

WAL MART STORES INC
Form DEF 14A
April 20, 2017
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

WAL-MART STORES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

**Notice of 2017 Annual Shareholders' Meeting 8:00 a.m., Central time | Friday, June 2, 2017 Bud Walton Arena,
University of Arkansas Campus, Fayetteville, Arkansas 72701**

OUR BELIEFS

Since Sam Walton founded our company it always has been a values-based, ethically led organization. Our beliefs are the values that guide our decisions and our leadership.

**Act with
INTEGRITY**

We act with the highest level of integrity by being honest, fair and objective, while operating in compliance with all laws and our policies.

**RESPECT for
the Individual**

We value every associate, own the work we do, and communicate by listening and sharing ideas.

**SERVICE
to our Customers**

We're here to serve customers, support each other, and give to our local communities.

**Striving for
EXCELLENCE**

We work as a team and model positive examples while we innovate and improve every day.

Dear Fellow Shareholders:

We are pleased to invite you to attend Walmart's 2017 Annual Shareholders' Meeting on June 2, 2017 at 8:00 a.m. Central Time. If you plan to attend, please see page 102 for admission requirements. For those unable to join in-person, the meeting will also be webcast at <http://stock.walmart.com>.

From Our Chairman

Fiscal 2017 was a year in which we saw the ongoing transformation of Walmart gain momentum. In a new era of disruption in the retail industry, we continued to execute our strategy to become the first company to deliver a seamless shopping experience at scale, regardless of how our customers choose to shop with us.

One of our key priorities is to make life easier for busy families, and steps we took in fiscal 2017 – including our acquisition of Jet.com, our strategic alliance with JD.com in China, and our expansion of online grocery and marketplace – provide our customers with more ways to save time and money. Similarly, our significant investments in the wages, training, and opportunity of our U.S. associates have already resulted in a better shopping experience for our customers.

Your Board of Directors has been deeply engaged with, and partnered closely with management on, all of these key strategic decisions. Our majority-independent Board plays a vital role in overseeing our strategy and ongoing transformation, and I firmly believe that your Board, with its broad mix of experience, skills, and backgrounds, is a strategic asset for our company. We are committed to an independent and robust Board and to thoughtful and effective Board refreshment, and have added 7 new directors in the past 5 years. This year, we are excited to announce Carla Harris as a new director nominee. Carla brings deep experience in capital markets and global finance, and I'm confident she will be an asset to the Board and to Walmart.

In these exciting times, Walmart is uniquely positioned to make our customers' lives easier and deliver sustainable growth in the future. Thank you for your continued support of Walmart, and I look forward to seeing many of you at the meeting in June. Regardless of whether you are able to attend the meeting in person, your vote is important to us. For instructions on how to vote, please see page 103 of this proxy statement.

From Our Lead Independent Director

As Walmart continues to adapt to serve our customers seamlessly – in stores, online, or through pickup or delivery – we are committed to continuously enhancing our Board governance to support our strategy. As described in this proxy statement, we've made important changes to the way the Board works to maximize our effectiveness during this period of change.

Last year, we announced that we were reducing the size of the Board while maintaining its independence. More recently, we changed the structure of our Board committees by splitting our Compensation, Nominating and Governance Committee into two separate committees: one focused on executive compensation and management development, and one focused on director nominations and corporate governance. This new structure allows greater focus on aligning our compensation and performance management programs with our strategy, as well as emphasizing our continuing commitment to board refreshment and succession planning.

To further this commitment, beginning in fiscal 2018, our independent compensation committee approved important changes to our executive compensation program to ensure that it continues to support our strategy as we transform our business. You can learn more about these changes in the CD&A on page 46.

Your Board values your feedback and thanks those of you who have participated in our ongoing and extensive shareholder engagement. The feedback from our shareholders has been consistent – they believe in our strategy, and they recognize that we have the right skills, experiences, and backgrounds on our Board to effectively guide Walmart during this exciting period of transformation.

Sincerely,

Gregory B. Penner

Chairman

Sincerely,

Dr. James I. Cash, Jr.

Lead Independent Director

Notice 2017 Annual Shareholders' Meeting

How To Cast Your Vote

(PAGE 103)

INTERNET	CALL	MOBILE DEVICE	IN PERSON	MAIL
www.proxyvote.com	Toll-free (U.S. and Canada) at 1-800-690-6903	Scan the QR code on your proxy card, notice of internet availability of proxy materials, or voting instruction form	at the 2017 Annual Shareholders' Meeting	in your signed proxy card or voting instruction form (if you received one)

Items of Business	Board Recommendation	Reference Page
1. To elect as directors the 11 nominees identified in this proxy statement; To vote on a non-binding, advisory resolution to establish the frequency of future	FOR	12
2. advisory shareholder votes to approve the compensation of Walmart's named executive officers; To vote on a non-binding, advisory resolution to approve the compensation of	1 YEAR	44
3. Walmart's named executive officers;	FOR	45
4. To ratify the appointment of Ernst & Young LLP as the company's independent accountants for the fiscal year ending January 31, 2018;	FOR	91
5. To vote on the 3 shareholder proposals described in the accompanying proxy statement, if properly presented at the meeting; and	AGAINST each shareholder proposal	96
6. To transact any other business properly brought before the 2017 Annual Shareholders' Meeting.		108

Annual Shareholders' Meeting

Friday, June 2, 2017

8:00 a.m., Central time

Bud Walton Arena

**University of Arkansas Campus
Fayetteville, Arkansas 72701**

How to Attend the Meeting

If you plan to attend the meeting in person, please see page 102 for admission requirements.

The record date for the meeting is April 7, 2017. This means that you are entitled to receive notice of the meeting and vote your shares at the meeting if you were a shareholder of record as of the close of business on April 7, 2017.

April 20, 2017

By Order of the Board of Directors,

Jeffrey J. Gearhart

Executive Vice President, Global Governance and Corporate Secretary

The proxy statement and our Annual Report to Shareholders for the fiscal year ended January 31, 2017, are available in the “Investors” section of our corporate website at <http://stock.walmart.com/annual-reports>.

Walmart | 2017 Proxy Statement 5

**Table of
Contents**

<u>Chairman and Lead Independent Director Letters</u>	3
<u>Notice of 2017 Annual Shareholders' Meeting</u>	5
<u>Proxy Summary</u>	8
<u>Proposal No. 1: Election of Directors</u>	12
<u>Director Skills Criteria and Qualifications</u>	12
<u>Director Nominees for 2017</u>	15
<u>Corporate Governance</u>	21
<u>Board Leadership Structure</u>	22
<u>Board Committees</u>	23
<u>Board Meetings and Director Attendance</u>	28
<u>Communicating with the Board</u>	29
<u>Board Evaluations and Board Effectiveness</u>	30
<u>Board Refreshment and Succession Planning</u>	31
<u>Director Onboarding and Engagement</u>	31
<u>Management Development and Succession Planning</u>	32
<u>The Board's Role in Risk Oversight</u>	33
<u>Board Oversight of Legislative Affairs, Public Policy Engagement, Charitable Giving, and Sustainability</u>	34
<u>Shareholder Outreach and Engagement</u>	34
<u>How We Determine Director Independence</u>	35
<u>Related Person Transaction Review Policy</u>	38
<u>Fiscal 2017 Review of Related Person Transactions</u>	39
<u>Director Compensation</u>	41
<u>Proposal No. 2: Advisory Vote to Approve Frequency of Future Say-on-Pay Votes</u>	44

Proposal No. 3: Advisory Vote to Approve Named Executive Officer Compensation

45

<u>Executive Compensation</u>	46
<u>Compensation Discussion and Analysis</u> <i>(see separate Table of Contents)</i>	47
<u>Executive Summary</u>	48
<u>Compensation Committee Report</u>	72
<u>Risk Considerations in our Compensation Program</u>	72
<u>Compensation Committee Interlocks and Insider Participation</u>	73
<u>Executive Compensation Tables</u>	74
<u>Summary Compensation</u>	74
<u>Fiscal 2017 Grants of Plan-Based Awards</u>	77
<u>Outstanding Equity Awards at Fiscal 2017 Year-End</u>	79
<u>Fiscal 2017 Option Exercises and Stock Vested</u>	80
<u>Pension Benefits</u>	81
<u>Fiscal 2017 Nonqualified Deferred Compensation</u>	82
<u>Walmart’s Deferred Compensation Plans</u>	84
<u>Potential Payments Upon Termination or Change in Control</u>	85
<u>Equity Compensation Plan Information</u>	87
<u>Stock Ownership</u>	88
<u>Holdings of Major Shareholders</u>	88
<u>Holdings of Officers and Directors</u>	89
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	90
<u>Proposal No. 4: Ratification of Independent Accountants</u>	91
<u>Audit Committee Report</u>	93
<u>Audit Committee Pre-Approval Policy</u>	95
<u>Shareholder Proposals</u>	96
<u>Proposal No. 5: Request to Adopt an Independent Chairman Policy</u>	96
<u>Proposal No. 6: Shareholder Proxy Access</u>	98
<u>Proposal No. 7: Request for Independent Director with Environmental Expertise</u>	100
<u>Annual Meeting Information</u>	102
<u>Questions and Answers about Annual Meeting, Voting and Proxy Materials</u>	102
<u>Submission of Shareholder Proposals for the 2018 Annual Shareholders’ Meeting</u>	107
<u>Other Matters</u>	108
<u>Table of Abbreviations</u>	109
<u>Annex A: Information Regarding Certain Non-GAAP Financial Measures</u>	111
<u>2017 Annual Shareholders’ Meeting Admission Requirements and Map</u>	Back Cover

Walmart | 2017 Proxy Statement 7

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4. To ratify the appointment of Ernst & Young LLP as the company's independent accountants for the fiscal year ending January 31, 2018; and	FOR	91
5. To vote on the 3 shareholder proposals described in the accompanying proxy statement, if properly presented at the meeting.	AGAINST each shareholder proposal	96

In addition, shareholders may be asked to consider and vote on any other business properly brought before the meeting.

**Proxy
Summary**

Annual Shareholders' Meeting

Friday, June 2, 2017

8:00 a.m., Central time

**Bud Walton Arena
University of Arkansas Campus
Fayetteville, Arkansas 72701**

You have received these proxy materials because the Board is soliciting your proxy to vote your Shares at the 2017 Annual Shareholders' Meeting. This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references ("XX") are supplied to help you find further information in this proxy statement. Please refer to the Table of Abbreviations on pages 109-110 for the meaning of certain terms used in this summary and the rest of this proxy statement. This proxy statement and the related proxy materials were first released to shareholders and made available on the internet on April 20, 2017.

If you are unable to attend in person, you can view a live webcast of the 2017 Annual Shareholders' Meeting at <http://stock.walmart.com>.

8 Walmart | 2017 Proxy Statement • **Proxy Summary**

Board Nominee Overview

Our Board nominees bring a variety of backgrounds, qualifications, skills and experiences that contribute to a well-rounded Board uniquely positioned to effectively guide our strategy and oversee our operations in a rapidly evolving retail industry.

7 of our nominees are independent 2 of our nominees are female 0-3 YEARS 4-6 YEARS 7-10 YEARS MORE THAN 10 YEARS BOARD NOMINEE TENURE BOARD NOMINEE AGE +10 years 7-10 years 0-3 years 4-6 years Board Nominee Tenure Median: 5 years Board Nominee Tenure Average: 7.8 years 70-75 60-69 <50 50-59 Board Nominee Age Median: 54 years Board Nominee Age Average: 53 years Highly Engaged Board Skills and Experience Actively involved in Walmart's strategy 98% overall attendance rate at Board and committee meetings 41 committee meetings during fiscal 2017 Thoughtful Board Refreshment 12-year term limit for Independent Directors 7 new Directors in the last 5 years Restructured Board committees to promote effectiveness Ongoing Board succession planning All eleven board nominees have global or international business experience Ten have senior leadership experience Four have retail experience Five have regulatory or legal experience Three have marketing or brand management experience Five have finance, accounting or financial reporting experience Five have technology or e-commerce experience

Our Director Nominees

7 of our 11 Board nominees are independent, all members of the Audit Committee, the CMDc, and the NGC are independent, and our key committee chairs are independent. Our Board has separated the roles of Chairman and CEO, and we have a robust Lead Independent Director role. Despite their significant Share ownership, only three members of the Walton family are Board members.

