WAL MART STORES INC
Form DEF 14A
April 22, 2015

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:

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(4) Proposed maximum aggregate value of transaction:

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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 **2015**
Annual Shareholders'
Meeting and Proxy Statement

Friday,
June 5, 2015,
at 7:30 a.m.,
Central time

Bud Walton Arena, University of Arkansas,
Fayetteville, Arkansas
NYSE: WMT

April 22, 2015

Dear Fellow Shareholders:

We hope you will review the information provided in this proxy statement and attend Walmart's 2015 Annual Shareholders' Meeting, which will be held on Friday, June 5, 2015, at 7:30 a.m. Central Time at Bud Walton Arena on the University of Arkansas campus in Fayetteville, Arkansas. See page 102 for admission requirements if you plan to attend the meeting in person. The meeting will also be webcast on our website at *http://stock.walmart.com/annual-reports.* Regardless of whether or not you attend the meeting in person, your vote is important to us and we encourage you to cast your votes. See pages 99-100 for instructions regarding voting your shares.

As you will see, we continue to make enhancements to the format and content of our proxy statement to provide a clear and detailed overview of the topics that we will address at the meeting. Many of these changes were influenced by feedback from you, our shareholders. For example, in the Corporate Governance section beginning on page 12, we now include additional information regarding the skills, experiences, and qualifications of our Board of Directors, our Board evaluation process, and Board succession planning. The Compensation Discussion and Analysis section, beginning on page 43, describes how our executive compensation program is designed to support our company's enterprise strategy, align with shareholder interest, and pay for performance.

Thank you for being a Walmart shareholder. We look forward to seeing you at the 2015 Annual Shareholders' Meeting.

S. Robson Walton	**Dr. James I. Cash, Jr.**
Chairman	*Lead Independent Director*

Wal-Mart Stores, Inc.
702 Southwest 8th Street
Bentonville, Arkansas 72716-0215
(479) 273-4000
http://corporate.walmart.com

Notice of 2015 Annual Shareholders' Meeting

Friday, June 5, 2015

7:30 a.m., Central time

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

Please join our Board of Directors, senior leadership, and other shareholders for the 2015 Annual Shareholders' Meeting of Wal-Mart Stores, Inc. The meeting will be held on Friday, June 5, 2015, at 7:30 a.m., Central time in Bud Walton Arena on the campus of the University of Arkansas, Fayetteville, Arkansas 72701. The purposes of the meeting are:

1. to elect as directors the 15 nominees identified in the accompanying proxy statement;
2. to ratify the appointment of Ernst & Young LLP as the company's independent accountants for the fiscal year ending January 31, 2016;
3. to vote on a non-binding advisory resolution to approve the compensation of the company's named executive officers as disclosed in the accompanying proxy statement;
4. to vote on the approval of the Wal-Mart Stores, Inc. Stock Incentive Plan of 2015, as described in the accompanying proxy statement;
5. to vote on the 5 shareholder proposals described in the accompanying proxy statement, if properly presented at the meeting; and
6. to transact any other business properly brought before the 2015 Annual Shareholders' Meeting.

The Board of Directors set April 10, 2015 as the record date for the meeting. This means that only shareholders of record of Walmart as of the close of business on that date are entitled to:

- receive this notice of the meeting; and

- vote at the meeting and any adjournments or postponements of the meeting.

Attending the meeting in person. If you plan to attend the meeting in person, please see page 102 for information regarding what you must bring with you to gain admittance to the 2015 Annual Shareholders' Meeting.

Your vote is important to us. Regardless of whether you plan to attend, we urge all shareholders to vote on the matters described in the accompanying proxy statement. Please see pages 99-100 for information about voting by mail, telephone, the internet, mobile device, or in person at the 2015 Annual Shareholders' Meeting. Voting in advance of the meeting in any of the ways described will not prevent you from attending the 2015 Annual Shareholders' Meeting.

The proxy statement and our Annual Report to Shareholders for the fiscal year ended January 31, 2015 are available in the "Investors" section of our corporate website at *http://stock.walmart.com/annual-reports.*

April 22, 2015

Bentonville, Arkansas

By Order of the Board of Directors

Jeffrey J. Gearhart

Corporate Secretary

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Proxy Statement Summary

You have received these proxy materials because the Board is soliciting your proxy to vote your Shares at the 2015 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 page 104 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 mailed to shareholders and made available on the internet on April 22, 2015.

