if Walmart reasonably anticipates that its deduction with respect to any distribution under this Section 5.5 would not be permitted due to the application of Code Section 162(m); such payment shall be suspended to the extent a deduction would not be permitted until the earliest date at which it reasonably anticipates that the deduction of such distribution would not be barred by application of Code Section 162(m); provided, however, that the conditions of Section 5.5(a) are still satisfied as of such date.

5.6 Reductions Arising from a Participant's Gross Misconduct.

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

ARTICLE VI. ADMINISTRATION

6.1 General.

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

- (a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may arise regarding the rights of Participants (or their beneficiaries) under this Plan;
- (b) The Committee shall have the authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;
- (c) The Committee may appoint a person or persons to act on behalf of, or to assist, the Committee in the administration of the Plan, establishment of forms (including electronic forms) desirable for Plan operation, and such other matters as the Committee deems necessary or appropriate;
- (d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart, any Related Affiliate, the Participant, the Participant's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and

- (e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

6.2 Allocation and Delegation of Duties.

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

**ARTICLE VII.
CLAIMS PROCEDURE**

7.1 General.

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

- (a) the specific reason or reasons for the denial;

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

7.2 Appeals Procedure.

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

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

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review will be in writing and shall include the specific reasons for the denial and the specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

8.1 Amendment, Suspension or Termination of Plan.

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

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

8.2 Non-Alienability.

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

8.3 Recovery of Overpayments.

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

8.4 No Employment Rights.

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

8.5 No Right to Bonus.

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

8.6 Withholding and Employment Taxes.

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

8.7 Income and Excise Taxes.

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

8.8 Successors and Assigns.

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

8.9 Governing Law.

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

APPENDIX A

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

WALMART INC. OFFICER DEFERRED COMPENSATION PLAN

ARTICLE I. GENERAL

1.1 Purpose.

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

1.2 Applicability to Prior Deferred Compensation Agreements; Effective Date.

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

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

1.3 Nature of Plan.

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

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

ARTICLE II. DEFINITIONS

2.1 Definitions.

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

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

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

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

- (f) **Early Retirement** means a Participant's Termination of Employment on or after the date the Participant has been continuously employed with Walmart or a Related Affiliate twenty (20) or more years.
- (g) **Eligible Officer** means an individual who is a corporate officer of Walmart or a Related Affiliate designated by Walmart as a participating employer, and who holds the title of Vice President or above, Treasurer, Controller, or an officer title of similar rank as determined by the Committee. In addition, Eligible Officer shall include a divisional officer of Walmart or a Related Affiliate designated by Walmart as a participating employer, and who holds the title of Vice President or above or an officer title of similar rank as determined by the Committee. Notwithstanding the preceding sentences, the term "Eligible Officer" shall not include an individual who entered into a Prior Agreement with Walmart unless such individual consents to participation in the Plan on the terms and conditions herein set forth.
- (h) **Fiscal Year** means the twelve (12)-month period commencing on February 1 and ending on January 31.
- (i) **Grandfathered Account** means the bookkeeping account established by the Committee to reflect a Participant's Deferred Compensation, Deferred Bonuses, Incentive Payments, and credited earnings thereon, which are deferred and vested on or before December 31, 2004. Such amount shall be governed at all times by the terms of this Appendix A.
- (j) A Participant is deemed to have engaged in **Gross Misconduct** if the Committee or its delegate determines that the Participant has engaged in conduct detrimental to the best interests of Walmart or any Related Affiliate or any entity in which Walmart has an ownership interest. Examples of such conduct include, without limitation, disclosure of confidential information in violation of Walmart's Statement of Ethics, theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses.
- (k) **Incentive Payments** means the amounts credited to a Participant's Grandfathered Account: (1) in accordance with Section 4.2 below; and (2) a Participant's Prior Agreement(s).
- (l) **Participant** means any Eligible Officer who defers compensation or bonuses under the Plan. An individual remains a Participant in the Plan until the Participant's Plan benefits have been fully distributed.

- (m) **Plan Year** means: (1) for periods before February 1, 1997, the twelve (12)-month period commencing on February 1 and ending on January 31; (2) the period from February 1, 1997 through March 31, 1997; and (3) from and after April 1, 1997, the twelve (12)-month period commencing on April 1 and ending on March 31. Notwithstanding the above, for purposes of the Incentive Payments under Section 4.2, the February 1, 1996 - January 31, 1997 Plan Year and the short February 1, 1997 - March 31, 1997 Plan Year shall be treated as one Plan Year running from February 1, 1996 - March 31, 1997.
- (n) **Related Affiliates** means a business or entity that is, directly or indirectly, fifty-one percent (51%) or more owned by Walmart.
- (o) **Retirement** means a Participant's Termination of Employment on or after the Participant's attainment of age fifty-five (55).
- (p) **Termination of Employment** means a Participant ceasing to be actively employed by Walmart and its Related Affiliates. Termination of Employment does not include the transfer of a Participant from the employ of Walmart to a Related Affiliate or vice versa, a transfer between Walmart's Related Affiliates, or periods while a Participant is on an approved leave of absence.
- (q) **Unforeseeable Emergency** means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or a Participant's dependent (as defined in Code Section 152(a)), the loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. An Unforeseeable Emergency does not exist to the extent such hardship is or may be relieved:
 - (1) through reimbursement or compensation by insurance or otherwise;
 - (2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would itself not cause severe financial hardship; or
 - (3) by cessation of deferrals under this Plan.

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

- (r) **Annual Valuation Date** means the last day of each Plan Year.

**ARTICLE III.
DEFERRED COMPENSATION AND BONUSES--
ESTABLISHMENT OF ACCOUNTS**

3.1 Deferred Compensation.

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

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

3.2 Deferred Bonuses.

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

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

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

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

3.3 Establishment of Grandfathered Accounts.

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

3.4 Nature of Grandfathered Accounts.

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

3.5 Annual Valuation of Grandfathered Accounts.

Each Participant's Grandfathered Account will be valued annually as of each Annual Valuation Date. The value of an Grandfathered Account as of any applicable Annual Valuation Date is the sum of the Grandfathered Account value as of the immediately preceding Annual Valuation Date, the Deferred Compensation, Deferred Bonuses and Incentive Payments allocated as of the applicable Annual Valuation Date, and the equivalent of interest credited to the Grandfathered Account under Section 4.1 as of the applicable Annual Valuation Date, less any distributions for Unforeseeable Emergencies since the preceding Annual Valuation Date but on or before the applicable Annual Valuation Date.