Name/Age	Experience	Director Since	Principal Occupation	Independent	Other Public Company Boards	Key Committee Memberships		
						Audit	Compensation & Management Development	Nominations & Governance
Jim Cash (69) Lead Independent Director	<ul style="list-style-type: none"> · Senior Leadership · Global/International · Technology/e-commerce · Finance/Accounting · Senior Leadership 	2006	James E. Robison Professor of Business Administration Emeritus, Harvard Business School	1	1	1		
Tim Flynn (60)	<ul style="list-style-type: none"> · Global/International · Finance/Accounting · Regulatory/Legal · Senior Leadership 	2012	Retired Chairman and CEO, KPMG	1	3			
Carla Harris (54)	<ul style="list-style-type: none"> · Global/International · Finance/Accounting · Regulatory/Legal · Senior Leadership 	Nominee	Vice Chairman, Wealth Management, Managing Director and Senior Client Advisor, Morgan Stanley	1	0			
Tom Horton (55)	<ul style="list-style-type: none"> · Global/International · Finance/Accounting · Regulatory/Legal · Senior Leadership 	2014	Senior Advisor, Warburg Pincus LLC, and retired Chairman and CEO, AMR Corporation	1	1	1		1
Marissa Mayer (41)	<ul style="list-style-type: none"> · Regulatory/Legal · Senior Leadership · Global/International · Technology/e-commerce 	2012	President and CEO, Yahoo! Inc.	1	1		1	

	· Marketing/Brand Management						
	· Senior Leadership						
Doug McMillon (50)	· Retail	2013	President and CEO, Walmart		0		
	· Global/International						
	· Technology/e-commerce						
	· Senior Leadership						
Greg Penner (47) (Board Chairman)	· Retail	2008	Chairman, Walmart and Partner, Madrone Capital Partners		0		
	· Global/International						
	· Technology/e-commerce						
	· Finance/Accounting						
	· Senior Leadership						
Steve Reinemund (69)	· Global/International	2010	Retired Dean of Business, Wake Forest University, and retired Chairman and CEO, PepsiCo., Inc.	1	2		1
	· Marketing/Brand Management						
	· Senior Leadership						
Kevin Systrom (33)	· Global/International	2014	CEO and Co-Founder, Instagram	1	0		1
	· Technology/e-commerce						
	· Marketing/Brand Management						
	· Senior Leadership						
Rob Walton (72)	· Retail	1978	Retired Chairman, Walmart		0		
	· Global/International						
	· Regulatory/Legal						
	· Retail						
Steuart Walton (35)	· Global/International	2016	CEO, Game Composites, Ltd.		0		
	· Regulatory/Legal						

Chair

IMember

10 Walmart | 2017 Proxy Statement • **Proxy Summary**

Corporate Governance Highlights

(PAGES 21-43)

- Majority Independent Board
- Shareholder Right to Call Special Meetings
- Independent Key Committee Chairs
- No Poison Pill
- Separate Chair and CEO
- Lead Independent Director
- No Supermajority Voting Requirements
- Board Oversight of Political and Social Engagement
- Annual Election of All Directors
- Robust Board Evaluations
- Majority Voting for Director Elections
- Board-Level Risk Oversight
- Commitment to Board Refreshment
- Extensive Shareholder Engagement
- Focus on Succession Planning
- Board Oversight of Company Strategy
- Robust Stock Ownership Guidelines
- No Hedging and Restrictions on Pledging
- No Employment Agreements with Executives
- No Change-in-Control Provisions

Compensation Aligned With Performance

(PAGES 48-73)

Our executive compensation program is heavily based on performance and aligned with our strategy. More than 75% of our CEO's fiscal 2017 total direct compensation was based on metrics related to operating income, sales, and ROI, which are aligned with our strategy and important indicators of retail performance. The chart below illustrates the alignment between our CEO's realized pay and TSR over the last three fiscal years:

CEO Realized Pay

Total Shareholder Return (TSR) CEO Realized Pay 0 5 10 15 20 \$19.68 M 0 20 40 60 80 100 120 Jan. 31, 2014 FY15
FY16 FY17 \$17.16 M \$116.63 \$93.60 \$100 \$96.88 \$13.14 M

Realized pay includes base salary, annual incentive earned for the fiscal year shown, restricted stock vested in the (1) fiscal year shown, and performance equity with a performance period ending during the fiscal year shown.

Restricted stock and performance equity is valued using the closing price of Walmart stock on the vesting date.

(2) TSR illustrates the total shareholder return on Walmart common stock during the three fiscal years ending January 31, 2017, assuming \$100 was invested on the first day of fiscal 2015 and assuming reinvestment of all dividends.

Proposal No. 1

Election of Directors

Director Skills Criteria and Qualifications

What am I voting on?

You are voting to elect each nominee named below as a director of the company for a one-year term. If you return your proxy, your proxy holder will vote your Shares FOR the election of each Board nominee named below unless you instruct otherwise. If the shareholders elect all the director nominees named in this proxy statement at the 2017 Annual Shareholders' Meeting, Walmart will have 11 directors. Each director nominee named in this proxy statement has consented to act as a director of Walmart if elected. If a nominee becomes unwilling or unable to serve as a director, your proxy holder will have the authority to vote your Shares for any substitute candidate nominated by the Board, or the Board may decrease the size of the Board.

What qualifications do the Nominating and Governance Committee and the Board consider when selecting candidates for nomination?

At Walmart, we believe an effective Board should be made up of individuals who collectively provide an appropriate balance of distinguished leadership, diverse perspectives, strategic skill sets, and professional experience relevant to our business and strategic objectives.

The Nominating and Governance Committee (NGC) selects potential candidates on the basis of: outstanding achievement in their professional careers; broad experience and wisdom; personal and professional integrity; ability to make independent, analytical inquiries; experience and understanding of the business environment; willingness and ability to devote adequate time to Board duties; and such other experience, attributes, and skills that the NGC determines qualify candidates for service on the Board.

The NGC also considers whether a potential candidate satisfies the independence and other requirements for service on the Board and its committees, as set forth in the NYSE Listed Company Rules and the SEC's rules. Additional information regarding qualifications for service on the Board and the nomination process for director candidates is set forth in the NGC's charter and our Corporate Governance Guidelines, which are available on the Corporate Governance page of our website at <http://stock.walmart.com>.

Director Skills Criteria:

Walmart is moving with speed to better serve our customers and pursue our key objectives of making every day easier for busy families, becoming a more digital enterprise, delivering results and operating with discipline, and being the

most trusted retailer. Depending on the current composition of the Board and Board committees and expected future turnover on our Board, the NGC generally seeks director candidates with experience, skills, or background in one or more of the following areas:

STRATEGY		GOVERNANCE	LEADERSHIP	DIVERSITY
Retail	Global/International	Regulatory/Legal	Senior Leadership	Diversity
Technology/e-commerce	Marketing/Brand Management	Finance/Accounting		

Strategy

Retail Experience

As the world's largest retailer, we seek directors who possess an understanding of financial, operational, and strategic issues facing large retail companies.

Global or International Business Experience

As a global organization, directors with broad international exposure provide useful business and cultural perspectives, and we seek directors with experience at multinational companies or in international markets.

Technology or e-commerce Experience

In order to deliver on our strategy to be the first retailer to offer customers a seamless shopping experience at scale, we seek directors who can provide advice and guidance based on their experiences in e-commerce or related industries such as digital, mobile, or consumer internet.

Marketing or Brand Management

Directors with relevant experience in consumer marketing or brand management, especially on a global basis, provide important insights to our Board.

Leadership

Senior Leadership

Directors who have served in relevant senior leadership positions bring unique experience and perspective.

We seek directors who have demonstrated expertise in governance, strategy, development, and execution.

Governance

Finance, Accounting, or Financial Reporting Experience

We value an understanding of finance and financial reporting processes because of the importance our company places on accurate financial reporting and robust financial controls and compliance. We also seek to have multiple directors who qualify as audit committee financial experts.

Regulatory, Legal, or Risk Management Experience

Our company's business requires compliance with a variety of regulatory requirements across a number of federal, state, and international jurisdictions. Our Board values the insights of directors who have experience advising or working at companies in regulated industries, and it benefits from the perspectives of directors with governmental, public policy, legal, and risk management experience and expertise.

Diversity

Board Diversity

Diversity and inclusion are values embedded in our culture and fundamental to our business. We believe that a board comprised of directors with diverse backgrounds, experiences, and perspectives improves the dialogue and decision-making in the board room and contributes to overall Board effectiveness. The Board assesses the

effectiveness of its approach to Board diversity as part of the Board and committee evaluation process.

Proposal No. 1: Election of Directors • Walmart | 2017 Proxy Statement 13

Summary of Director Nominee Qualifications and Experience

The chart below identifies the balance of skills and qualifications each director nominee brings to the Board. The fact that a particular skill or qualification is not designated does not mean the director nominee does not possess that particular attribute. Rather, the skills and qualifications noted below are those reviewed by the NGC and the Board in making nomination decisions and as part of the Board succession planning process. We believe the combination of the skills and qualifications shown below demonstrates how our Board is well positioned to provide effective oversight and strategic advice to our management.

Director	Leadership	Strategy			Governance		
	Senior Leadership	Retail	Global or International Business	Technology or e-commerce	Marketing or Brand Management	Finance, Accounting, or Financial Reporting	Regulatory or Legal
Jim Cash	1		1	1		1	
Tim Flynn	1		1			1	1
Carla Harris	1		1			1	1
Tom Horton	1		1			1	1
Marissa Mayer	1		1	1	1		
Doug McMillon	1	1	1	1			
Greg Penner	1	1	1	1		1	
Steve Reinemund	1		1		1		
Kevin Systrom	1		1	1	1		
Rob Walton	1	1	1				1
Steuart Walton		1	1				1
TOTAL	10	4	11	5	3	5	5

Director Nominees for 2017

Who are the 2017 director nominees?

Based on the recommendation of the NGC, the Board has nominated the following candidates for election as directors at the 2017 Annual Shareholders' Meeting. The information provided below includes, for each nominee, his or her age, principal occupation and employment during the past five years, the year in which he or she first became a director of Walmart, each Board committee on which he or she currently serves, whether he or she is independent, and directorships of other public companies held by each nominee during the past five years.

FOR The Board recommends that shareholders vote FOR each of the nominees named below for election to the Board.

James I. Cash, Jr.

Lead Independent Director

	Board Committees	
Joined the Board: 2006	<ul style="list-style-type: none"> • Audit • Executive 	Other Current Public Company Directorships
Age: 69	<ul style="list-style-type: none"> • NGC (Chair) • TeCC 	Chubb Limited

Dr. Cash is the James E. Robison Professor of Business Administration Emeritus at Harvard Business School, where he served from July 1976 to October 2003. Dr. Cash served as the Senior Associate Dean and Chairman of HBS Publishing and Chairman of the MBA Program while on the faculty of the Harvard Business School. Dr. Cash holds an advanced degree in accounting and computer science and has been published extensively in accounting and information technology journals. He currently provides executive development and consulting services through The Cash Catalyst, LLC, which he formed in 2009. He has served

as a director of Chubb Limited since its acquisition in January 2016 and had previously served on the board of its predecessor, The Chubb Corporation, since 1996. Dr. Cash has served as a director of a number of other public companies, including General Electric Company from April 1997 to April 2016, Phase Forward Incorporated from October 2003 to May 2009, and Microsoft Corporation from May 2001 to November 2009, and has served on the audit committees of several public companies. He also serves as a director of several private companies.