Annual Shareholders' Meeting

Date and Time: June 5, 2015, 7:30 a.m., Central time

Place: Bud Walton Arena, University of Arkansas Campus,
Fayetteville, Arkansas 72701

Record Date: You can vote if you were a shareholder of record of the company at the close of business on April 10, 2015 (page 97).

Admission: You must have proof of ownership of Shares as of the record date above to attend the 2015 Annual Shareholders' Meeting (page 102).

If you are unable to attend in person, you can view a live webcast of the 2015 Annual Shareholders' Meeting at *http://stock.walmart.com/annual-reports*.

Voting Matters and Board Recommendations

The Board is not aware of any matter that will be presented for a vote at the 2015 Annual Shareholders' Meeting other than those shown below.

	Board Vote Recommendation	**Page Reference (for more detail)**
Item 1: Election of Directors		

The Board and the CNGC believe that the 15 nominees described in this proxy statement have the necessary skills and qualifications to provide effective oversight and strategic guidance.	**FOR** each Director Nominee	12
Item 2: Ratification of EY as Independent Accountants		
The Audit Committee believes that continuing to engage EY as Walmart's independent accountants for fiscal 2016 is in the best interests of Walmart and its shareholders, and we are asking shareholders to ratify the Audit Committee's selection of EY for fiscal 2016.	**FOR**	37
Item 3: Advisory Vote to Approve Named Executive Officer Compensation		
The CNGC has carefully designed our executive compensation program to emphasize pay for performance and support our enterprise strategy. We are asking shareholders to approve, on a non-binding, advisory basis, the compensation of Walmart's NEOs as described in this proxy statement.	**FOR**	77
Item 4: Approval of the Wal-Mart Stores, Inc. Stock Incentive Plan of 2015		
We are seeking shareholders' approval of our 2015 Stock Incentive Plan, which is an amendment and restatement of our existing Stock Incentive Plan. Shareholder approval is required for certain performance-based awards under this plan to be eligible to be tax deductible to Walmart. We are not requesting approval of any additional Shares for issuance under this plan.	**FOR**	81
Items 5-9: Shareholder Proposals		
After careful consideration, the Board recommends a vote against each of the five shareholder proposals described in this proxy statement.	**AGAINST** each shareholder proposal	87

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How to Cast Your Vote (pages 99-100)

You can vote by any of the following methods:

- via the internet by going to *www.proxyvote.com* and following the instructions at that website;
- by scanning the QR code on your proxy card, notice of internet availability of proxy materials, or voting instruction form with your mobile device;
- via telephone by calling 1-800-690-6903; or
- if you received a proxy card or voting instruction form in the mail, by completing, signing, dating, and returning your proxy card or voting instruction form in the return envelope provided to you in accordance with the instructions provided with the proxy card or voting instruction form.

You can also vote in person at the 2015 Annual Shareholders' Meeting. You must bring proof of ownership of Shares as of the record date to attend the 2015 Annual Shareholders' Meeting. See page 102 for a description of acceptable forms of proof of Share ownership.

If you vote via the internet, by scanning the QR code, or via telephone, you must vote no later than 11:59 p.m. Eastern time on June 4, 2015. If you return a proxy card by mail, it must be received before the polls close at the 2015 Annual Shareholders' Meeting. If your Shares are held through a Walmart 401(k) plan, earlier voting deadlines apply. See pages 99-100.

Board Nominees (pages 15-22)

10 of our 15 Board nominees are independent, and all members of the Audit Committee and CNGC are independent. Despite their significant Share ownership, only three members of the Walton family are Board members.