[Notwithstanding anything herein to the contrary, effective April 1, 2008, Grandfathered Accounts shall be credited with interest on a daily basis. The amount of interest to be credited each day shall be a daily rate of simple interest based on the interest rate in effect for the Plan Year as provided in Section 4.1 (the "Interest Rate"). Also, effective January 1, 2009, the Plan Year for such purpose shall be the twelve-month period February 1 through January 31, with the period April 1, 2009 through January 31, 2010 being a short Plan Year. This Appendix A shall be construed in accordance with such modifications. It has been determined that these modifications do not constitute "material modifications" for purposes of Code Section 409A.]

[Notwithstanding anything herein to the contrary, effective for Plan Years commencing on or after February 1, 2023, a Participant's Grandfathered Account will be credited with either of the following, as elected by the Participant in accordance with this provision:

- (a) Interest at the Interest Rate; or
- (b) Earnings, gains and losses based on the results that would have been achieved had amounts credited to the Grandfathered Account been invested as soon as practicable after such election into the Investment Options (as defined in the Plan) selected by the Participant.

The Committee, in its 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 Grandfathered Account to be credited with earnings, gains and losses in accordance with paragraph (b) above. If a Participant does not make such an election in accordance with the procedures established by the Committee in its sole discretion, the Participant's entire Grandfathered Account shall be credited with interest in accordance with paragraph (a) above. Once earnings are elected under paragraph (b) above with respect to any portion of a Participant's Grandfathered Account, such Participant shall be prohibited from subsequently electing to receive interest with respect to such portion in accordance with paragraph (a) above.

The Committee shall specify procedures to allow Participants to make elections as to the deemed investment of amounts in Investment Options (as defined in the Plan) in accordance with this provision. Nothing in this provision or otherwise in this Appendix A, however, will require Walmart to actually invest any amounts in such Investment Options or otherwise.

If a portion of a Participant's Grandfathered Account is being credited with earnings, gains and losses in accordance with paragraph (b) above and such portion is payable in a lump sum under this Appendix A, then notwithstanding anything herein to the contrary, the lump sum amount

will be the value of such portion as of the last day of the month preceding the date of the distribution.

If a portion of a Participant's Grandfathered Account is being credited with earnings, gains and losses in accordance with paragraph (b) above and such portion is payable in installments under this Appendix A, then notwithstanding anything herein to the contrary, 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 day 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.

This Appendix A shall be construed in accordance with the above modifications. It has been determined that these modifications do not constitute "material modifications" for purposes of Code Section 409A.]

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

4.1 Credited Annual Earnings.

For each Plan Year a Participant's Grandfathered Account will be credited with the equivalent of interest at the per annum rate established for such Plan Year by the Committee; provided, however, for the February 1, 1997 - March 31, 1997 Plan Year, the equivalent of interest shall be credited at one-sixth (1/6) of the per annum rate so established for such period. The per annum rate may be increased or decreased for any Plan Year to reflect changes in prevailing interest rates, as determined at the sole discretion of the Committee. Except for a Plan Year in which a Participant receives a distribution due to an Unforeseeable Emergency, the amount to be credited to a Participant's Grandfathered Account as of any Annual Valuation Date is the sum of: (a) the applicable per annum rate multiplied by the Participant's Grandfathered Account value as of the immediately preceding Annual Valuation Date; (b) fifty percent (50%) of the Participant's Deferred Compensation for the Plan Year ending on the Annual Valuation Date multiplied by the applicable full annum rate; and (c) effective for Deferred Bonuses attributable to Fiscal Years beginning on or after February 1, 2003, a pro rata amount of interest equivalent at the applicable per annum rate based upon the number of days from the date such bonus would have otherwise been paid in cash through the applicable Annual Valuation Date.

[NOTE: The annual rate in effect for a Plan Year for this purpose shall be determined in accordance with the following formula in effect as of October 3, 2004: the rate on 10-year Treasury notes determined as of the first business day of January preceding each Plan Year, plus 270 basis points. Such formula shall not be modified on or after October 3, 2004. Notwithstanding the preceding, in light of uncertainty regarding whether adjustment of the annual rate would constitute a material modification of the Plan for Code Section 409A purposes, the annual rate was not adjusted for 2005. The annual rate for 2006 and future years will be adjusted in accordance with the above formula.]

For a Plan Year in which a Participant receives a distribution due to an Unforeseeable Emergency, the amount to be credited to the Participant's Grandfathered Account as of the applicable Annual Valuation Date is the sum of: (a) an equivalent amount of pro rata interest on the Participant's Grandfathered Account value as of the preceding Annual Valuation Date based upon the number of full calendar months in the Plan Year which the Grandfathered Account was not reduced due to the distribution; (b) an equivalent amount of pro rata interest on the Grandfathered Account value immediately after the distribution based upon the number of calendar months in the Plan Year in which the Participant's Grandfathered Account was reduced; (c) fifty percent (50%) of the Participant's Deferred Compensation for the Plan Year ending on the Annual Valuation Date multiplied by the applicable full annum rate; and (d) effective for Deferred Bonuses attributable to Fiscal Years beginning on or after February 1, 2003, a pro rata amount of interest equivalent at the applicable per annum rate based upon the number of days from the date such bonus would have otherwise been paid in cash through the applicable Annual Valuation Date.

4.2 Incentive Payments.

The Incentive Payments described below will be credited to a Participant's Grandfathered Account. Incentive Payments awarded and credited to a Participant's Grandfathered Account under a Prior Agreement (such Incentive Payments were previously referred to as "incentive bonuses" under the Prior Agreements), and credited interest thereon, will remain credited to a Participant's Grandfathered Account hereunder as of January 31, 1996. Thereafter, a Participant's entitlement to an Incentive Payment will be governed by this Section 4.2, including any Incentive Payment which may be awarded with respect to recognized Deferred Compensation (and credited earnings thereon) deferred under a Prior Agreement. Incentive Payments hereunder shall not duplicate any Incentive Payment awarded and credited under a Prior Agreement as of January 31, 1996.