**SKILLS AND
QUALIFICATIONS**

Dr. Cash brings **financial, accounting, and risk management** expertise from his distinguished career in academia, and from his **leadership** positions at HBS Publishing and Harvard Business School, as well as his service on the boards of directors and audit committees of other large, multinational public companies.

Dr. Cash brings a **global perspective** gained from his service on boards of large, multinational companies in a variety of industries.

The Board benefits from Dr. Cash's unique knowledge of **information technology**, as well as his experiences gained from consulting activities and service on the boards of directors of technology companies.

Timothy P. Flynn

Independent Director

<p>Joined the Board: 2012</p> <p>Age: 60</p>	<p>Board Committees</p> <ul style="list-style-type: none"> • Audit Committee (Chair) • SPFC 	<p>Other Current Public Company Directorships</p> <p>JPMorgan Chase & Co.</p> <p>Alcoa Corporation</p> <p>UnitedHealth Group Incorporated</p>
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Mr. Flynn was the Chairman of KPMG International (“KPMG”), a global professional services organization that provides audit, tax, and advisory services, from 2007 until his retirement in October 2011. From 2005 until 2010, he served as Chairman and from 2005 to 2008 as CEO of KPMG LLP in the U.S., the largest individual member firm of KPMG. Prior to serving as Chairman and CEO of KPMG LLP, Mr. Flynn was Vice Chairman, Audit and Risk Advisory Services, with operating responsibility for Audit, Risk Advisory and Financial Advisory Services practices. Mr. Flynn joined the boards of Alcoa Corporation in November 2016 and UnitedHealth Group Incorporated in January 2017. He also has

served as a member of the board directors of JPMorgan Chase & Co. since 2012. He previously served as a member of the board of directors of The Chubb Corporation from September 2013 until its acquisition in January 2016. He has been a director of the International Integrated Reporting Council since September 2015, and he previously served as a trustee of the Financial Accounting Standards Board, a member of the World Economic Forum’s International Business Council, and was a founding member of The Prince of Wales’ International Integrated Reporting Committee. Mr. Flynn graduated from The University of St. Thomas, St. Paul, Minnesota and is a member of the school’s board of trustees.

SKILLS AND QUALIFICATIONS

Mr. Flynn has over 32 years of experience in risk management, **financial services, financial reporting, and accounting.**

Mr. Flynn also brings extensive experience with issues facing complex, **global** companies, and expertise in **accounting**, auditing, **risk management**, and **regulatory** affairs for such companies.

In addition, Mr. Flynn brings his experiences in **executive leadership** positions at KPMG and his service on the boards of directors of other large public companies.

Carla A. Harris

Independent Nominee

Joined the Board: Board Committees

Nominee • N/A Other Current Public Company Directorships

Age: **54**
None

Ms. Harris has served as the Vice Chair, Wealth Management for Morgan Stanley since August 2013, and as Managing Director and Senior Client Advisor since June 2012. In these roles, she is responsible for increasing client connectivity and penetration to enhance revenue generation across the firm. Ms. Harris joined the mergers and acquisitions team at Morgan Stanley in 1987 and since then has held a number of positions during her tenure. Her experiences at Morgan Stanley range from investment banking,

equity capital markets, equity private placements, and initial public offerings in a number of industries such as technology, media, retail, telecommunications, transportation, healthcare, and biotechnology. In August 2013, President Obama appointed Ms. Harris to serve as Chair of the National Women’s Business Council. She currently serves on the boards of several non-profit organizations including St. Vincent’s HealthCare and the Morgan Stanley Foundation.

SKILLS AND QUALIFICATIONS	Ms. Harris brings broad-based and valuable insights in finance and strategy gained from more than 30 years of experience at a prominent investment banking firm.	The Board would benefit from Ms. Harris’ senior leadership experience at Morgan Stanley.	The Board values Ms. Harris’ extensive work experience in a regulated industry and advising clients across a broad range of other regulated industries.
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Thomas W. Horton

Independent Director

Joined the Board: 2014 Age: 55	Board Committees <ul style="list-style-type: none"> • Audit • NGC • SPFC 	Other Current Public Company Directorships QUALCOMM Incorporated
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Mr. Horton has served as a Senior Advisor at Warburg Pincus LLC, a private equity firm focused on growth investing, since October 2015. Mr. Horton was the Chairman of American Airlines Group Inc. (“American”) from December 2013 to June 2014. He also served in other executive leadership positions at American, including as President from 2010 until his appointment as Chairman and CEO in 2011, during which time he led the company through a successful restructuring and turnaround that culminated in the 2013 merger with US Airways, creating the world’s largest airline. From 2006 to 2010, Mr. Horton served as Executive Vice President of Finance and Planning at American. Mr. Horton joined American

from AT&T Corporation, where he served in various roles between 2002 and 2005, including as Vice Chairman and as Chief Financial Officer. While at AT&T, Mr. Horton led the evaluation of strategic alternatives that ultimately led to the combination of AT&T and SBC Communications, Inc. Mr. Horton joined AT&T from American, where he had served in various roles from 1985 until 2002, including as Senior Vice President and Chief Financial Officer. He has served on the board of directors of QUALCOMM Incorporated since 2008, and also serves on the executive board of the Cox School of Business at Southern Methodist University.

SKILLS AND QUALIFICATIONS

Mr. Horton brings valuable perspective developed from more than 30 years of experience in **finance, accounting**, auditing, and **risk management**.

Our Board benefits from Mr. Horton’s leadership experience in several complex, **international industries**.

In addition, Mr. Horton brings unique insights gained from his **executive leadership** roles at large, **global**, publicly-traded companies.

Marissa A. Mayer

Independent Director

Joined the Board: 2012 Age: 41	Board Committees <ul style="list-style-type: none"> • CMDC • TeCC 	Other Current Public Company Directorships
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Yahoo! Inc.

Ms. Mayer is the President and Chief Executive Officer and a member of the board of directors of Yahoo! Inc. (“Yahoo”). Since joining Yahoo in July 2012, Ms. Mayer has led Yahoo’s focus as a guide to digital information discovery through search, communications, and digital content products. Ms. Mayer also helmed Yahoo’s digital advertising strategy across mobile, video, native, and social. Under her leadership, Yahoo has grown to serve over 1 billion users worldwide, with over 600 million mobile users. Prior to her role at Yahoo, Ms. Mayer spent 13 years at Google Inc. (“Google”) where she led various initiatives

including Google Search for more than a decade, and other early stage products such as Google Maps, Gmail, and Google News. Ms. Mayer holds a bachelor’s degree in symbolic systems and a master’s degree in computer science from Stanford University. From March 2013 until October 2016, Ms. Mayer served on the board of directors for AliphCom, which operates as Jawbone. She also serves on the boards of the San Francisco Museum of Modern Art, the San Francisco Ballet, and the foundation board for the Forum of Young Global Leaders at the World Economic Forum.

SKILLS AND QUALIFICATIONS

Ms. Mayer brings extensive expertise and insight into the **technology and consumer internet** industries, and her **senior leadership** experience is demonstrated by her executive role at a prominent consumer internet company and her positions on the boards of several non-profit organizations.

Ms. Mayer brings distinguished experience in internet product development, engineering, and **brand management**.

As the CEO of a global company, Ms. Mayer brings insights into **global business** and strategy.

C. Douglas McMillon

President and Chief Executive Officer

Joined the Board: 2013 Age: 50	Board Committees <ul style="list-style-type: none"> • Executive Committee (Chair) • GCC (Chair) 	Other Current Public Company Directorships None
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Mr. McMillon is the President and CEO of Walmart and has served in that position since February 1, 2014. Prior to this appointment, he held numerous other positions with Walmart, including Executive Vice President, President and CEO, Walmart International, from February 1, 2009 through January 31, 2014, and Executive Vice President, President and CEO, Sam’s Club, from August 2005 through January 2009. Mr. McMillon has held a variety of other leadership

positions since joining our company more than 25 years ago. Mr. McMillon also serves as a member of the executive committee of the Business Roundtable, and serves as a member of the boards of directors of a number of organizations, including The Consumer Goods Forum, The US-China Business Council, and Crystal Bridges Museum of American Art.

SKILLS AND QUALIFICATIONS	Mr. McMillon brings years of executive leadership experience at our company and extensive expertise in corporate strategy, development, and execution.	In addition, Mr. McMillon brings extensive knowledge and unique experience with the Walmart International segment.	The Board benefits from Mr. McMillon’s more than 25 years of retail experience and his leadership role developing and executing our strategy to deliver seamless shopping at scale.
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Gregory B. Penner*

Chairman

Joined the Board: 2008 Age: 47	Board Committees <ul style="list-style-type: none"> • Executive Committee • GCC 	Other Current Public Company Directorships None
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Mr. Penner was appointed as Chairman of the Board in June 2015, after serving as Vice Chairman of the Board from June 2014 to June 2015. He has been a General Partner of Madrone Capital Partners, LLC, an investment management firm, since 2005. From 2002 to 2005, he served as Walmart's Senior Vice President and CFO – Japan, and before serving in that role, Mr. Penner was the Senior Vice President of Finance and Strategy for Walmart.com from 2001 to 2002. Prior to working for Walmart, Mr. Penner was a General

Partner at Peninsula Capital, an early stage venture capital fund, and a financial analyst for Goldman, Sachs & Co. Mr. Penner served as a member of the board of directors of Baidu, Inc. from May 2004 until February 2017, and he previously served on the boards of Hyatt Hotels Corporation; eHarmony, Inc.; Castleton Commodities International, LLC; 99Bill Corporation; and Cuil, Inc.

SKILLS AND QUALIFICATIONS

Mr. Penner brings expertise in strategic planning, **finance**, and investment matters, including prior experience as a CFO in our company's operations in Japan, and his service on the boards of directors of public and private companies in a variety of industries.

The Board benefits from Mr. Penner's **retail** experiences with our company's operations in Japan and at Walmart.com, as well as his service as our Chairman.

In addition, Mr. Penner has broad knowledge of **international business**, particularly in Japan and China.

Mr. Penner brings unique expertise gained through both his service with the company and as a director of various **technology** companies.

*Greg Penner is the son-in-law of Rob Walton.

Steven S Reinemund
Independent Director

Other Current Public
 Joined the Board: **2010** Board Committees Company Directorships

- **CMDC**

Age: **69**

- **SPFC (Chair) Exxon Mobil Corporation
 Marriott International, Inc.**

Mr. Reinemund is the retired Dean of Business and Professor of Leadership and Strategy at Wake Forest University, a position he held from July 2008 to June 2014, and where he continues to serve in an advisory role as an Executive-in-Residence. Prior to joining the faculty of Wake Forest University, Mr. Reinemund had a distinguished 23-year career with PepsiCo, Inc. (“PepsiCo”), where he served as Chairman of the Board from October 2006 to May 2007, and as Chairman and CEO from May 2001 to October 2006. Prior to becoming Chairman and CEO, Mr. Reinemund was

PepsiCo’s President and Chief Operating Officer from 1999 to 2001 and Chairman and CEO of Frito-Lay’s worldwide operations from 1996 to 1999. Mr. Reinemund has served as a director of Exxon Mobil Corporation and Marriott International, Inc. since 2007 and Chick-fil-A, Inc. since June 2015. He previously served as a director of American Express Company from 2007 to 2015 and Johnson & Johnson from 2003 to 2008. Mr. Reinemund is a member of the boards of trustees of The Cooper Institute and the U.S. Naval Academy Foundation.

**SKILLS AND
 QUALIFICATIONS**

Mr. Reinemund has considerable international **business leadership** experience gained through his service as Chairman and CEO of a global public company, through his service as dean of a prominent business school, and his

service on the boards of several large companies in a variety of industries.

Mr. Reinemund also brings valuable experience with large, **international businesses**.