					Key Committee Membership				Other Public Company
Name	**Age**	**Director Since**	**Principal Occupation**	**Independent**	**AC**	**CNGC**	**SPFC**	**TeCC**	**Boards**
Aida M. Alvarez	65	2006	Former Administrator, U.S. Small Business Administration						0
	67	2006							2

James I. Cash, Jr.*			James E. Robison Professor of Business Administration Emeritus, Harvard Business School	
Roger C. Corbett	72	2006	Retired CEO and Group Managing Director, Woolworths Limited	2
Pamela J. Craig	58	2013	Retired CFO, Accenture plc	2
Michael T. Duke	65	2008	Retired President and CEO, Walmart	0
Timothy P. Flynn	58	2012	Retired Chairman and CEO, KPMG	2
Thomas W. Horton	53	2014	Former Chairman and CEO, American Airlines	1
Marissa A. Mayer	39	2012	President and CEO, Yahoo! Inc.	1
C. Douglas McMillon	48	2013	President and CEO, Walmart	0
Gregory B. Penner**	45	2008	General Partner, Madrone Capital Partners	1
Steven S Reinemund	67	2010	Retired Dean of Business, Wake Forest University, and retired Chairman and CEO, PepsiCo., Inc.	3
Kevin Y. Systrom	31	2014	CEO and Co-Founder, Instagram	0
Jim C. Walton	66	2005	Chairman and CEO, Arvest Bank Group, Inc.	0
S. Robson Walton***	70	1978	Chairman, Walmart	0
Linda S. Wolf	67	2005	Retired Chairman and CEO, Leo Burnett Worldwide, Inc.	1

Chair Member

AC = Audit Committee; **CNGC** = Compensation, Nominating and Governance Committee; **SPFC** = Strategic Planning and Finance Committee; **TeCC** = Technology and eCommerce Committee

*Lead Independent Director **Board Vice Chairman ***Board Chairman

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Board Overview

The following graphs show the composition of our Board after the 2015 Annual Shareholders' Meeting assuming all 15 nominees named in this proxy statement are elected at the 2015 Annual Shareholders' Meeting.

Experience and Expertise
Our director nominees bring a variety of backgrounds, qualifications, skills, and experiences needed to contribute to a well-rounded Board and provide effective oversight of our global operations in the rapidly evolving retail industry.

Tenure, Age, and Gender Diversity
The Board is committed to thoughtful Board refreshment, ensuring an effective mix of deep company knowledge and fresh perspectives.

Director Attendance

- Overall 98% attendance rate at Board and committee meetings during fiscal 2015
- 13 of 15 director nominees had perfect attendance at Board and committee meetings during fiscal 2015
- All director nominees who were Board members at the time attended our 2014 Annual Shareholders' Meeting

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Governance and Compensation Highlights

Governance Practices		**Page Number**
Board Independence	10 of our 15 director nominees are independent, and the Audit Committee and CNGC consist entirely of Independent Directors. Despite their significant Share ownership, only three members of the Walton family serve on the Board.	**24**
Board Leadership	We have separated the CEO and Chairman roles for more than 25 years and have a robust Lead Independent Director position.	**29**
Robust Board and Committee Evaluations	Annual Board and Board committee evaluations help promote Board and Board committee effectiveness.	**33**
Board Refreshment and Succession Planning	Through active succession planning and director tenure policies, the Board takes a thoughtful approach to Board refreshment.	**33**
Board-Level Risk Oversight	The Board and Board committees take an active role in the company's risk oversight and risk management processes.	**32**
CNGC Oversight of Political Engagement	The CNGC reviews and advises management on Walmart's legislative affairs and public policy engagement strategy, as well as its charitable giving strategy and social, community, and sustainability initiatives.	**35**
Active Shareholder Engagement	During fiscal 2015, Walmart significantly expanded its ongoing shareholder outreach on governance, executive compensation, and other matters.	**35**
Shareholder Rights		
Annual Election of Directors	All directors are elected annually for one-year terms.	**12**
Majority Voting for Director Elections	Our bylaws require a majority voting standard in uncontested elections. Each director nominee has agreed to resign from the Board in the event that he or she fails to receive a majority vote.	**98**
Shareholder Right to Call Special Meetings	Shareholders owning 10% or more of Walmart's outstanding common stock have the right to request a special meeting of shareholders.	
No Poison Pill	Walmart does not have a poison pill or similar anti-takeover provision in place.	
No Supermajority Voting Requirements	Walmart common stock is the only outstanding class of voting stock, and Walmart's governance documents do not contain any supermajority voting requirements.	
Executive Compensation		
Pay for Performance	Over 75% of our CEO's fiscal 2015 total direct compensation was tied to objective performance goals.	**44**
Incentive Payouts Aligned with Performance	For each of the last two years, our NEOs' annual and long-term incentive payouts have been significantly below target levels.	**45**
Performance Metrics Aligned with Shareholder Value	Our NEOs' annual and long-term incentive pay is based on operating income, sales, and ROI, which are aligned with our strategy, can be impacted by our executives, and are important indicators of retail performance.	**50**
Executive Pay Linked to Compliance and Diversity	Our NEOs' annual cash incentive payouts may be reduced for failure to achieve compliance and diversity goals.	**52**
Mitigation of Risk	We mitigate risk in our executive compensation program by using a combination of performance metrics, linking a portion of each NEO's pay to the performance of our company as a whole, and by capping maximum payouts tied to each performance metric.	**65**
Stock Ownership Guidelines		**64**