- (a) The Incentive Payments provided in this Section apply to a Participant's recognized Deferred Compensation and Deferred Bonuses for a Plan Year and credited Plan earnings thereon. For this purpose, Deferred Bonuses shall be treated as being "for a Plan Year" for the Plan Year in which Deferred Bonuses are allocated to a Participant's Grandfathered Account under Section 3.3. Incentive Payments are separately awarded based upon a Participant's recognized Deferred Compensation and Deferred Bonuses for a given Plan Year and credited Plan earnings thereon. Solely for purposes of this Section 4.2, the February 1, 1996 - January 31, 1997 Plan Year and the short February 1, 1997 - March 31, 1997 Plan Year shall be treated as one Plan Year running from February 1, 1996 - March 31, 1997.
- (b) The amount of an Incentive Payment is based on the Participant's recognized Deferred Compensation and Deferred Bonuses for a Plan Year, plus credited Plan earnings on such sums through and including the Incentive Payment award date. The amount by which a Participant's Deferred Compensation and Deferred Bonuses for a Plan Year exceeds twenty percent (20%) of the Participant's base compensation will not be recognized in computing an Incentive Payment. Base compensation for this purpose means the Participant's annual base rate of compensation for such Plan Year (proportionately increased for the special Plan

Year of February 1, 1996 - March 31, 1997). Credited Plan earnings on such nonrecognized Deferred Compensation or Deferred Bonuses are likewise not taken into account in determining the amount of an Incentive Payment.

- (c) If a Participant remains continuously employed with Walmart or its Related Affiliates for a period of ten (10) consecutive full Plan Years, beginning with the first day of the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, and ending with the last day of the tenth (10th) Plan Year of such period, an Incentive Payment will be credited to the Participant's Grandfathered Account as of the last day of such tenth 10th Plan Year. The Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for ten (10), but not less than five (5), Plan Years (i.e., the first six (6) Plan Years of such ten (10)-year period), plus credited Plan earnings thereon through the award date. For each full Plan Year thereafter in which the Participant remains continuously employed with Walmart or its Related Affiliates, an Incentive Payment will be credited to the Participant's Grandfathered Account as of the last day of such Plan Year. Such Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for the first Plan Year of the five (5)-consecutive Plan Year period ending on the award date, plus credited Plan earnings thereon through the award date.
- (d) If a Participant remains continuously employed with Walmart or its Related Affiliates for a period of fifteen (15) consecutive full Plan Years, beginning with the first day of the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonuses election in effect under this Plan or a Prior Agreement, and ending with the last day of the fifteenth (15th) Plan Year of such period, an Incentive Payment will be credited to the Participant's Grandfathered Account as of the last day of such fifteenth (15th) Plan Year. The Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for fifteen (15), but not less than ten (10), Plan Years (i.e., the first six (6) Plan Years of such fifteen (15)-year period), plus credited Plan earnings thereon through the award date. For each full Plan Year thereafter in which the Participant remains continuously employed with Walmart or its Related Affiliates, an Incentive Payment will be credited to the Participant's Grandfathered Account as of the last day of such Plan Year. Such Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for the first Plan Year of a ten (10)-consecutive Plan Year period ending on the award date, plus credited Plan earnings thereon through the award date. The Incentive Payments provided in this Section 4.2(d) shall not take into account Incentive Payments credited under Section 4.2(c) or credited Plan earnings thereon.
- (e) The Incentive Payments provided in this Section 4.2(e) only apply if a Participant has been a Participant under the Plan (or a Prior Agreement) for five (5) or more full Plan Years and if the Participant incurs a Retirement, Early Retirement, death or Disability before satisfaction of the ten (10)- or fifteen (15)-year periods

described in Sections 4.2 (c) and (d) above, after taking into account the application of Section 4.2(f). In that event, only the Incentive Payment next to be credited (i.e., twenty percent (20%) or ten percent (10%)) will be credited to the Participant's Grandfathered Account as provided in this Section 4.2(e). In the event the Participant had not yet been awarded or credited with a twenty percent (20 %) Incentive Payment under Section 4.2(c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of (1) the number of full Plan Years worked since and including the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, to (2) ten (10), multiplied by twenty percent (20%). Such Incentive Payment will be based upon recognized amounts for the Plan Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(c). If the Participant has been awarded a twenty percent (20 %) Incentive Payment provided in Section 4.2 (c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of (1) the number of full Plan Years worked since the award date of the initial twenty percent (20%) Incentive Payment, to (2) five (5), multiplied by ten percent (10%). Such Incentive Payment will be based upon recognized amounts for the Plan Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(d). The Incentive Payment provided under this Section 4.2(e) will be determined and credited to the Participant's Grandfathered Account as of the date the Participant's Plan benefits are distributed in a lump sum payment. If, however, a Participant's benefits are to be distributed in installments, the amounts provided under this Section 4.2(e) will be determined and credited to the Participant's Grandfathered Account as of the January 31 on which installments are based.

- (f) The Incentive Payments provided in this Section 4.2(f) apply only with respect to those Participants who: (1) incur a Termination of Employment on or after the last day of a Fiscal Year, but before the immediately following last day of a Plan Year (e.g., on or after January 31, but before the next March 31); and (2) who, but for such Termination of Employment before the last day of a Plan Year, would have been credited with an Incentive Payment under Section 4.2(c) and/or 4.2(d). In that event, the Incentive Payments which would have been credited to the Participant's Grandfathered Account but for such early Termination of Employment will be credited to the Participant's Grandfathered Account as if the Participant had remained employed with Walmart or its Related Affiliates through the last day of the Plan Year, with no reduction due to the early Termination of Employment. The Incentive Payments provided under this Section 4.2(f) will be determined and credited to the Participant's Grandfathered Account as of the date the Participant's Plan benefits are distributed in a lump sum payment. If, however, a Participant's benefits are to be distributed in installments, the amounts provided under this Section 4.2(f) will be determined and credited to the Participant's Grandfathered Account as of the January 31 on which installments are based.

[NOTE: Incentive Payments are frozen under this Appendix A. From and after January 1, 2005, all Incentive Payments shall be made under the Plan, not this Appendix A.]