In addition, Mr. Reinemund’s experience in executive leadership positions at PepsiCo and Frito-Lay provides valuable insights to our Board regarding **brand management, marketing**, finance, and strategic planning.

Kevin Y. Systrom
Independent Director

Other Current Public
 Joined the Board: **2014** Board Committees Company Directorships

- **CMDC**

Age: **33**

- **TeCC (Chair)**

None

Mr. Systrom is the CEO and co-founder of Instagram, where he managed the company from its founding in 2010 through a period of extremely rapid growth and through the purchase of Instagram by Facebook, Inc. in April 2012. Under his leadership as CEO, Instagram has continued its entrepreneurial development of a video sharing and direct messaging product, Instagram Direct, and has grown it to hundreds of millions of active users worldwide, making it one of the fastest growing social networks of all time. From 2006

until 2009, he was at Google Inc. and worked on large consumer products such as Gmail and Google Calendar. Before joining Google, Mr. Systrom worked with Odeo, a startup company that eventually became Twitter. He graduated from Stanford University with a bachelor of science in management science and engineering with a concentration in finance and decision analysis. While attending Stanford University, he participated in the Mayfield Fellows Program, a high-tech entrepreneurship program.

**SKILLS AND
QUALIFICATIONS**

Mr. Systrom provides unique insights, experiences, and expertise in developing impactful social networking and consumer internet products.

The Board benefits from Mr. Systrom's successful **entrepreneurial leadership** in the technology and consumer internet industries.

In addition, Mr. Systrom brings distinguished experience in the **design of internationally-recognized consumer internet products.**

As the CEO of a fast-growing and complex international company, Mr. Systrom brings valuable insights into **global business**, strategy, and governance.

S. Robson Walton*

Joined the Board: **1978** Board Committees Other Current Public
Company Directorships

- **SPFC**

Age: **72**

- **Executive Committee** **None**

- **GCC**

Mr. Walton was the Chairman of Walmart from 1992 to June 2015 and has been a member of the Board since 1978. Prior to becoming Chairman, he had been an officer at our company since 1969 and held a variety of positions during his service, including Senior Vice President, Corporate Secretary, General Counsel, and Vice Chairman. Before joining Walmart, Mr. Walton was in private law practice as a

partner with the law firm of Conner & Winters in Tulsa, Oklahoma. In addition to his duties at Walmart, Mr. Walton is involved with a number of non-profit and educational organizations, including Conservation International, where he serves as Chairman of that organization’s executive committee, and the College of Wooster, where he is an Emeritus Life Trustee for the college.

SKILLS AND QUALIFICATIONS

Mr. Walton brings decades of **leadership experience** with Walmart and his expertise in strategic planning gained through his service on the boards and other governing bodies of non-profit organizations.

Mr. Walton has extensive **legal, risk management,** and corporate governance expertise gained as Walmart’s Corporate Secretary and General Counsel and as an attorney in private practice.

The Board benefits from Mr. Walton’s in-depth knowledge of our company, its history and the **global retail industry**, all gained through more than 35 years of service on the Board and more than 20 years of service as our company’s Chairman.

*Greg Penner is the son-in-law of Rob Walton, and Steuart Walton is the nephew of Rob Walton.

Steuart L. Walton*

Joined the Board: **2016** Board Committee Other Current Public
Company Directorships

- **SPFC**

Age: **35**

None

Since February 2013, Mr. Walton has been the CEO and founder of Game Composites, Ltd., a company that designs and builds small composite aircraft. Before founding Game Composites, from June 2011 to January 2013, Mr. Walton worked in our company's International division as a Senior Director, International Mergers and Acquisitions. Prior to his service at our company, he was an associate at Allen & Overy, LLP in London from 2007 to 2010, where

he advised companies on securities offerings. Mr. Walton is also a member of the boards of directors of Crystal Bridges Museum of American Art, Leadership for Educational Equity, the Smithsonian National Air and Space Museum, and the Walton Family Foundation. He is a graduate of Georgetown University Law Center, and he holds a bachelor's degree in business administration from the University of Colorado, Boulder.

SKILLS AND QUALIFICATIONS	Mr. Walton brings broad-based and valuable international legal and regulatory experience gained from his work on complex, international financial transactions.	Mr. Walton has a strong history and familiarity with our company and its retail operations and global businesses. He also brings valuable	leadership and financial insights gained from his entrepreneurial experiences and investments.
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*Steuart Walton is the nephew of Rob Walton.

Corporate Governance

Effective corporate governance is essential for maximizing long-term value creation for our shareholders. Our values of honesty, accountability and integrity guide our business and ensure that we maintain the trust of our shareholders.

Our governance structure is based on our Corporate Governance Guidelines and other key governance documents. These guidelines are reviewed annually and updated as needed in response to evolving best practices, regulatory requirements, issues raised by our shareholders and otherwise as needed to comply with Walmart's ethical and fair disclosure practices.

Our Corporate Governance Guidelines address, among other topics:

Board size, structure, and composition;

Board refreshment and tenure of independent directors;

Board leadership structure, including the separation of the Chairman and CEO roles and the selection, role, and responsibilities of the Lead Independent Director;

Board committees;

stock ownership guidelines;

the Board's commitment to diversified membership;

management development and succession planning, diversity initiatives, and long-term strategic planning;

the directors' full and free access to officers, other associates of the company, and the company's outside advisors;

director compensation;

director orientation and continuing education;

the annual review of the CEO's performance by the CMDC and the Board; and

annual Board and Board committee evaluations.

Governance Materials Available on our Website

Our Board and Board committee governance documents, including the Board committee charters, the Corporate Governance Guidelines, and other key corporate governance documents are available to our shareholders on our corporate website at <http://stock.walmart.com/investors/corporate-governance/governance-documents>.

You may also access and review the following additional corporate governance documents on our corporate website:

- ☐ Amended and Restated Bylaws;
- ☐ Code of Ethics for the CEO and Senior Financial Officers;
- ☐ Global Statement of Ethics; (available at www.walmartethics.com);
- ☐ Procedures for Accounting and Audit-Related Complaints;
- ☐ Investment Community Communications Policy;
- ☐ Fair Disclosure Procedures;
- ☐ Global Anti-Corruption Policy;
- ☐ Government Relations Policy; and
- ☐ Privacy Policy.

These materials are also available in print at no charge to any shareholder who requests a copy by writing to: Wal-Mart Stores, Inc., Global Investor Relations Department, 702 Southwest 8th Street, Bentonville, Arkansas 72716-0100.

A description of any substantive amendment or waiver of Walmart's Code of Ethics for the CEO and Senior Financial Officers or Walmart's Global Statement of Ethics granted to Executive Officers or directors will be disclosed on our corporate website within four business days following the date of the amendment or waiver (<http://stock.walmart.com/investors/corporate-governance/governance-documents>) for a period of 12 months after the date of the amendment or waiver. There were no substantive amendments to or waivers of Walmart's Code of Ethics for the CEO and Senior Financial Officers or Walmart's Global Statement of Ethics granted to Executive Officers or directors during fiscal 2017.

Board Leadership Structure

As discussed on page 88, approximately 51% of our company's shares are held by members of the family of Sam Walton, our company's founder. Three generations of Walton family members have served on our Board, which demonstrates the Walton family's interests in and commitment to the long-term interests of our company. Despite their substantial ownership in the company, the members of the Walton family traditionally have held only three seats on our Board. While the NYSE Listed Company Rules provide exemptions from certain requirements related to board independence, Walmart has not and has no plans to rely on any of those governance exemptions because we believe it is important to have a majority independent board. Furthermore, the leadership structure of our Board is designed to ensure robust oversight, independent viewpoints, and the promotion of the overall effectiveness of the Board. The Board also reviews its leadership structure as part of the annual evaluation process described on page 30.

Our current Board leadership structure consists of:

Non-Executive Chairman

Greg Penner

Primary Responsibilities

- Presides over meetings of the Board and shareholders
- Focuses on Board oversight and governance matters
- Provides advice and counsel to the CEO
- Agenda review process

Lead Independent Director

Jim Cash

Primary Responsibilities

- Liaison between Independent Directors and Chairman
- Agenda review process
- Board and committee development and evaluation
- Shareholder engagement

President and CEO

Doug McMillon

Primary Responsibilities

- Leadership of Walmart's complex global business
- Implements strategic initiatives
- Development of robust management team

We have separated the Chairman and CEO roles since 1988. By separating these roles, our CEO is able to focus on managing Walmart's complex daily operations and our Chairman, who is an Outside Director, can devote his time and attention to matters of Board oversight and governance.

We have had a Lead Independent Director since 2004. The role of the Lead Independent Director is designed to enhance the candor and communication between the independent members of the Board, the Chairman, and the CEO. Dr. Cash, who has served in this role since 2014, is an active and engaged member of the Board with a robust set of responsibilities, including:

- presiding over executive private sessions of the Outside Directors and the Independent Directors;

- authority to call meetings of the directors, including separate meetings of the Outside Directors and the Independent Directors; and

- is available, when appropriate, for consultation with major shareholders.

In addition to his role as Lead Independent Director, Dr. Cash also serves as the Chair of the NGC, which means he also leads the annual Board and committee evaluation process and actively participates in the work related to overall Board effectiveness, including Board development, succession planning, and refreshment.

Independent Board Committee Chairs: Each of the Board’s key committees is led by an independent chair. These committees play a critical role in our governance and strategy, and each committee has access to management and the authority to retain independent advisors as it deems appropriate.

Governance Committees

Strategy Committees

Audit	Compensation and Management Development	Nominating and Governance	Strategic Planning and Finance	Technology and eCommerce
Tim Flynn Independent Chair	Linda Wolf Independent Chair	Jim Cash Independent Chair	Steve Reinemund Independent Chair	Kevin System Independent Chair

Board Committees

To enhance the effectiveness of the Board's risk oversight function, the Board reviews its committee structure and committee responsibilities to ensure that the Board has an appropriate committee structure focused on matters of strategic and governance importance to Walmart. During fiscal 2017, the Board decided to split the former Compensation, Nominating and Governance Committee into two distinct committees. Currently, the Board has seven standing committees, which are described below. In addition to the duties described below, our Board committees perform the risk oversight functions described on page 33.

STRATEGIC PLANNING AND FINANCE COMMITTEE

Six meetings during fiscal 2017 Primary roles and responsibilities • Reviews global financial policies and practices and reviews and analyzes financial matters, acquisition and divestiture transactions • Oversees long-range strategic planning • Reviews and recommends a dividend policy to the Board • Reviews the preliminary annual financial plan and annual capital plan to be approved by the Board, as well as the company's capital structure and capital expenditures Total Members: 5 Steve Reinemund, Chair Tim Flynn Tom Horton Rob Walton Steuart Walton " As Walmart continues its strategic transformation during fiscal 2018, the SPFC remains focused on the effective oversight of the allocation and deployment of the company's capital and resources." –Steve Reinemund Five members have global or international business experience Four members have senior leadership experience Four members have regulatory or legal experience Two members have retail experience Two members have finance, accounting or reporting experience One member has marketing or brand management experience

TECHNOLOGY AND eCOMMERCE COMMITTEE

Roles and responsibilities • Reviews matters relating to information technology, e-commerce, and innovation and oversees the integration of Walmart’s information technology, e-commerce, and innovation efforts with Walmart’s overall strategy • Reviews and provides guidance regarding trends in technology and e-commerce and monitors overall industry trends Total Members: 5 Kevin Systrom, Chair Jim Cash Pam Craig* Marissa Mayer Linda Wolf* 6 Six meetings during fiscal 2017 “It’s an exciting time for Walmart as it continues to develop competitive and innovative ways to provide a seamless digital customer experience at scale that saves time and money for our customers.” – Kevin Systrom Five members have global or international business experience Four members have senior leadership experience Two members have finance, accounting or reporting experience Four members have technology or e-commerce experience Three members have marketing or brand management experience

* Not standing for reelection at the 2017 Annual Shareholders’ meeting.