	Robust stock ownership guidelines serve to align the interests of our executives with the interests of our shareholders.	
Restrictions on Hedging and Pledging	All Associates and directors are prohibited from hedging or short-selling Walmart stock, and Executive Officers and directors are subject to significant restrictions on pledging Walmart stock.	**64**
No Employment Agreements	All of our Executive Officers are employed on an at-will basis.	**63**
No Change-In-Control Provisions	Our compensation plans do not contain any provisions under which our Executive Officers would be entitled to payments, accelerated equity vestings, or other benefits upon a change in control of our company.	**63**

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CORPORATE GOVERNANCE

Proposal No. 1 Election of Directors

What am I voting on?

You are voting on a proposal to elect each of the nominees 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 of the Board's nominees named below unless you instruct otherwise. If the shareholders elect all of the director nominees named in this proxy statement at the 2015 Annual Shareholders' Meeting, Walmart will have 15 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 Compensation, Nominating and Governance Committee and the Board consider when selecting candidates for nomination?

An effective Board should be comprised of individuals who collectively provide an appropriate balance of distinguished leadership, diverse perspectives, strategic skill sets, and professional experience relevant to our company's business and strategic objectives. In fulfilling its responsibility for identifying and evaluating director candidates, in accordance with Walmart's Corporate Governance Guidelines, the CNGC 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 with 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 CNGC determines qualify candidates for service on the Board. The CNGC 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 CNGC's charter and our Corporate Governance Guidelines, which are available on the Corporate Governance page of our website at *http://stock.walmart.com.*

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Depending on the current composition of the Board and Board committees and Walmart's current needs and business priorities, the CNGC generally seeks director candidates who possess experience, skills, or background in one or more of the following areas:

Senior leadership

Senior leadership experience. 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.

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

Technology and e-commerce experience. E-commerce is a growing and important part of Walmart's global business. Directors with experience in e-commerce or related industries, such as the digital, mobile, and consumer internet industries, provide valuable insights and perspective to the Board.

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

Governance

Finance, accounting, or financial reporting experience. An understanding of finance and financial reporting processes is valued on the Board because of the importance our company places on accurate financial reporting and robust financial controls and compliance. We also seek to have a number of directors who qualify as audit committee financial experts.

Regulatory or legal experience. Our company's business requires compliance with a variety of regulatory requirements across a number of countries. Our Board values the insights of directors who have experience advising or working at companies in regulated industries. Our board also benefits from the perspectives of directors with governmental, public policy, and other legal experience and expertise.

Diversity

The Board is committed to diversified membership because our global business serves a broad and diverse customer base, and we believe a board comprised of directors with diverse perspectives relevant to our company's business and operations contributes to the Board's effectiveness. Diversity and inclusion are values embedded into Walmart's culture and fundamental to its business. In keeping with those values, when assessing a candidate, the CNGC and the Board consider the different viewpoints and experiences that a candidate could bring to the Board and how those viewpoints and experiences could enhance the Board's overall effectiveness. The Board will not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, or disability in selecting nominees.

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Summary of Director Qualifications and Experience

Below we identify 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, what is noted represents the skills and qualifications reviewed by the CNGC and the Board in their consideration for re-nominating each candidate. 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 management of the Company.