**ARTICLE V.
PAYMENT OF PLAN BENEFITS**

5.1 Distribution Restrictions.

Except in the event of a Participant's Unforeseeable Emergency, Plan benefits will not be payable to a Participant prior to the earliest occurrence of the Participant's Retirement, Early Retirement, Termination of Employment, Disability or death.

5.2 Termination Benefits.

(a) General.

In the event of a Participant's Termination of Employment for reasons other than the Participant's Retirement, Early Retirement, Disability or death, the Participant's Plan benefits will be distributed in a lump sum under Section 5.2(b) or Section 5.2(c), as applicable, within sixty (60) days after the end of the calendar month in which the Termination of Employment occurs; provided, however, that if the Participant's Termination of Employment occurs after the Participant has attained age fifty (50), the Participant's Plan benefits will be distributed in a lump sum under Section 5.2(b) or Section 5.2(c), as applicable, or, subject to the minimum account value restrictions of Section 5.6 below, in substantially equal annual installments under Section 5.2(e) over a period not to exceed fifteen (15) years, in accordance with the Participant's distribution election given effect under the provisions of Section 5.6 below.

(b) Termination on Last Business Day of Plan Year.

If the Participant's Termination of Employment occurs on the last business day (excluding for this purpose, Saturday and Sunday) of a Plan Year, the lump sum amount will be the sum of: (1) the value of the Participant's Grandfathered Account, as determined under Section 3.5, as of the Annual Valuation Date coincident with or immediately following the Participant's Termination of Employment and (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Plan Year in which distribution occurs) on the amount determined in (1) through the date of distribution based upon the number of calendar days since such Annual Valuation Date.

(c) Termination on Other Than Last Business Day of Plan Year.

If the Participant's Termination of Employment occurs on a date other than the last business day (excluding for this purpose, Saturday and Sunday) of a Plan Year, the lump sum amount will equal the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding Termination of Employment; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately preceding Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the date of distribution; (3) the Participant's Deferred Compensation

for the Plan Year in which Termination of Employment occurs; (4) a pro rata amount of interest equivalent (determined by multiplying fifty percent (50%) of the amount determined in (3) by the applicable full annum rate in effect for a Plan Year under Section 4.1) based upon the number of calendar days since the Annual Valuation Date immediately preceding Termination of Employment through the date of distribution; and (5) the Participant's Incentive Payments (if any) as provided in Section 4.2(f).

(d) Death.

In the event of a Participant's death before full payment of Plan benefits under this Section 5.2, payment shall be made (or continue to be made) to the Participant's beneficiary designated under Section 5.5 in accordance with Participant's separate election for death benefits under Section 5.6, or, with respect to those Participants in pay status who die on or after October 1, 2003, if the Participant did not designate a beneficiary under Section 5.5 or if no such beneficiary survives the Participant, payment shall be made in the form of a lump sum to the Participant's estate.

(e) Installment Distributions.

If distribution is to be made in the form of annual installments pursuant to Section 5.2(a), the Participant's installments will be based upon the value of the Participant's Grandfathered Account as of the January 31 coincident with or immediately following the Participant's Termination of Employment. For this purpose, the Participant's Grandfathered Account value as of such January 31 shall be equal to the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding the Participant's Termination of Employment; (2) a pro rata amount of interest equivalent (determined at the applicable per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately preceding Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the January 31; (3) the Participant's Deferred Compensation for the Plan Year in which Termination of Employment occurs; (4) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f); and (5) a pro rata amount of interest equivalent (determined by multiplying fifty percent (50%) of the amount determined in (3) by the applicable full annum rate in effect for a Plan Year under Section 4.1) based upon the number of calendar days since the Annual Valuation Date immediately preceding Termination of Employment through such January 31.

Notwithstanding the preceding paragraph, if the Participant's Termination of Employment occurs on a January 31 (excluding for this purpose, Saturday and Sunday), the Participant's installments will be based upon the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately following the Participant's Termination of Employment; (2) a pro rata amount of interest equivalent (determined at the applicable per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately following Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the following January 31; and (3) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f).

The Plan benefits determined above will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Plan benefits over the period covered by the installment period (such period commencing on the February 1 following the January 31 on which the Participant's Grandfathered Account is valued under this Section), with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's Termination of Employment occurs. The first installment will be paid as of the January 31 following the Participant's Termination of Employment, and continue on each successive January 31 until the Participant's benefits are distributed in full. For purposes of the preceding sentence, it is expressly provided that, if a Participant's Termination of Employment occurs on a January 31, the first installment will be paid on the next-following January 31.

5.3 Retirement, Early Retirement, and Disability Benefits.

(a) General.

In the event of a Participant's Termination of Employment due to the Participant's Retirement, Early Retirement or Disability, the Participant's Plan benefits will be distributed in a lump sum or in substantially equal annual installments over a period not to exceed fifteen (15) years, subject to the minimum account value restrictions of Section 5.6 below and in accordance with the Participant's distribution election given effect under the provisions of Section 5.6 below.

(b) Lump Sum Distributions.

If distribution is to be made in the form of a lump sum, the Participant's Plan benefits will be distributed within sixty (60) days after the end of the calendar month in which the Retirement, Early Retirement or Disability occurs. If the Participant's Retirement, Early Retirement or Disability occurs on the last business day (excluding for this purpose Saturday and Sunday) of a Plan Year, the lump sum amount will be the sum of: (1) the value of the Participant's Grandfathered Account, as determined under Section 3.5, as of the Annual Valuation Date coincident with or immediately following the Participant's Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Plan Year in which distribution occurs) on the amount determined in (1) through the date of distribution based upon the number of calendar days since such Annual Valuation Date; and (3) the Participant's Incentive Payment (if any) as provided in Section 4.2(e).

If the Participant's Retirement, Early Retirement or Disability occurs on a date other than the last business day (excluding for this purpose Saturday and Sunday) of a Plan Year, the lump sum amount will equal the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately preceding Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the date of distribution; (3) the Participant's Deferred Compensation for the Plan Year in which Retirement, Early Retirement or Disability occurs; (4) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f); and (5) a pro rata amount of interest equivalent

(determined by multiplying fifty percent (50%) of the amount determined in (3) by the applicable full annum rate in effect for a Plan Year under Section 4.1) based upon the number of calendar days since the Annual Valuation Date immediately preceding Retirement, Early Retirement or Disability through the date of distribution.