AUDIT COMMITTEE

12 Twelve meetings during fiscal 2017 Roles and Responsibilities • Reviews the financial statements and oversees the financial reporting policies, procedures, and internal controls • Responsible for the appointment, compensation, and oversight of the independent accountants • Pre-approves audit, audit-related, and non-audit services to be performed by Walmart's independent accountants • Reviews and approves any related person transactions and other transactions subject to our Transaction Review Policy • Reviews risk management policies and procedures, as well as policies, processes, and procedures regarding compliance with applicable laws and regulations, as well as Global Statement of Ethics and Code of Ethics for the CEO and Senior Financial Officers • Oversees internal investigatory matters, including the internal investigation into alleged violations of the FCPA and other alleged crimes or misconduct** • Oversees Walmart's enhanced global ethics and compliance program • Oversees the company's internal audit function Total Members: 3* Tim Flynn, Chair Jim Cash Tom Horton "The Audit Committee continues to focus on oversight of our company's financial accounting policies, the independent accountants, and risk management and compliance processes in the support of our company's strategic plans and objectives." – Tim Flynn Three members have global or international business experience Three members have finance, accounting or reporting experience One member has technology or e-commerce experience Three members have senior leadership experience Two members have regulatory or legal experience

Independence and financial literacy: The Board has determined that each member of the Audit Committee is independent as defined by the Exchange Act, the SEC's rules, and the NYSE Listed Company Rules. Each Audit Committee member is financially literate as required by NYSE Listed Company Rules, and is an "audit committee financial expert" as defined in the SEC's rules.

** For more information about the Audit Committee's role with respect to the FCPA investigation, see "Director Compensation" on page 41.

COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE

3 Three meetings** during fiscal 2017 Roles and responsibilities • In consultation with the CEO, approves compensation of Executive Officers other than the CEO, and reviews compensation of other senior officers • Reviews and approves the compensation of the CEO and recommends to the Board the compensation of the Outside Directors • Sets performance measures and goals and verifies the attainment of performance goals under our incentive compensation plans • Reviews compensation and benefits issues • Oversees the management development, succession planning, and retention practices for Executive Officers and senior leaders Total Members: 4* Linda Wolf, Chair(1) Marissa Mayer Steve Reinemund Kevin Systrom “The CMDC is focused on continuing to align compensation and performance management in ways that support our enterprise strategy.” – Linda Wolf Four members have global or international business experience Four members have senior leadership experience Four members have marketing or brand management experience Two members have technology or e-commerce experience

Independence: The Board has determined that each member of the CMDC is independent as defined by the

* Exchange Act, the SEC’s rules, and the NYSE Listed Company Rules, is an outside director as defined in Section 162(m) of the Internal Revenue Code, and is a “non-employee director” as defined in the SEC’s rules.

The CMDC is one of two committees that was formed when the Board approved the separation of the

** Compensation, Nominating and Governance Committee (CNGC) into two distinct committees effective beginning January 1, 2017. Prior to January 1, 2017, the CNGC met 8 times during fiscal 2017.

(1) Not standing for reelection at the 2017 Annual Shareholders’ Meeting.

NOMINATING AND GOVERNANCE COMMITTEE

1 One meeting** during fiscal 2017 Roles and responsibilities • Oversees corporate governance issues and makes recommendations to the Board • Identifies, evaluates, and recommends candidates for nomination to the Board • Reviews and makes recommendations to the Board regarding director independence • Reviews and advises management on social, community, and sustainability initiatives, as well as legislative affairs and public policy engagement Total Members: 3* Jim Cash, Chair Tom Horton Linda Wolf(1) “The NGC is committed to board effectiveness, thoughtful board refreshment, and governance that supports our strategy.” – Jim Cash Three members have global or international business experience Three members have senior leadership experience One member has marketing or brand management experience One member has technology or e-commerce experience Two members have finance, accounting or reporting experience One member has regulatory or legal experience

* Independence: The Board has determined that each member of the NGC is independent as defined by the NYSE Listed Company Rules.

The NGC is one of two committees that was formed when the Board approved the separation of the Compensation, Nominating and Governance Committee (CNGC) into two distinct committees effective beginning January 1, 2017. Prior to January 1, 2017, the CNGC met 8 times during fiscal 2017.

(1) Not standing for reelection at the 2017 Annual Shareholders' Meeting.

The remaining two standing committees of the Board are responsible for various administrative matters.

GLOBAL COMPENSATION COMMITTEE

**Four meetings
during fiscal 2017**

Primary Roles and Responsibilities

•Administers Walmart's equity and cash incentive compensation plans for associates who are not directors or Executive Officers

Total Members: 3

Doug McMillon, Chair

Greg Penner

Rob Walton

EXECUTIVE COMMITTEE

**One meeting*
during fiscal 2017**

Primary Roles and responsibilities

- Implements policy decisions of the Board
- Acts on the Board's behalf between Board meetings

Total Members: 4

Doug McMillon, Chair

Jim Cash

Greg Penner

Rob Walton

*The Executive Committee acted by unanimous written consent 12 times during fiscal 2017. The Board reviewed and ratified all unanimous written consents of the Executive Committee during fiscal 2017.

Governing Documents

In addition to our Corporate Governance Guidelines, each standing committee of the Board has a written charter, which defines the roles and responsibilities of the Board committee. The committee charters and the Corporate Governance Guidelines provide the overall framework for our corporate governance practices. The NGC and the Board review the Corporate Governance Guidelines, and the NGC, the Board, and each Board committee review the Board committee charters at least annually to determine whether any updates or revisions to these documents may be necessary or appropriate.

Board Meetings and Director Attendance

The Board held a total of 5 meetings during fiscal 2017. The Outside Directors and Independent Directors met regularly in separate executive sessions, with the Lead Independent Director presiding over those sessions. **As a whole, during fiscal 2017, our directors attended approximately 98% of the aggregate number of Board meetings and meetings of Board committees on which they served, and 9 of the 10 incumbent directors standing for reelection had perfect attendance.**

Under our Board policy, all directors are expected to attend the company's annual shareholders' meetings. While the Board understands that there may be situations that prevent a director from attending an annual shareholders' meeting, the Board encourages all directors to make attendance at all annual shareholders' meetings a priority.

Fifteen Board members attended the 2016 Annual Shareholders' Meeting, including all 10 director nominees named in this proxy statement who were members of the Board or Board nominees at the time of the 2016 Annual Shareholders' Meeting.

28 Walmart | 2017 Proxy Statement • **Corporate Governance**

Communicating with the Board

The Board welcomes feedback from shareholders and other interested parties. There are a number of ways that you can contact the Board or individual members of the Board.

Via mail:

Name of Director(s)
or Board of
Directors
c/o Gordon Y.
Allison, Vice
President and
General Counsel,
Corporate Division
Wal-Mart Stores,
Inc.
702 Southwest 8th
Street
Bentonville,
Arkansas
72716-0215

Via email:

the entire Board at directors@wal-mart.com;
the Independent Directors at Independent.Directors@wal-mart.com;
the Outside Directors at nonmanagementdirectors@wal-mart.com; or

any individual director, at the full name of the director as listed under “Proposal No.1 – Election of Directors” followed by “@wal-mart.com.” For example, our Chairman, Gregory B. Penner, may be reached at gregorybpenner@wal-mart.com.

We receive a large volume of correspondence regarding a wide range of subjects each day, including correspondence relating to ordinary store operations and merchandise in our stores. As a result, our individual directors are often not able to respond to all communications directly. Therefore, the Board has established a process for managing communications to the Board and individual directors.

Communications directed to the Board or individual directors are reviewed to determine whether, based on the facts and circumstances of the communication, a response on behalf of the Board or an individual director is appropriate. If a response on behalf of the Board or an individual director is appropriate, Walmart management may assist the Board or individual director in gathering all relevant information and preparing a response. Communications related to day-to-day store operations, merchandise, and similar matters are typically directed to an appropriate member of management for a response. Walmart maintains records of communications directed to the Board and individual directors, and these records are available to our directors at any time upon request.

Shareholders wishing to recommend director candidates for consideration should do so in writing to the address above. The recommendation should include the candidate’s name and address, a resume or curriculum vitae that demonstrates the candidate’s experience, skills, and qualifications, and other relevant information for the Board’s consideration. All director candidates recommended by shareholders will be evaluated by the NGC on the same basis as any other director candidates.

Board Evaluations and Board Effectiveness

The Board is committed to continuous improvement, and Board and Board committee evaluations are an important tool for promoting effectiveness. Our Lead Independent Director leads the evaluation process. Every other year, the Board engages a third party consulting firm to bring an outside perspective to the evaluation process.

Our Board Evaluation Process

Topics covered include, among others:

- The effectiveness of the Board's leadership structure and the Board committee structure;
- Board and committee skills, composition, diversity, and succession planning;

Questionnaires

Each director completes a detailed questionnaire.

- Board culture and dynamics, including the effectiveness of discussion and debate at Board and committee meetings;
- The quality of Board and committee agendas and the appropriateness of Board and committee priorities; and
- Board/management dynamics, including the quality of management presentations and information provided to the Board and committees.

Individual director interviews – each director participates in a confidential, open-ended, one-on-one interview to solicit input and perspective on Board and committee effectiveness.

Interviews

Senior management interviews – Members of Walmart's senior executive team also participate in confidential, one-on-one interviews designed to solicit management's perspective on the Board's effectiveness, engagement, and the dynamic between the Board and management.

Action Items

Over the past few years, this evaluation process has contributed to various refinements in the way the Board and committees operate, including:

These evaluations have consistently found that the Board and Board

- committees are operating effectively.
- reducing the size of the Board to promote engagement and input into our strategic decision-making;
 - changing the Board committee structure to create a separate Compensation and Management Development Committee and a Nominating and Governance Committee;
 - changing committee assignments so that Independent Directors sit on one “strategy” committee and one “governance” committee;
 - ensuring that Board and committee agendas are appropriately focused on strategic priorities and provide adequate time for director input;
 - additional responsibilities for our Lead Independent Director, including active participation in the agenda-setting process for the Board and committees; and
 - increased focus on continuous Board succession planning and Board refreshment.

Board Refreshment and Succession Planning

The NGC is responsible for identifying and evaluating potential director candidates, for reviewing the composition of the Board and Board committees, and for making recommendations to the full Board on these matters. Throughout the year, the NGC actively engages in Board succession planning, taking into account the following considerations:

Input from Board discussions and from the Board and Board committee evaluation process regarding the specific backgrounds, skills, and experiences that would contribute to overall Board and committee effectiveness; and

The future needs of the Board and Board committees in light of the Board's tenure policies, Walmart's strategy, and the skills and qualifications of directors who are expected to retire in the future.

Director Tenure Policies Allow Board to anticipate future Board turnover
Director Onboarding Tailored onboarding enables new directors to contribute quickly
Director Recruitment Identify skill sets that would enhance Board effectiveness
Board/Committee Evaluations Identify top director talent with desired background and skill sets
The Board believes that a mix of longer-tenured directors and newer directors with fresh perspectives contributes to an effective Board. In order to promote thoughtful Board refreshment, the Board has adopted the following retirement policies for Independent Directors, as described in Walmart's Corporate Governance Guidelines: **Term Limit:** Independent Directors are expected to commit to at least six years of service, and may not serve for more than 12 years. For example, Linda Wolf joined our Board in 2005 and is retiring from the Board this year. **Retirement Age:** Unless they have not yet completed their initial six-year commitment, Independent Directors may not stand for reelection after age 75.

The Board may make exceptions to these retirement policies if circumstances warrant. For example, the Board could extend the term limit or retirement age for an individual director with particular skills or qualifications that are valuable to the Board's effectiveness until a suitable replacement is found. Similarly, an Independent Director may retire before serving 12 years in order to "stagger" turnover on the Board or a Board committee. The Board believes these policies provide discipline to the Board refreshment process, and have resulted in a diverse Board with an effective mix of skills, experiences, and tenures, as shown on page 9.