			Strategy			Governance	
	Senior leadership	Retail	Global or international business	Technology and e-commerce	Marketing, brand management, or public relations	Finance, accounting, or financial reporting	Regulatory or legal
Aida M. Alvarez							
James I. Cash, Jr.							
Roger C. Corbett							
Pamela J. Craig							
Michael T. Duke							
Timothy P. Flynn							
Thomas W. Horton							
Marissa A. Mayer							
C. Douglas McMillon							
Gregory B. Penner							
Steven S Reinemund							
Kevin Y. Systrom							
Jim C. Walton							
S. Robson Walton							
Linda S. Wolf							
TOTAL	12	6	14	5	4	7	5

Douglas N. Daft[(1)]

(1) Mr. Daft will retire from the Board effective June 5, 2015.

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Who are the 2015 director nominees?

Based on the recommendation of the CNGC, the Board has nominated the following candidates for election as directors at the 2015 Annual Shareholders' Meeting. Each nominee is a highly-qualified, recognized leader in his or her respective industry, and the information set forth below includes, with respect to 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.

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

Aida M. Alvarez

From 1997 to 2001, Ms. Alvarez was a member of President Clinton's Cabinet as the Administrator of the U.S. Small Business Administration (the "SBA"). She was the founding Director of the Office of Federal Housing Enterprise Oversight from 1993 to 1997. Ms. Alvarez was a vice president in public finance at First Boston Corporation and Bear Stearns & Co., Inc. prior to 1993. She is the Chair of the Latino Community Foundation and has served as a director of Oportun (formerly Progress Financial Corporation) since 2011, and as a director of Zoosk, Inc. since 2014. From 2004 to 2014, Ms. Alvarez served on the boards of MUFG Americas Holdings Corporation (formerly UnionBanCal Corporation) and Union Bank N.A.

Joined the Board: 2006

Age: 65

Board Committee: CNGC

Other Current Public Company Directorships: None

Independent Director

Skills and Qualifications:

Ms. Alvarez gained executive experience through her years in President Clinton's Cabinet, her executive roles at government agencies, and her leadership at a prominent philanthropic organization.

Ms. Alvarez brings extensive knowledge of the federal government and insight into public policy.

The Board also benefits from Ms. Alvarez's knowledge of investment banking and finance.

As the head of the SBA, Ms. Alvarez expanded the international role of the SBA and developed a global agenda for the SBA.

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James I. Cash, Jr.

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 The Chubb Corporation since 1996 and of General Electric Company since 1997. Dr. Cash has served as a director of a number of other public companies, including 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.

Joined the Board: 2006

Age: 67

Board Committees: Audit Committee; Executive Committee; TeCC

Other Current Public Company Directorships: The Chubb Corporation; General Electric Company

Lead Independent Director

Skills and Qualifications:

Dr. Cash brings financial, accounting, and strategic planning expertise from his distinguished career in academia, and from his service at HBS Publishing and 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.

Roger C. Corbett

Mr. Corbett is the retired CEO and Group Managing Director of Woolworths Limited, the largest retail company in Australia, where he served from 1990 to 2006. He is a director of The Reserve Bank of Australia, and he is Chairman of Fairfax Media Limited (a major Australian newspaper, magazine and internet publisher). He also is a director and non-executive Chairman of Mayne Pharma Group Limited, an Australian specialist pharmaceutical company, and until recently was Chairman of PrimeAg Australia (a major Australian farming enterprise). Mr. Corbett is a former founding director of

Outback Stores. He is also a member of, and holds leadership positions on, the boards and advisory councils of a number of industry, charitable, and non-profit organizations.

Joined the Board: 2006

Age: 72

Board Committee: SPFC

Other Current Public Company Directorships: Fairfax Media Limited; Mayne Pharma Group Limited

Independent Director

Skills and Qualifications:

Mr. Corbett has more than 50 years of experience in the retail industry, and brings unique financial, operational, and strategic expertise in matters facing large retail companies.

In addition, Mr. Corbett's leadership positions with multinational companies bring to the Board an international retail perspective and understanding of international markets.