(c) Installment Distributions.

If distribution is to be made in the form of annual installments, the Participant's installments will be based upon the value of the Participant's Grandfathered Account as of the January 31 coincident with or immediately following the Participant's Retirement, Early Retirement or Disability. For this purpose, the Participant's Grandfathered Account value as of such January 31 shall be equal to the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding the Participant's Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the applicable per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately preceding Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the January 31; (3) the Participant's Deferred Compensation for the Plan Year in which Retirement, Early Retirement or Disability occurs; (4) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f); and (5) a pro rata amount of interest equivalent (determined by multiplying fifty percent (50%) of the amount determined in (3) by the applicable full annum rate in effect for a Plan Year under Section 4.1) based upon the number of calendar days since the Annual Valuation Date immediately preceding Retirement, Early Retirement or Disability through such January 31.

Notwithstanding the preceding paragraph, if the Participant's Retirement, Early Retirement or Disability occurs on a January 31 (excluding for this purpose, Saturday and Sunday), the Participant's installments will be based upon the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately following the Participant's Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the applicable per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately following Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the following January 31; and (3) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f).

The Plan benefits determined above will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Plan benefits over the period covered by the installment period (such period commencing on the February 1 following the January 31 on which the Participant's Grandfathered Account is valued under this Section), with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's Retirement, Early Retirement or Disability occurs. The first installment will be paid as of the January 31 following the Participant's Retirement, Early Retirement or Disability, and continue on each successive January 31 until the Participant's benefits are distributed in full. For purposes of the preceding sentence, it is expressly provided that, if a Participant's Retirement, Early Retirement or Disability occurs on a January 31, the first installment will be paid on the next-following January 31.

(d) Death.

In the event of a Participant's death before full payment of Plan benefits under this Section 5.3, payment shall be made (or continue to be made) to the Participant's beneficiary designated under Section 5.5 in accordance with Participant's separate election for death benefits under Section 5.6, or, with respect to those Participants in pay status who die on or after October 1, 2003, if the Participant did not designate a beneficiary under Section 5.5 or if no such beneficiary survives the Participant, payment shall be made in the form of a lump sum to the Participant's estate.

5.4 Death Benefits.

(a) General.

In the event of a Participant's Termination of Employment due to the Participant's death, the Participant's Plan benefits will be distributed in a lump sum or, subject to the minimum account value restrictions of Section 5.6 below, in substantially equal annual installments over a period not to exceed fifteen (15) years, in accordance with the Participant's distribution election given effect under the provisions of Section 5.6 below. Amounts will be distributed to the beneficiary designated under 5.5 below.

(b) Lump Sum Distributions.

If distribution is to be made in the form of a lump sum, the Participant's Plan benefits will be distributed within sixty (60) days after the end of the calendar month in which the Participant's death occurs. If the Participant's death occurs on the last business day (excluding for this purpose Saturday and Sunday) of a Plan Year, the lump sum amount will be the sum of: (1) the value of the Participant's Grandfathered Account, as determined under Section 3.5, as of the Annual Valuation Date coincident with or immediately following the Participant's death; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Plan Year in which distribution occurs) on the amount determined in (1) through the date of distribution based upon the number of calendar days since such Annual Valuation Date; and (4) the Participant's Incentive Payment (if any) as provided in Section 4.2(e).

If the Participant's death occurs on a date other than the last business day (excluding for this purpose Saturday and Sunday) of a Plan Year, the lump sum amount will equal the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding the Participant's death; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Plan Year on the Participant's Grandfathered Account value as of the immediately preceding Annual Valuation Date based upon the number of full calendar days since such Annual Valuation Date through date of distribution; and (3) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f).

(c) **Installment Distributions.**

If distribution is to be made in the form of annual installments, the installments will be based upon the value of the Participant's Grandfathered Account as of the January 31 coincident with or immediately following the Participant's death. For this purpose, a Participant's Grandfathered Account value as of such January 31 shall be determined in accordance with the manner specified in Section 5.3(c). The Plan benefits determined above will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Plan benefits over the period covered by the installment period (such period commencing on the February 1 following the January 31 on which the Participant's Grandfathered Account is valued under this Section), with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's death occurs. The first installment will be paid as of the January 31 coincident with or following the Participant's death; and continue on each successive January 31 until the Participant's benefits are distributed in full. For purposes of the preceding sentence, it is expressly provided that if a Participant dies on a January 31, the first installment will be paid on the next-following January 31.

5.5 Designation of Beneficiary.

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

5.6 Form of Distribution.

If a Participant's Termination of Employment is due to the Participant's Retirement, Early Retirement Disability or death, or occurs after the Participant has attained age fifty (50), distribution may be made, at the Participant's election, in a lump sum or in substantially equal annual installments over a period not to exceed fifteen (15) years; provided, however, with respect to Terminations of Employment occurring on or after October 1, 2003, an installment election will be given effect only if, as of the date on which any lump sum payment would be valued, the participant's Grandfathered Account is valued at greater than fifty-thousand dollars (\$50,000). Any Participant whose Grandfathered Account is valued at less than fifty-thousand dollars as of the date on which any lump sum payment would be valued shall be defaulted to a lump sum payment. A Participant may file a distribution election with the Committee on forms prescribed by the Committee. A distribution election, once given effect under this Section 5.6, will apply to the Participant's total Plan benefits. A Participant may, however, file a separate election for death benefits payable under Section 5.2 - 5.4. To be given effect under this Section

5.6, any distribution election for benefits payable under Section 5.2 or Section 5.3 to the Participant must have been filed with the Committee at least six (6) full calendar months before the occurrence of an event entitling the Participant to a distribution thereunder. If a Participant's distribution election has not been on file with the Committee for the full six (6)-month period, it will not be recognized or given effect by the Plan. In that event, distribution will be made in accordance with the Participant's most recent distribution election which was filed with the Committee at least six (6) months prior to the Participant's Retirement, Early Retirement, Disability, or Termination of Employment after age fifty (50). The six (6)- month period provided above shall not apply to death benefits payable under Section 5.2 - 5.4. For purposes of this Section 5.6, a Participant's last distribution election filed with Walmart under a Prior Agreement will be given effect for the Participant's total Plan benefits until superseded or amended by the Participant in accordance with the provisions of this Section, except that death benefits under Section 5.4 will be paid in a lump sum unless an affirmative election to the contrary is filed by the Participant. If the Participant has not been a Participant in the Plan for at least six (6) months prior to the Participant's Retirement, Early Retirement Disability, or Termination of Employment after age fifty (50), the Participant's initial distribution election filed with Walmart will be given effect. For purposes of this Section 5.6, it is expressly provided that any installment election which would be given effect hereunder for benefits payable under Section 5.3 shall automatically be given effect for Participants who incur a Termination of Employment on or after June 1, 1999 and after attaining age fifty (50), without the consent or ratification of any such Participant.