As a part of the process of identifying potential director candidates, the NGC may consult with other directors and senior officers and may engage a search firm to assist in the process. If the NGC decides to proceed with further consideration of a potential candidate, the Chair of the NGC and other members of the NGC, as well as other members of the Board, may interview the candidate. The NGC then may recommend that the full Board appoint or nominate the candidate for election to the Board. Carla Harris is standing for election to the Board for the first time at the 2017 Annual Shareholders' Meeting. Ms. Harris was identified as a potential director candidate by a director candidate search firm, and her nomination was the result of the process outlined above.

Director Onboarding and Engagement

All directors are expected to invest the time and energy required to quickly gain an in-depth understanding of our business and operations in order to enhance their strategic value to our Board. Shortly after joining our Board, each new director is partnered in a mutual mentoring relationship with a member of senior management, and each new director has “learn the business” meetings with the leaders of key operational and corporate support functions. Typically, at least one Board meeting each year is held at a location away from our home office, usually in a market in which we operate. In connection with these Board meetings, our directors learn more about the local business market through meetings with our business leaders in these markets, visits to our stores and other facilities in the local market, and visits to the stores of our competitors. We also typically hold one Board meeting per year at one of our e-commerce offices, where our Board members participate in intensive sessions focused on our e-commerce strategies and operations.

Our Board members are also expected to participate in other company activities and engage directly with our associates at a variety of events throughout the year. Activities and events that members of our Board participated in since the beginning of fiscal 2017 include:

- o attending Walmart leadership meetings and traveling with senior business leaders on trips to domestic and international markets;
- o attending a summit of our CFOs from our worldwide markets;
- o attending a summit of our controllers from our worldwide markets;
- o touring facilities with our compliance associates;
- o speaking at various culture, diversity and inclusion events held at our home office in Bentonville, Arkansas and other locations; and
- o attending and speaking at meetings of Walmart business segments, divisions, and corporate support departments.

Management Development and Succession Planning

Our Board places a high priority on senior management development and succession planning. The CMDC has primary responsibility for overseeing the succession planning and retention practices for our Executive Officers and other senior leaders. Executive Officer succession planning and senior management development is a regular topic on the agendas for the meetings of the CMDC.

At these meetings, the members of our CMDC, in consultation with our CEO, our Executive Vice President – Global People, and others as the CMDC may deem appropriate, engage in comprehensive deliberations regarding the development and evaluation of current and potential senior leaders, as well as the development of executive succession plans, including succession plans for our CEO position. This process has contributed to two successful CEO transitions since 2009. The Board has also adopted a CEO succession planning process to address unanticipated events and emergency situations.

The Board's Role in Risk Oversight

Taking reasonable and responsible risks is an inherent part of Walmart's business and is critical to our continued innovation, growth, and achievement of our strategic objectives. The Board and the Board committees actively oversee and monitor the management of the most significant risks that could impact our company's operations. The Board does not view risk in isolation, but instead considers risk in conjunction with its oversight of Walmart's strategy and operations.

Walmart identifies, assesses, and assigns responsibility for managing risks through its annual enterprise risk assessment process, other internal processes, and internal control environment. The Board, Board committees, and management coordinate the risk oversight role in a manner that serves the long-term interests of our company and our shareholders through established periodic reporting and open lines of communication.

Board Oversight • Has primary responsibility for overseeing risk management • Evaluates and approves strategic objectives and defines risk tolerance • Delegates certain risk management oversight responsibilities to Board committees • Receives regular reports from Board Committee chairs regarding risk-related matters

Technology and eCommerce Committee Key risks overseen o Integration of information technology, e-commerce, and innovation efforts with overall strategy o Emerging trends in technology and e-commerce

Strategic Planning and Finance Committee Key risks overseen O Financial status and financial matters, including capital expenditures, annual financial plans and dividend policies o Long-range strategic plans o Potential acquisitions and divestitures

Audit Committee Key risks overseen o Overall risk identification, monitoring, and mitigation processes and policies o Financial statement, systems and reporting o Legal, ethics and compliance o Information technology, data security and cybersecurity o Related person transactions o Internal investigatory matters

Compensation and Management Development Committee Key risks overseen o Senior executive compensation o Senior executive succession planning

Nominating and Governance Committee Key risks overseen o Corporate governance o Director succession planning o Social, community, sustainability and charitable giving initiatives o Legislative affairs and public policy engagement strategy

Operational and Strategic Management Committees **Legal, Regulatory and Compliance Risk Management Committees** **Financial Risk Management Committees** **Enterprise Risk Management** **Global Audit Services** **Management Oversight** Responsible for enterprise risk assessment and day-to-day management of risks such as:

- Strategic risk
- Reputational risk
- Financial risk
- Legal, regulatory and compliance risk
- Operational risk, including, but not limited to:
 - Supply chain risk
 - Information systems and cybersecurity risk

BOARD MANAGEMENT

Additional information regarding the roles and responsibilities of our Board committees can be found under "Board Committees" beginning on page 23.

Board Oversight of Legislative Affairs, Public Policy Engagement, Charitable Giving, and Sustainability

The NGC reviews and advises management regarding the company's legislative affairs and public policy engagement strategy, as well as the company's charitable giving strategy and other social, community, and sustainability initiatives. Walmart engages in the political process when we believe that doing so will serve the best interests of the company and our shareholders. Walmart is committed to engaging in the political process as a good corporate citizen and in a manner that complies with all applicable laws. Over the years, Walmart has provided greater transparency regarding the company's political engagement. Beginning in 2015, we compiled lobbying disclosure information from our U.S. state-level public filings and presented them on our corporate website, and beginning in 2016 we also included on our corporate website the lobbying expense from our public filings at the U.S. federal level.

Global Responsibility Report

Since 2007, our company has prepared and produced a report describing our company's progress and initiatives regarding sustainability and other environmental, social, and governance ("ESG") matters. For the most recent information regarding Walmart's engagement in the political process, as well as other ESG matters, please see our most recent Global Responsibility Report, available at <http://corporate.walmart.com/global-responsibility>. Walmart's Government Relations Policy is also available at <http://corporate.walmart.com/policies>.

Shareholder Outreach and Engagement

We recognize the value of listening and taking into account the views of our shareholders, and the relationship with our shareholders is an integral part of our corporate governance practices. We conduct shareholder outreach throughout the year to ensure that management and the Board understand and consider the issues of importance to our shareholders and are able to address them appropriately.

Senior leaders and subject matter experts from the company meet regularly with representatives at many of our top institutional shareholders and leading proxy advisory firms to discuss Walmart's strategy, governance practices, executive compensation, compliance programs, and other ESG related matters. Members of our Board participate from time to time in these meetings. Management reports regularly to the CMDC and NGC about these meetings, including feedback on these diverse topics and concerns raised by our shareholders.

We are continuing this program of shareholder engagement during fiscal 2018, in addition to our customary participation at industry and investment community conferences, investor road shows, and analyst meetings. We also have incorporated into this proxy statement some of the feedback we received during these meetings. We also respond to individual shareholders who provide feedback about our business. We have had success engaging with parties to understand shareholder concerns and reaching resolutions on issues that are in the best interests of our shareholders, and we remain committed to these ongoing initiatives.

Active Ongoing Shareholder Engagement

o Board members, senior leaders and/or subject matter experts actively solicit feedback from our large shareholders on strategy, governance, compensation, and other topics. During fiscal 2017, we engaged with more than half of our 60 largest institutional shareholders.

o The CMDC and NGC receive regular reports on this engagement.

o We welcome feedback from all shareholders, who can contact our Global Investor Relations team by:

- calling 1-479-273-6463
- emailing *IRinqu@wal-mart.com*
- using Walmart's Global Investor Relations app, available for free in iTunes and Google Play
- visiting *http://stock.walmart.com*

How We Determine Director Independence

Our Board is committed to ensuring its membership consists of the right mix of skill sets in light of Walmart's strategy, the Board's tenure policies, and the Board's desire to maintain at all times a majority of directors who are independent in accordance with the NYSE Listed Company Rules. Historically, three members of the Walton family have been members of our Board, and the NGC and the Board believe this is appropriate in light of the Walton family's significant and long-term Share ownership. Our CEO also serves on the Board, and our former CEOs have historically served on the Board for a period of time after they retire. Our incoming CEOs have supported this practice and we believe this practice has contributed to successful CEO transitions during our company's history. Consistent with our Board's commitment to independent Board oversight, the Board generally seeks to fill the remaining Board seats with directors who are independent as defined in the NYSE Listed Company Rules.

In making independence determinations, the Board complies with all NYSE and SEC criteria and considers all relevant facts and circumstances. Under the NYSE Listed Company Rules, to be considered independent:

o the director must not have a disqualifying relationship, as described in the NYSE Listed Company Rules; and

o the Board must affirmatively determine that the director otherwise has no direct or indirect material relationship with our company.

To aid in the director independence assessment process, the Board has adopted materiality guidelines that identify the following categories of relationships that the Board has determined will generally not affect a director's independence.

Materiality Guideline	Description
Ordinary Retail Transactions	The director, an entity with which a director is affiliated, or one or more members of the director's immediate family, purchased property or services from Walmart in retail transactions on terms generally available to Walmart associates during Walmart's last fiscal year.
Immaterial Ownership	The director or one or more members of the director's immediate family owns or has owned during the entity's last fiscal year, directly or indirectly, 5% or less of an entity that has a business relationship with Walmart.
Immaterial Transactions	The director or one or more members of the director's immediate family owns or has owned during the entity's last fiscal year, directly or indirectly, more than 5% of an entity that has a business relationship with Walmart so long as the amount paid to or received from Walmart during the entity's last fiscal year accounts for less than \$1,000,000 or, if greater, 2% of the entity's consolidated gross revenues for that entity's last fiscal year.
	The director or a member of the director's immediate family is or has been during the entity's last fiscal year an executive officer or employee of an entity that made payments to, or received payments from, Walmart during the entity's last fiscal year that account for less than \$1,000,000 or, if

greater, 2% of the entity's consolidated gross revenues for that entity's last fiscal year.

Immaterial
Positions

The director or one or more members of the director's immediate family is a director or trustee or was a director or trustee (but not an executive officer or employee) of an entity during the entity's last fiscal year that has a business or charitable relationship with Walmart and that made payments to, or received payments from, Walmart during the entity's last fiscal year in an amount representing less than \$5,000,000 or, if greater, 5% of the entity's consolidated gross revenues for that entity's last fiscal year.

Walmart paid to, employed, or retained one or more members of the director's immediate family for compensation not exceeding \$120,000 during Walmart's last fiscal year.

Immaterial
Benefits

The director or one or more members of the director's immediate family received from Walmart, during Walmart's last fiscal year, personal benefits having an aggregate value of less than \$5,000.

In April 2017, the Board and the NGC conducted their annual review of directors' responses to a questionnaire soliciting information regarding their direct and indirect relationships with the company (and the directors' immediate family members' direct and indirect relationships with the company) and other relationships that may be relevant to independence. They also reviewed due diligence performed by management regarding any transactions, relationships, or arrangements between the company and the directors and director nominee or parties related to the directors and director nominee.

As a result of this review, the Board has determined that the following director nominees are Independent Directors under the independence standards set forth in the NYSE Listed Company Rules: James I. Cash, Jr.; Timothy P. Flynn; Carla A. Harris; Thomas W. Horton; Marissa A. Mayer; Steven S Reinemund; and Kevin Y. Systrom. The Board has also determined that Linda S. Wolf, who is not standing for reelection at the 2017 Annual Shareholders' Meeting, is an Independent Director. In addition, the Board determined that the currently serving members of the Audit Committee and the CMDC meet the heightened independence standards for membership on those Board committees under the NYSE Listed Company Rules and the SEC's rules. The Board also determined that Aida M. Alvarez and Roger C. Corbett, who did not stand for reelection at the 2016 Annual Shareholders' Meeting and, therefore, ceased to be directors of Walmart on June 3, 2016, were independent, and in the case of Ms. Alvarez, met the heightened independence standards under the NYSE Listed Company Rules and the SEC's rules for compensation committee membership, during the portion of fiscal 2017 during which they served on the Board.