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Pamela J. Craig

Ms. Craig served as CFO of Accenture plc (“Accenture”), a multinational management consulting, technology and outsourcing company, from October 2006 to June 2013. On July 1, 2013, Ms. Craig stepped down as CFO and retired from Accenture in August 2013. She served in a variety of consulting, operational, and finance leadership roles at Accenture in her 34 years with the firm and its predecessor companies. Her three prior roles with Accenture from the time it became a public company were as senior vice president, finance, from March 2004 to October 2006, group director, business operations and services, from March 2003 to March 2004, and managing partner, global business operations, from June 2001 to March 2003. She has served on the boards of Akamai Technologies, Inc. since 2011 and VMWare, Inc. since 2013. In addition, she serves on the boards of directors and/or advisors of several private and charitable organizations.

Joined the Board: 2013

Age: 58

Board Committee: Audit Committee

Other Current Public Company Directorships: Akamai Technologies, Inc.; VMWare, Inc.

Independent Director

Skills and Qualifications:

Ms. Craig brings financial reporting, accounting, and risk management expertise gained through her service as the CFO of a major, publicly-held management consulting, technology, and outsourcing firm.

The Board benefits from Ms. Craig’s experience in global business leadership and governance.

Ms. Craig also brings experience gained from her service on the boards of directors of various technology companies.

Michael T. Duke

Mr. Duke was Walmart’s President and CEO from February 1, 2009 to January 31, 2014, and served as Chair of the Executive Committee from February 1, 2011 to January 31, 2015, when he retired from the company. Prior to his appointment as our company’s President and CEO, he held other positions with Walmart since July 1995, including Vice Chairman with responsibility for Walmart International beginning in September 2005 and Executive Vice President, President and CEO of Walmart U.S., beginning in April 2003. Mr. Duke has served on the board of directors of The Consumer Goods Forum and the board of advisors of the Conservation International’s Center for Environmental Leadership in Business, the University of Arkansas, and the Tsinghua University School of Economics and Management in Beijing, China. He is also a member of the National Academy of Engineering.

Joined the Board: 2008

Skills and Qualifications:

Mr. Duke brings years of executive leadership experience across multiple operating segments of our company.

The Board benefits from Mr. Duke's decades of experience and leadership in the retail industry and at our company.

Mr. Duke has extensive knowledge of international markets and international retailing.

Age: 65

Board Committees: SPFC; TeCC

Other Current Public Company Directorships: None

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Timothy P. Flynn

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 Chief Executive Officer of KPMG LLP in the U.S., the largest individual member firm of KPMG. Prior to serving as Chairman and CEO of KPMG LLP in the U.S., Mr. Flynn was Vice Chairman, Audit and Risk Advisory Services, with operating responsibility for Audit, Risk Advisory and Financial Advisory Services practices. Mr. Flynn serves as a member of the board directors of The Chubb Corporation and JPMorgan Chase & Co. and as a member of the board of trustees of the University of St. Thomas, St. Paul, Minnesota. He previously has served as 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.

Joined the Board: 2012

Age: 58

Board Committee: Audit Committee (Chair)

Other Current Public Company Directorships: The Chubb Corporation; JPMorgan Chase & Co.

Independent Director

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.

Thomas W. Horton

Mr. Horton most recently served as the Chairman of AMR Corporation, the parent company of American Airlines Group, Inc. (“AMR”) from December 2013 to June 2014. He also served in various other executive leadership positions at AMR, including as President from 2010 until his appointment as Chairman and CEO in 2011, during which time he led AMR through a successful restructuring and turnaround that culminated in the merger of AMR and US Airways, creating the world’s largest airline. From 2006 to 2010, Mr. Horton served as Executive Vice President of Finance and Planning at AMR. Mr. Horton joined AMR 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 AMR, where he had served in various roles from 1985 until 2002, including as Senior Vice President and Chief Financial Officer. Before joining AMR in 1985, Mr. Horton worked at an international accounting firm, Peat Marwick & Company, which is now KPMG. He also serves on the board of directors of Qualcomm, Inc. and on the executive board of the Cox School of Business at Southern Methodist University.

Joined the Board: 2014

Age: 53

Board Committee: Audit Committee

Other Current Public Company Directorships: Qualcomm, Inc.

Independent Director

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 valuable experiences at complex, international business industries.