5.7 Reductions Arising from a Participant's Gross Misconduct.

A Participant's Plan benefits are contingent upon the Participant not engaging in Gross Misconduct while employed with Walmart or any Related Affiliate or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. Notwithstanding anything herein to the contrary, in the event the Committee determines that the Participant has engaged in Gross Misconduct during the prescribed period: (a) the Participant shall forfeit all Incentive Payments, and credited Plan earnings thereon; and (b) earnings credited to the Participant's Grandfathered Account derived from Deferred Compensation and Deferred Bonuses shall be recalculated for each Plan Year to reflect the amount which would otherwise have been credited if the applicable per annum rate (or if a portion of the Participant's Grandfathered Account is being credited with earnings, gains and losses, the positive earnings rate (if any) for such Plan Year) were fifty percent (50%) of the per annum rate in effect (or positive earnings rate, as applicable) for such Plan Year. For the avoidance of doubt, if a portion of a Participant's Account 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 or Deferred Bonuses 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 Walmart or any Related Affiliate or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Business Ethics. If the Committee determines, after payment of amounts hereunder, that the Participant has engaged in Gross Misconduct during the prescribed period,

the Participant (or the Participant's beneficiary) shall repay to Walmart, or the applicable Related Affiliate, any amount in excess of that to which the Participant is entitled under this Section 5.7.

5.8 Distributions for Unforeseeable Emergencies.

In the event of an Unforeseeable Emergency, the Committee, in its sole and absolute discretion and upon written application of such Participant, may direct immediate distribution of all or a portion of the Participant's Plan benefits. The Committee will permit distribution because of an Unforeseeable Emergency only to the extent reasonably needed to satisfy the emergency need.

Notwithstanding anything herein to the contrary, the provisions of this paragraph apply in the event a Participant receives a distribution under this Section 5.8, the Participant's Termination of Employment for any reason occurs on a date other than the last business day of a Fiscal Year (excluding for this purpose Saturday or Sunday), and the Participant's benefits hereunder for any reason are paid in the same Fiscal Year in which the Participant received a distribution for Unforeseeable Emergencies under this Section 5.8. In that event, the Participant's lump sum amount calculated under Sections 5.2, 5.3, or 5.4 will be reduced by the amount distributed under this Section 5.8 and the applicable interest equivalent will be calculated in a manner consistent with Section 4.1.

ARTICLE VI. ADMINISTRATION

6.1 General.

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

- (a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may rise regarding the rights of Participants (or their beneficiaries) under this Plan;
- (b) The Committee shall have the authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;
- (c) The Committee may appoint a person or persons to act on behalf of, or to assist, the Committee in the administration of the Plan, establishment of forms (including electronic forms) desirable for Plan operation, and such other matters as the Committee deems necessary or appropriate;
- (d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart, any Related Affiliate, the Participant, the Participant's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and

- (e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

**ARTICLE VII.
CLAIMS PROCEDURE**

7.1 General.

Any claim for benefits under the Plan must be filed by the Participant or beneficiary ("claimant") in writing with the Committee or its delegate. If a claim for a Plan benefit is wholly or partially denied, notice of the decision will be furnished to the claimant by the Committee or its delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Committee or its delegate. Any claimant who is denied a claim for benefits will be furnished written notice setting forth:

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

7.2 Appeals Procedure.

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

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

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review will be in writing and shall include the specific reasons for the denial and the specific references to the pertinent Plan provisions on which the decision is based.

**ARTICLE VIII.
MISCELLANEOUS PROVISIONS**

8.1 Amendment, Suspension or Termination of Plan.

Walmart, by action of the Committee, reserves the right to amend, suspend or to terminate the Plan in any manner that it deems advisable. Notwithstanding the preceding sentence, the Plan may not be amended, suspended or terminated to cause a Participant to forfeit the Participant's then-existing Grandfathered Account.

8.2 Non-Alienability.

The rights of a Participant to the payment of benefits as provided in the Plan may not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation. No Participant may borrow against the Participant's interest in the Plan. No interest or amounts payable under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

8.3 No Employment Rights.

Nothing contained herein shall be construed as conferring upon the Participant the right to continue in the employ of Walmart or any of its Related Affiliates as an officer or in any other capacity.

8.4 No Right to Bonus.

Nothing contained herein shall be construed as conferring upon the Participant the right to receive a bonus from the Walmart Inc. Management Incentive Plan for Officers. A Participant's entitlement to such a bonus is governed solely by the provisions of that plan.

8.5 Withholding and Employment Taxes.

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

8.6 Income and Excise Taxes.

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

8.7 Recovery of Overpayments.

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

8.8 Successors and Assigns.

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

8.9 Governing Law.

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

Significant Subsidiaries of Walmart Inc.

The following list details certain of the subsidiaries of Walmart Inc. Subsidiaries not included in the list are omitted because, in the aggregate, they are not significant as permitted by Item 601(b)(21) of Regulation S-K.