In making its determination as to the independence of our Independent Directors, the Board considered whether any relationship between a director and Walmart is a material relationship based on the materiality guidelines discussed above, the facts and circumstances of the relationship, the amounts involved in the relationship, the director's interest in such relationship, if any, and such other factors as the Board, in its judgment, deemed appropriate. In each case, the Board found the relationship with our Independent Directors to be immaterial to the director's independence. The types of relationships considered by the Board are noted below:

Relationship Type	Director or Nominee
The director or nominee was an officer of a Walmart vendor or service provider	Ms. Harris Ms. Mayer Mr. Systrom
Immediate family members of the director were employees or officers of Walmart vendors or service providers	Ms. Alvarez Dr. Cash Mr. Corbett Mr. Flynn Mr. Reinemund Ms. Wolf
The director was a director or trustee of a Walmart vendor or service provider	Ms. Alvarez Dr. Cash Mr. Corbett Mr. Flynn Ms. Mayer Mr. Reinemund Ms. Harris

Walmart employed one or more members of the nominee's immediate family for compensation not exceeding \$120,000 during Walmart's last fiscal year

36 Walmart | 2017 Proxy Statement • **Corporate Governance**

The aggregate amounts involved in each of the relationships and transactions described in the preceding table were less than \$1 million or, if greater, 1% of the consolidated gross revenues for the entity's last fiscal year, with the exception of certain relationships involving Mr. Corbett and Mr. Reinemund.

Mr. Corbett served as a director of a Walmart vendor that received payments from Walmart during the entity's last fiscal year in an amount that was less than 5% of that entity's consolidated gross revenues for that entity's last fiscal year. In light of these facts, the Board determined that this relationship was not material to Mr. Corbett's independence. In addition, immediate family members of Mr. Corbett and Mr. Reinemund are or were employed by or had a less than 5% indirect ownership interest in (but are not executive officers of) a Walmart supplier or vendor that received payments from Walmart during the entity's last fiscal year that account for more than 2% of the entity's consolidated gross revenues for that entity's last fiscal year. The Board determined these relationships were immaterial to each director's independence because in each case neither the director nor the immediate family member: (i) is or was an executive officer of the entity; (ii) is or was involved in the negotiation of transactions or the business relationship between Walmart and the entity; (iii) does or did receive compensation from the entity based on the marketing or sale of the entity's goods or services to Walmart; or (iv) had an advancement within such entity based on the marketing or sale of the entity's goods or services to Walmart. Further, the payments made by Walmart to the entities, or by the entities to Walmart, were for various products and services in the ordinary course of business, and Walmart has had a relationship with these entities for many years prior to the directors' immediate family members' employment with these entities.

Pamela J. Craig, a director since 2013, previously has been deemed independent by the Board during each year of her service. As part of its annual review, the Board recently determined that Ms. Craig is not independent within the technical meaning of the term "independent" under the NYSE Listed Company Rules. The determination is based upon the 2016 promotion of Ms. Craig's brother-in-law to executive officer of a supplier to Walmart. Payments from Walmart account for more than 2% of the supplier's annual consolidated gross revenues. Except for the technical independence disqualification, the Board otherwise considers Ms. Craig independent due to the fact that Ms. Craig's brother-in-law is responsible for a region with the supplier for which Walmart does a de minimis amount of business and that neither Ms. Craig nor her brother-in-law have a direct or indirect material interest in the relationship between Walmart and the supplier. As a result of the technical disqualification, Ms. Craig resigned from the Audit Committee. The Board and Ms. Craig have mutually agreed that she will not stand for reelection to the Board at the 2017 Annual Shareholders' Meeting consistent with the Board's view on its independence and composition described above.

The Board and the NGC concluded that each of the Independent Directors does not currently have, and has not had during any pertinent period, any relationship that: (i) constitutes a disqualifying relationship under the NYSE Listed Company Rules; (ii) otherwise compromises the independence of such directors; or (iii) otherwise constitutes a material relationship between Walmart and the directors.

Related Person Transaction Review Policy

The Board has adopted a written policy applicable to all Walmart officers who serve as executive vice presidents or above; all directors and director nominees; all shareholders beneficially owning more than five percent of Walmart's outstanding Shares; and the immediate family members of each of the preceding persons (collectively, the "Covered Persons"). Any entity in which a Covered Person has a direct or indirect material financial interest or of which a Covered Person is an officer or holds a significant management position (each a "Covered Entity") is also covered by the policy. The Transaction Review Policy applies to any transaction or series of similar or related transactions in which a Covered Person or Covered Entity has a direct or indirect material financial interest and in which Walmart is a participant (each, a "Covered Transaction").

Under this Transaction Review Policy, each Covered Person is responsible for reporting to Walmart's chief audit executive any Covered Transactions of which he or she has knowledge. Walmart's chief audit executive, with the assistance of other appropriate Walmart personnel, reviews each Covered Transaction and submits the results of such review to the Audit Committee. The Audit Committee reviews each Covered Transaction and either approves or disapproves the transaction. To approve a Covered Transaction, the Audit Committee must find that:

the substantive terms and negotiation of the Covered Transaction are fair to Walmart and its shareholders and the substantive terms are no less favorable to Walmart and its shareholders than those in similar transactions negotiated at an arm's-length basis; and

if the Covered Person is a director or officer of Walmart, he or she has otherwise complied with the terms of Walmart's Global Statement of Ethics as it applies to the Covered Transaction.

Related Person Transaction Process

The following chart shows our process for identification and disclosure of related person transactions.

Proxy Statement Disclosure Director Independence Determinations Related Person Transaction

Determinations Annual disclosures published in our proxy statement as required by SEC rules Nominating and Governance Committee and Board conduct annual determination of director independence Walmart's Legal department conducts annual review and determination of related person transactions If deemed material, the related person transaction is presented for Audit Committee review, approval or ratification Information sources: • Annual Director and Officer Questionnaires • Schedule 13G Filings • Section 16 Reporting • Management due diligence reviews Information sources: • Annual Director and Officer Questionnaires • Management due diligence reviews Certain related person transactions are disclosed in our proxy statement as required by SEC rules

Fiscal 2017 Review of Related Person Transactions

Our company's Legal Department reviews each Covered Person transaction that exceeds \$120,000. The purpose of this review is to determine whether the related person has a direct or indirect material interest in the transaction.

Our Legal Department has developed and implemented processes and controls for obtaining information about proposed or existing related person transactions from our directors, director nominees, Executive Officers, and principal shareholders. The Legal Department analyzes each related person transaction and, based upon the facts and circumstances, determines whether the related person has or will have a material interest in the transaction. If so, under the company's Transaction Review Policy, then the related person transaction is presented to the Audit Committee for its review and approval or ratification. As described in our "Transaction Review Policy", the Audit Committee also considers the following factors when reviewing a related person transaction:

the nature of the related person's interest in the transaction;

the substantive terms of the transaction, including the type of transaction and the amount involved;

opinions from the company's internal audit function and global ethics office regarding the fairness of the transaction to our company; and

any other factors the Audit Committee deems appropriate.

We disclose in this proxy statement all transactions in which a related person has been determined to have a material interest and the amount involved exceeds \$120,000, as required under SEC rules. Walmart believes that the terms of the transactions described below are comparable to terms that would have been reached by unrelated third parties in arm's-length transactions. The Audit Committee has approved each of the transactions disclosed below.

On September 19, 2016, Walmart acquired Jet.com, Inc. ("Jet") in a merger transaction, with Jet becoming a wholly-owned subsidiary of Walmart. The aggregate transaction consideration paid by the company consisted of a combination of cash of approximately \$3.0 billion and restricted stock units representing the right to receive shares of Walmart common stock determined using the closing date trading price equal to approximately \$300 million. Marc E. Lore, the founder and largest stockholder of Jet (approximately 15.9% of the outstanding Jet shares on a fully-diluted basis) received the right to approximately \$477 million in cash consideration payable by the company for his Jet shares as part of the merger transaction. Of this amount, approximately \$80 million was paid following the closing of the transaction. The remaining approximately \$397 million will be paid to Mr. Lore over the five year period following the closing date of the transaction, subject to Mr. Lore remaining an associate of Walmart during such period. However, if Walmart terminates Mr. Lore's employment without cause, or Mr. Lore resigns for good reason, Mr. Lore will continue to receive these payments over the five year period following the closing date of the transaction. Mr. Lore's portion of the transaction equity consideration consisted of restricted stock units for 3,554,093 shares of Walmart stock vesting over the five year period following the closing date of the transaction, subject to Mr. Lore remaining an associate of Walmart during such period as further discussed and described in the footnotes to

the Summary Compensation table on page 74. Mr. Lore is the Executive Vice President – President and Chief Executive Officer, U.S. eCommerce of Walmart. His employment with Walmart in this role began immediately following the closing of the transaction.

Walmart currently proposes to pay Some Spider Inc. (“Some Spider”), an internet marketing company, approximately \$350,000 for internet marketing services during fiscal 2018 and may engage in additional transactions during fiscal 2018 that may exceed \$120,000 in the aggregate. Marc E. Lore, an Executive Officer of Walmart, owns 20% of the outstanding capital stock of Some Spider. We cannot estimate the dollar value of Mr. Lore’s interest in such transaction as that amount will depend in large measure on the dividends paid on the stock of Some Spider held by Mr. Lore and the appreciation, if any, in the fair value of that stock that would be attributable to the proposed transaction described above.

Lori Haynie, the sister of C. Douglas McMillon, a director of Walmart and an Executive Officer, is an executive officer of Mahco, Incorporated (“Mahco”). During fiscal 2017, Walmart paid Mahco and its subsidiaries approximately \$21.0 million in connection with Walmart’s purchases of sporting goods and related products. Walmart expects to purchase similar types of products from Mahco during fiscal 2018.

During fiscal 2017, certain banking subsidiaries of a bank holding company that is collectively owned by Mr. Jim C. Walton, Mr. S. Robson Walton, and certain members of the Walton family and related trusts, made payments to Walmart in the aggregate amount of approximately \$310,000 for supercenter, discount store, and Neighborhood Market banking facility rent pursuant to negotiated arrangements. The banking subsidiaries made other payments to Walmart pursuant to similar arrangements that were awarded by Walmart on a competitive-bid basis. The leases of banking facility space in various stores remain in effect, and we anticipate that in fiscal 2018 such banking subsidiaries will pay Walmart approximately \$220,000 pursuant to those leases not awarded on a competitive-bid basis. Mr. Jim C. Walton is the father of Steuart L. Walton, a director of Walmart.

Stephen P. Weber, a management associate in Walmart's Information Systems Division, is the son-in-law of Michael T. Duke, a former director of Walmart who did not stand for reelection as a director at the 2016 Annual Shareholders' Meeting. For fiscal 2017, Walmart paid Mr. Weber a salary of approximately \$135,150, a payment pursuant to the cash incentive plan of approximately \$31,000 and other benefits totaling approximately \$15,500 (including Walmart's matching contributions to Mr. Weber's 401(k) Plan account and health insurance premiums). In fiscal 2017, Mr. Weber also received a grant of 510 restricted stock units having a calculated value of approximately \$34,500 at the date of grant. Mr. Weber continues to be an associate, and, in fiscal 2018, he may receive compensation and other benefits in amounts similar to or greater than those he received during fiscal 2017.