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

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Marissa A. Mayer

Ms. Mayer is President and Chief Executive Officer and a member of the board of directors of Yahoo! Inc. ("Yahoo!"), a digital media company, positions she has held since July 2012. Prior to assuming her role at Yahoo!, Ms. Mayer was the Vice President of Local and Maps for Google Inc. ("Google") beginning in 2010, where she led the product management and engineering efforts of Google's local, mobile, and location-based products, including Google Maps, Google Maps for Mobile, Local Search, Google Earth, and Street View. Ms. Mayer served in a variety of other capacities after joining Google as its first female engineer in 1999, and was responsible for launching hundreds of products and features during that time. Concurrently with her work at Google, Ms. Mayer taught introductory computer programming classes at Stanford University. Ms. Mayer holds a bachelor's degree in symbolic systems and a master's degree in computer science from Stanford University. Ms. Mayer serves on the board of directors of AliphCom (which does business as Jawbone) and on the boards of the San Francisco Museum of Modern Art and the San Francisco Ballet.

Joined the Board: 2012

Age: 39

Board Committees: SPFC; TeCC

Other Current Public Company Directorships: Yahoo! Inc.

Independent Director

Skills and Qualifications:

Ms. Mayer brings extensive expertise and insight into the technology and consumer internet industries.

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, strategy, and governance.

C. Douglas McMillon

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 two decades ago. Mr. McMillon also serves as a member of the executive committee of the Business Roundtable.

Joined the Board: 2013

Skills and Qualifications:

Mr. McMillon brings years of executive leadership experience at our company and extensive expertise in corporate strategy, development, and

Age: 48

Board Committees: Executive Committee (Chair); GCC (Chair)

Other Current Public Company Directorships: None

President and Chief Executive Officer

execution.

In addition, Mr. McMillon brings extensive knowledge and unique experience with the Walmart International segment.

Mr. McMillon has more than two decades of experience in the retail industry and at our company.

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Gregory B. Penner+

Mr. Penner was appointed as Vice Chairman of the Board in June 2014. He has been a General Partner of Madrone Capital Partners (“Madrone”), an investment management firm, since 2005. From 2002 to 2005, he served as Walmart’s Senior Vice President and CFO - Japan. Before serving in that role, Mr. Penner was the Senior Vice President of Finance and Strategy for Walmart.com. 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 has been a member of the board of directors of Baidu, Inc. since 2004, and he previously served on the boards of Hyatt Hotels Corporation; eHarmony, Inc.; Castleton Commodities International, LLC; 99Bill Corporation; and Cuil, Inc.

Joined the Board: 2008

Age: 45

Board Committees: TeCC (Chair); SPFC; GCC

Other Current Public Company Directorships: Baidu, Inc.

Vice Chairman

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.

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

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

Steven S Reinemund

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 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, American Express Company, and Marriott International, Inc. since 2007. He previously served as a director of Johnson & Johnson from 2003 to 2008. Mr. Reinemund is also a member of the board of trustees for The Cooper Institute and the United States Naval Academy Foundation.

Joined the Board: 2010

Age: 67

Board Committee: SPFC (Chair)

Other Current Public Company Directorships: American Express Company; Exxon Mobil Corporation; Marriott International, Inc.

Independent Director

Skills and Qualifications:

Mr. Reinemund has considerable international business leadership experience gained through his service as Chairman and CEO of a major 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 Pepsi and Frito-Lay provides valuable insights to our Board regarding brand management, marketing, finance, and strategic planning.

+Gregory B. Penner is the son-in-law of S. Robson Walton.

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Kevin Y. Systrom

Mr. Systrom is the CEO and co-founder of Instagram, where he managed the company 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.

Joined the Board: 2014

Age: 31

Board Committees: CNGC; TeCC

Other Current Public Company Directorships: None

Independent Director

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.

Jim C. Walton*

Mr. Walton has been the Chairman and CEO of Arvest Bank Group, Inc., a group of banks operating in the states of Arkansas, Kansas, Missouri, and Oklahoma since 1990. Since 1982, Mr. Walton has also served as Chairman of Community Publishers, Inc., which operates newspapers in Arkansas, Missouri, and Oklahoma.