Subsidiary	Organized or Incorporated	Percent of Equity Securities Owned	Name Under Which Doing Business Other Than Subsidiary's
Wal-Mart Stores East, LP	Delaware, U.S.	100%	Walmart
Wal-Mart Stores Texas, LLC	Delaware, U.S.	100%	Walmart
Wal-Mart Property Company	Delaware, U.S.	100%	NA
Wal-Mart Real Estate Business Trust	Delaware, U.S.	100%	NA
Sam's West, Inc.	Arkansas, U.S.	100%	Sam's Club
Sam's East, Inc.	Arkansas, U.S.	100%	Sam's Club
Sam's Property Company	Delaware, U.S.	100%	NA
Sam's Real Estate Business Trust	Delaware, U.S.	100%	NA
Wal-Mart de Mexico, S.A.B. de C.V.	Mexico	71%	Walmex
Wal-Mart Canada Corp.	Canada	100%	Walmart
Flipkart Private Limited	Singapore	75%	Flipkart
Walmart Chile S.A. ⁽¹⁾	Chile	100%	Walmart Chile
Massmart Holdings Ltd.	South Africa	100%	Massmart
Qomolangma Holdings Ltd.	Cayman Islands	100%	NA

⁽¹⁾ The Company owns substantially all of Walmart Chile.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- | | |
|---|----------------------------------|
| (1) 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) Debt Securities of Walmart Inc. | Form S-3 ASR File No. 333-251124 |
| (16) Walmart Inc. 2016 Associate Stock Purchase Plan | Form S-8 File No. 333-228631 |
| (17) Walmart Inc. Stock Incentive Plan of 2015 | Form S-8 File No. 333-228635 |
| (18) Walmart 401(k) Plan | Form S-8 File No. 333-233682 |

of our reports dated March 17, 2023, 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, 2023.

/s/ Ernst & Young LLP

Rogers, Arkansas
 March 17, 2023

I, C. Douglas McMillon, certify that:

1. I have reviewed this Annual Report on Form 10-K of Walmart Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2023

/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 evaluations; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2023

/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, 2023 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 17, 2023.

/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, 2023 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 17, 2023.

/s/ John David Rainey

John David Rainey
Executive Vice President and Chief Financial Officer

Opioids Litigation Case Citations and Currently Scheduled Trial Dates

A. Case Citations For Pending State Court Cases as of March 3, 2023

People of Northampton Cty., et al. v. Rite Aid Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 11/3/2022; Cty. of Lackawanna v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/21/2022; Cty. of Franklin v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/8/2022; Cty. of Washington v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/8/2022; Cty. of Erie v. Giant Eagle, Inc., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/7/2022; Cty. of Fayette v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/7/2022; Cty. of Lawrence v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/7/2022; Cty. of Monroe v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/7/2022; Cty. of Armstrong v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Bensalem Twp. v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Cty. of Cambria v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Newtown Twp. v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Cty. of Beaver v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Cty. of Bradford v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Cty. of Clarion v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Cty. of Greene v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Cty. of Huntingdon v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/6/2022; Mun. of Norristown, et al. v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/3/2022; Cty. of Westmoreland v. CVS Health Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 9/2/2022; Boone Cty., et al. v. CVS Health Corp., et al., Ill. Cir. Ct., Cook Cty., 8/15/2022; Lehigh Cty., et al. v. Rite Aid Corp., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/15/2022; Commonwealth of Pennsylvania ex rel. Dauphin Cty. Dist. Att’y Francis T. Chardo v. CVS Ind., L.L.C., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/12/2022; Commonwealth of Pennsylvania ex rel. Northampton Cty. Dist. Att’y Terence P. Houck v. CVS Ind., L.L.C., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/12/2022; Commonwealth of Pennsylvania ex rel. Jack Stollsteimer, Dist. Att’y of Delaware Cty. v. CVS Ind., L.L.C., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/10/2022; Commonwealth of Pennsylvania ex rel. Deborah S. Ryan, Dist. Att’y of Chester Cty. v. CVS Ind., L.L.C., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/9/2022; Dauphin Cty. v. Anda, Inc., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/8/2022; Commonwealth of Pennsylvania ex rel. Elizabeth Hirz, Dist. Att’y of Erie Cty. v. CVS Ind., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/8/22; 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; Commonwealth of Pennsylvania ex rel. Matthew D. Weintraub, Dist. Att’y of Bucks Cty. v. CVS Ind., L.L.C., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/5/2022; Commonwealth of Pennsylvania ex rel. Nicole W. Zicarelli, Dist. Att’y of Westmoreland Cty. v. CVS Ind., L.L.C., et al., Pa. Ct. Com. Pl., Delaware Cty., 8/5/2022; Cty. of Bexar v. Purdue Pharma L.P., et al., Tex. Dist. Ct., 152nd Jud. Dist., Harris Cty., 8/5/2022; City of Vineland v. Teva Pharm. Indus., Ltd., et al., N.J. Super. Ct., Cumberland Cty., 7/29/2022; State of Alaska v. Walgreen Co., et al., Alaska Super Ct., 3d Jud. Dist., Anchorage, 6/17/2022; Tioga Cty. v. Anda, Inc., et al., Pa. Ct. Com. Pl., Delaware Cty., 6/7/2022; Schuylkill Cty. v. Anda, Inc., et al., Pa. Ct. Com. Pl., Delaware Cty., 6/7/2022; Commonwealth of Pennsylvania ex rel. Philadelphia Dist. Att’y Lawrence S. Krasner v. CVS Ind., L.L.C., et al., Pa. Ct. Com. Pl., Delaware Cty., 5/25/2022; Cty. of Dallas v. Purdue Pharma L.P., et al., Tex. Dist. Ct., 152nd Jud. Dist., Harris Cty., 5/12/2022; Commonwealth of Pennsylvania ex rel. James B. Martin, Dist. Att’y of Lehigh Cty., et al. v. McKinsey & Co., et al., Pa. Commonw. Ct., Lehigh Cty., 4/1/2022; Paynter ex rel. Minor Child(ren) Z.N.B. v. McKesson Corp., et al., W. Va. Cir. Ct., Kanawha Cty., 3/28/2022; Bedford Cty., et al. v. AmerisourceBergen Drug Corp., et al., Tenn. Cir. Ct., Cumberland Cty., 3/18/2022; Anderson Cty., et al. v. Bearden Healthcare Assocs., Inc., et al., Tenn. Cir. Ct., Sevier Cty., 3/11/2022; Cty. of Hunterdon v. Teva Pharm. Indus., Ltd., et al., N.J. Super. Ct., Hunterdon Cty., 3/4/2022; Blankenship ex rel. Minor Child Z.D.B. v. McKesson Corp., et al., W. Va. Cir. Ct., Kanawha Cty., 1/14/2022; Pulaski Cty., et al. v. Walmart Inc., et al., Ark. Cir. Ct., Jefferson Cty., 1/3/2022; Mercer Cty. v. Anda Inc., et al., Pa. Ct. Com. Pl., Delaware Cty., 10/22/2021; Clinton Cty. v. Anda, Inc., et al., Pa. Ct. Com. Pl., Delaware Cty., 10/22/2021; City of Lock Haven v. 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Ct., Kanawha Cty., 1/11/2019; Cty. Comm'n of Webster Cty. v. Purdue Pharma, L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 1/11/2019; Mayor Don E. McCourt ex rel. Town of Addison aka Town of Webster Springs v. Purdue Pharma, L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 1/11/2019; Cty. of Fulton v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 1/8/2019; Cty. of Cortland 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; Delaware Cty. v. Purdue Pharma L.P., et al., Pa. Ct. Com. Pl., Delaware Cty., 11/14/2018; Cty. of Carbon v. Purdue Pharma L.P., et al., Pa. Ct. Com. Pl., Delaware Cty., 11/14/2018; Carpenters Health & Welfare Fund of Phila. & Vicinity v. Purdue Pharma L.P., et al., Pa. Ct. Com. Pl., Delaware Cty., 11/14/2018; 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; Johnson Cty. v. Abbott Labs, et al., Tex. Dist. Ct., 152nd Jud. Dist., Harris Cty., 11/2/2018; City of Ithaca v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Rensselaer v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Saratoga v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Schoharie v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Westchester v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Genesee v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Niagara v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Hamilton v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Franklin v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Schuyler v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Steuben v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Clinton v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Cty. of Tompkins v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 10/23/2018; Monongalia Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 9/28/2018; Upshur Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 9/28/2018; Marion Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 9/28/2018; Doddridge Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 9/28/2018; Randolph Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 9/28/2018; Brooke Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 12/13/2017; Hancock Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 12/13/2017; Harrison Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 12/13/2017; Lewis Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 12/13/2017; Marshall Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 12/13/2017; Ohio Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 12/13/2017; Tyler Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 12/13/2017; Wetzell Cty. Comm'n v. Purdue Pharma L.P., et al., W. Va. Cir. Ct., Kanawha Cty., 12/13/2017.