Greg T. Bray, a management associate in Walmart's Finance department, is the brother-in-law of C. Douglas McMillon, a director of Walmart and an Executive Officer. For fiscal 2017, Walmart paid Mr. Bray a salary of approximately \$215,000, a payment pursuant to the cash incentive plan of approximately \$77,000, and other benefits totaling approximately \$25,500 (including Walmart's matching contributions to Mr. Bray's 401(k) Plan account and health insurance premiums). In fiscal 2017, Mr. Bray also received a grant of 653 restricted stock units with a calculated value of approximately \$44,000 at the date of grant. Mr. Bray continues to be an associate, and, in fiscal 2018, he may receive compensation and other benefits in amounts similar to or greater than those he received during fiscal 2017.

Nichole R. Bray, a management associate in the company's Information Systems Division, is the sister-in-law of C. Douglas McMillon, a director of Walmart and an Executive Officer. For fiscal 2017, Walmart paid Ms. Bray a salary of approximately \$140,200, a payment pursuant to the cash incentive plan of approximately \$31,500, and other benefits totaling approximately \$23,200 (including Walmart's matching contributions to Ms. Bray's 401(k) Plan account and health insurance premiums). In fiscal 2016, Ms. Bray also received a grant of 510 restricted stock units having a calculated value of approximately \$34,500 at the date of grant. Ms. Bray continues to be an associate, and, in fiscal 2018, she may receive compensation and other benefits in amounts similar to or greater than those she received during fiscal 2017.

Jessica R. Salmon, a management associate in Walmart's Finance department, is the daughter of Rollin L. Ford, who was an Executive Officer of Walmart for a portion of fiscal 2017 through July 31, 2016. For fiscal 2017, Walmart paid Ms. Salmon a salary of approximately \$114,000, a payment pursuant to the cash incentive plan of approximately \$17,000, and other benefits totaling approximately \$11,500 (including Walmart's matching contributions to Ms. Salmon's 401(k) Plan account and health insurance premiums). In fiscal 2017, Ms. Salmon also received a grant of 175 restricted stock units having a calculated value of approximately \$12,000 at the date of grant. Ms. Salmon continues to be an associate, and, in fiscal 2018, she may receive compensation and other benefits in amounts similar to or greater than those she received during fiscal 2017.

Brian Salmon, a management associate at Walmart, is the son-in-law of Rollin L. Ford, who was an Executive Officer for a portion of fiscal 2017. For fiscal 2017, Walmart paid Mr. Salmon a salary of approximately \$117,200, a payment pursuant to the cash incentive plan of approximately \$26,500, and other benefits totaling approximately \$11,000 (including Walmart's matching contributions to Mr. Salmon's 401(k) Plan account and health insurance premiums). In fiscal 2017, Mr. Salmon also received a grant of 175 restricted stock units having a calculated value of approximately \$12,000 at the date of grant. Mr. Salmon continues to be an associate, and, in fiscal 2018, he may

receive compensation and other benefits in amounts similar to or greater than those he received during fiscal 2017.

Brittney Duke, a vice president in Walmart's Marketing department, is the daughter of Michael T. Duke, a former director of Walmart who did not stand for reelection as a director at the 2016 Annual Shareholders' Meeting. For fiscal 2017, Walmart paid Ms. Duke a salary of approximately \$228,000, a payment pursuant to the cash incentive plan of \$47,500, a separate cash bonus of \$15,000, and other benefits totaling approximately \$26,100 (including Walmart's matching contributions to Ms. Duke's 401(k) Plan account and health insurance premiums). In fiscal 2017, Ms. Duke also received a grant of 872 restricted stock units having a calculated value of approximately \$59,000 at the date of grant. Ms. Duke continues to be an associate, and, in fiscal 2018, she may receive compensation and other benefits in amounts similar to or greater than those she received during fiscal 2017.

Director Compensation

Walmart's compensation program for Outside Directors is intended to:

provide fair compensation commensurate with the work required to serve on the Board of a company with Walmart's size, scope, and complexity;

align directors' interests with the interests of Walmart shareholders; and

be easy to understand and communicate, both to our directors and to our shareholders.

Components of Director Compensation

Our Outside Director compensation program consists of the following primary components:

Who is Eligible	Component	Annual Amount	Form of Payment
Base Compensation – All Outside Directors	Annual Stock Grant	\$175,000	Shares
	Annual Retainer	\$90,000	Cash
Additional Fees – Some Outside Directors	Non-Executive Chairman Retainer	\$200,000	50% Shares/50% Cash
	Lead Independent Director Retainer	\$30,000	Cash
	Audit and CMDC Chair Retainers	\$25,000	Cash
	SPFC and TeCC Chair Retainers	\$20,000	Cash

Other Compensation

Each Outside Director who attends in person a Board meeting held at a location that requires intercontinental travel from his or her residence is paid an additional \$4,000 meeting attendance fee. Also, each member of the Audit Committee received an additional fee during fiscal 2017. Since 2011, the Audit Committee has been conducting an internal investigation into, among other things, alleged violations of the U.S. Foreign Corrupt Practices Act (the "FCPA") and other alleged crimes or misconduct in connection with certain foreign subsidiaries, and whether prior allegations of such violations and/or misconduct were appropriately handled by Walmart. The Audit Committee and Walmart have engaged outside counsel from a number of law firms and other advisors who are assisting in the ongoing investigation of these matters. This investigation continues to result in a significant increase in the workload of the Audit Committee members, and during fiscal 2017, the Audit Committee members received frequent updates regarding the investigation via conference calls and other means of communication with outside counsel and other advisors. In light of this continuing significant additional time commitment, during fiscal 2017, the Audit Committee Chair received an additional fee of \$57,500, and the other members of the Audit Committee received an additional fee of \$45,000.

Form and Timing of Payment

Stock grants to Outside Directors are made annually upon election to the Board at our annual shareholders' meeting in June. Each Outside Director may elect to defer the receipt of this stock grant in the form of stock units. The other components of Outside Director compensation listed above are paid quarterly in arrears. Each Outside Director can elect to receive these other components in the form of cash, Shares (with the number of Shares determined based on the closing price of Shares on the NYSE on the payment date), deferred in stock units, or deferred into an interest-credited cash account.

Director Stock Ownership Guidelines

Each Outside Director is required to own, within five years of his or her initial election to the Board, Shares or deferred stock units with a value equal to five times the annual retainer portion of the Outside Director compensation established by the Board in the year the director was initially elected. All Outside Directors who have reached the five-year compliance date own sufficient Shares or deferred stock units to satisfy this requirement.

Director Compensation for Fiscal 2017

Name	Fees Earned or Paid in Cash	Stock Awards	All Other Compensation	Total
(a)	(b)	(c)	(g)	(h)
Aida M. Alvarez	42,324	0	20,186	62,510
James I. Cash, Jr.	169,000	174,978	19,937	363,915
Roger C. Corbett	50,324	0	26,164	76,488
Pamela J. Craig	139,000	174,978	5,069	319,047
Michael T. Duke	38,324	0	243	38,567
Timothy P. Flynn	176,500	174,978	32,886	384,364
Thomas W. Horton	139,000	174,978	3,583	317,561
Marissa A. Mayer	90,000	174,978	1,830	266,808
Gregory B. Penner	194,000	274,976	0	468,976
Steven S Reinemund	114,000	174,978	809	289,787
Kevin Y. Systrom	114,000	174,978	0	288,978
Jim C. Walton	42,324	0	3,606	45,930
S. Robson Walton	94,000	174,978	0	268,978
Steuart L. Walton	51,923	174,978	0	226,901
Linda S. Wolf	119,000	174,978	21,148	315,126

Explanation of information in the columns of the table:**Name (column (a))**

C. Douglas McMillon is omitted from this table because he received compensation only as an associate of our company during fiscal 2017 and did not receive any additional compensation for his duties as a director.

Fees Earned or Paid in Cash (column (b))

Certain Outside Directors elected to either receive Shares in lieu of these amounts or defer these amounts in the form of deferred stock units, as shown below:

Director	Amount (\$)	Number of Shares Received in Lieu of Cash	Number of Deferred Stock Units in Lieu of Cash
Timothy P. Flynn	176,500	—	2,516
Marissa A. Mayer	90,000	—	1,275
Gregory B. Penner	194,000	—	2,745

Kevin Y. Systrom	114,000	1,612	—
Steuart L. Walton	51,923	—	733

Stock Awards (column (c))

In accordance with SEC rules, the amounts in this column are the aggregate grant date fair value of stock awards granted during fiscal 2017, computed in accordance with the stock-based accounting rules that are part of GAAP (as set forth in Financial Accounting Standards Board's Accounting Standards Codification Topic 718). Each Outside Director other than Mr. Penner that was elected to the Board at the 2016 Annual Shareholders' Meeting received a stock award of 2,469 Shares (\$175,000 divided by \$70.87, the closing price of a Share on the NYSE on the grant date, and rounded to the nearest Share). Mr. Penner received a stock award of 3,880 Shares (\$275,000 divided by \$70.87, rounded to the nearest Share). Dr. Cash, Mr. Flynn, Ms. Mayer, Mr. Penner, Mr. Rob Walton, Mr. Steuart Walton, and Ms. Wolf elected to defer these Shares in the form of deferred stock units. Ms. Alvarez, Mr. Corbett, Mr. Duke, and Mr. Jim Walton did not stand for reelection at the 2016 Annual Shareholders' Meeting and, therefore, did not receive a stock grant during fiscal 2017.

Option Awards and Non-Equity Incentive Plan Compensation (columns (d) and (e))

We do not issue stock options to our Outside Directors and do not provide our Outside Directors with any non-equity incentive plan compensation. Therefore, we have omitted these columns from the table.

Change in Pension Value and Non-Qualified Deferred Compensation Earnings (column (f))

While directors are permitted to defer cash retainers into an interest-credited account under the Director Compensation Deferral Plan, none of our current directors have elected to do so and do not have any balances in any such account. Therefore, we have omitted this column from the table.

All Other Compensation (column (g))

The amounts in this column include tax gross-up payments paid during fiscal 2017 relating to imputed income attributable to spousal travel expenses, meals, and related activities in connection with certain Board meetings during fiscal 2017. For the directors listed below, this column also includes the aggregate cost of spousal travel expenses, meals, and related activities in the following amounts:

Director	Amount
Aida M. Alvarez	\$ 13,222
James I. Cash, Jr.	\$ 14,375
Roger C. Corbett	\$ 19,997
Timothy P. Flynn	\$ 22,283
Linda S. Wolf	\$ 14,445

The cost of any spousal travel expenses, meals, and related activities for each of the other directors is omitted from this column because the total incremental cost for such benefits for each other director was less than \$10,000.

Proposal No. 2

Advisory Vote to Approve Frequency of Future Say-on-Pay Votes

This proposal gives our shareholders the opportunity to cast an advisory, non-binding vote, in accordance with Section 14A of the Exchange Act, on how often we should include advisory say-on-pay votes (that is, votes similar to Proposal 3 in this proxy statement) in our proxy materials for our future annual shareholders' meetings or any special shareholders' meeting for which we must include NEO compensation information in the proxy materials. Shareholders may vote their preference to have future advisory say-on-pay votes once every year, once every two years, or once every three years. If you have no preference, you may choose to abstain from voting on this proposal.

Why the Board recommends that shareholders select a frequency of 1 year

Our shareholders last voted on the frequency of holding a say-on-pay vote in 2011, and Walmart has held an annual advisory say-on-pay vote since then. The Board continues to believe that holding an annual advisory say-on-pay vote is the most appropriate option for our company because it will allow our shareholders to provide us with their input on our compensation philosophy, policies and practices as disclosed in the Proxy Statement on a timely basis. The Board therefore recommends shareholders vote "1 Year" for this Proposal No. 2.

In voting on this Proposal No. 2, shareholders may cast their advisory vote to conduct future advisory say-on-pay votes every "1 Year," "2 Years," "3 Years," or "Abstain." As an advisory vote, this Proposal No. 2 is not binding on Walmart or the Board. However, the Board and the CMDC value the opinions expressed by our shareholders and will take into account the outcome of this vote when considering the frequency of future advisory say-on-pay votes.

1 YEAR