B. Currently Scheduled Trial Dates In Pending State Court Cases as of March 3, 2023

- 5/2024 – Cty. of Dallas v. Purdue Pharma, L.P. et al., 116th Jud. Dist., Dallas Cty.
- 7/8/2024 – Jefferson Cty. v. Williams, et al., Mo. Cir. Ct., 23d Jud. Dist., Jefferson Cty.
- 9/2024 – Cty. of Bexar v. Purdue Pharma, L.P. et al., 224th Jud. Dist., Bexar Cty.
- 10/2024 – 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 3, 2023

Municipality of Quebradillas, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Morovis, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Orocovis, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Penuelas, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Ponce, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Rincon, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Salinas, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of San German, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of San Lorenzo v. Teva Pharmaceutical USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Santa Isabel, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Toa Alta, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Trujillo Alto v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Vega Baja v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/30/2022; Municipality of Comerio, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Dorado, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Fajardo, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Guanica, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Hatillo, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Hormigueros, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Isabela, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Jayuya, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Juana Diaz, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Lares, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Las Marias, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Manati, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Maricao, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Moca, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/29/2022; Municipality of Aibonito, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/23/2022; Municipality of Anasco, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/23/2022; Municipality of Arecibo, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/23/2022; Municipality of Barranquitas, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/23/2022; Municipality of Cabo Rojo, Puerto Rico v. Teva

Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/23/2022; Municipality of Camuy, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/23/2022; Municipality of Aguada, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/10/2022; Municipality of Aguadilla, Puerto Rico v. Teva Pharmaceuticals USA, Inc., et al., U.S. Dist. Ct., D. Puerto Rico, 11/10/2022; Winston County, Alabama v. AmerisourceBergen Drug Corporation, et al., U.S. Dist. Ct., N.D. Alabama, 11/01/2022; The County Commission of Creek County, Oklahoma v. Walmart Inc., et al., U.S. Dist. Ct., N.D. Oklahoma, 10/21/2022; The County Commission of Craig County, Oklahoma v. Walmart Inc., et al., U.S. Dist. Ct., N.D. Oklahoma, 10/20/2022; The County Commission of Rogers County, Oklahoma v. Walmart Inc., et al., U.S. Dist. Ct., N.D. Oklahoma, 10/21/2022; The County Commission of Nowata County, Oklahoma v. Walmart Inc., et al., U.S. Dist. Ct., N.D. Oklahoma, 10/20/2022; The County Commission of Okmulgee County, Oklahoma v. Walmart Inc., et al., U.S. Dist. Ct., N.D. Oklahoma, 10/20/2022; The County Commission of Washington County, Oklahoma v. Walmart Inc., et al., U.S. Dist. Ct., N.D. Oklahoma, 10/20/2022; The County Commission of Mayes County, Oklahoma v. Walmart Inc., et al., U.S. Dist. Ct., N.D. Oklahoma, 10/20/2022; The City of Waterbury, et al. v. Walgreens Boots Alliance, Inc., et al., U.S. Dist. Ct., D. Connecticut, 09/20/2022; Glen Leer, MD d/b/a Lakeview Family Medicine v. Walmart, Inc., U.S. Dist. Ct., S.D. Indiana, U.S. Dist. Ct., S.D. Indiana, 08/17/2022; Baby Doe, et al., by and through Their Guardian Ad Litem v. Endo Health Solutions, Inc., et al., U.S. Dist. Ct., M.D. Tennessee, 08/03/2022; Board of County Commissioners of Atoka County, et al. v. Walmart Inc., f/k/a Wal-Mart Stores East, Inc., et al., U.S. Dist. Ct., W.D. Oklahoma, 07/29/2022; City of Ada, et al. v. Walmart Inc., f/k/a Wal-Mart Stores, Inc., et al., U.S. Dist. Ct., W.D. Oklahoma, 07/28/2022; Michael D. Reiner, M.D., a Professional Corporation v. CVS Pharmacy, Inc., et al., U.S. Dist. Ct., D. Nevada, 04/29/2022.