Joined the Board: 2005

Age: 66

Board Committee: Executive Committee

Skills and Qualifications:

Mr. Walton brings to the Board his executive leadership, strategic planning, and management experience gained through his leadership positions at the companies described above, including in the banking industry.

Mr. Walton's qualifications to serve on the Board include his banking and investment expertise.

The Board benefits from Mr. Walton's long history and familiarity with our company and its operations gained through his service on the Board and prior service on the SPFC.

Other Current Public Company Directorships:
None

* Jim C. Walton and S. Robson Walton are brothers.

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S. Robson Walton+*

Mr. Walton is the Chairman of Walmart and has been a member of the Board since 1978. He joined our company in 1969 and, prior to becoming Chairman in 1992, held a variety of positions with our company, 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.

Joined the Board: 1978

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.

Age: 70

Mr. Walton has extensive legal and corporate governance expertise gained as Walmart's Corporate Secretary and General Counsel and as an attorney in private practice.

Board Committees:
Executive Committee; GCC

The Board benefits from Mr. Walton's in-depth knowledge of our company, its history and the 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.

Other Current Public Company Directorships:
None

Chairman

Linda S. Wolf

Ms. Wolf is the retired Chairman and CEO of Leo Burnett Worldwide, Inc. ("Leo Burnett"), a global advertising agency and division of Publicis Groupe S.A. Ms. Wolf served in various positions with Leo Burnett and its predecessors from 1978 to April 2005, including as Chairman and CEO from January 2001 until April 2005. She serves as a trustee for investment funds advised by the Janus Capital Group Inc. and has served on the board of InnerWorkings, Inc., a provider of managed print and promotional procurement solutions, since November 2006, and Wrapports, LLC since 2012. Among other endeavors, Ms. Wolf also serves on the boards of the Rehabilitation Institute of Chicago, Lurie Children's Hospital of Chicago, and The Chicago Council on Global Affairs.

Joined the Board: 2005

Skills and Qualifications:

Ms. Wolf brings executive leadership and management experience gained as a CEO of a global company and through her service on a variety of public company and non-profit boards.

Age: 67

Ms. Wolf's qualifications to serve on the Board also include her brand management, marketing, and public relations experience gained through her years leading Leo Burnett.

As the former CEO of a global company, Ms. Wolf brings a valuable international perspective to the Board.

Board Committees: CNGC (Chair); TeCC

Other Current Public Company Directorships: Innerworkings, Inc.

Independent Director

+Gregory B. Penner is the son-in-law of S. Robson Walton.

* S. Robson Walton and Jim C. Walton are brothers.

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Are there any directors not standing for reelection?

Yes. Douglas N. Daft, who currently serves on the Board, will rotate off the Board at the conclusion of his current term and will not stand for reelection at the 2015 Annual Shareholders' Meeting.

Douglas N. Daft

Joined the Board: 2005

Age: 72

Board Committee: CNGC

Other Current Public Company Directorships: None

Independent Director

Mr. Daft is the retired Chairman and CEO of The Coca-Cola Company, a beverage manufacturer, where he served in that capacity from February 2000 until May 2004 and in various other capacities, including responsibility for various international markets, since 1969. Mr. Daft served as a director of The McGraw-Hill Companies, Inc. from 2003 to April 2012, Green Mountain Coffee Roasters, Inc. from December 2009 to May 2012, and Sistema-Hals from September 2006 until December 2009. Among additional endeavors, Mr. Daft is a member of the European Advisory Council for N.M. Rothschild & Sons Limited and a member of the advisory board of Longreach, Inc.

Skills and Qualifications:

Mr. Daft brings experience through his service as Chairman and CEO of a global public company and through his years of service on the boards of several large companies in a variety of industries. Mr. Daft provides diverse and valuable corporate governance, finance, operational, and strategic expertise to the Board.

In addition, Mr. Daft brings to the Board extensive expertise in brand management, marketing, finance, and strategic planning.

Mr. Daft's leadership positions at large multinational companies provide unique experience with and insights into operating across international markets.

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Director Independence

A majority of our directors must be independent in accordance with the independence requirements set forth in the NYSE Listed Company Rules. In addition, the Audit Committee and the CNGC must be composed solely of directors who meet additional, heightened independence standards applicable to members of audit committees and compensation committees under the NYSE Listed Company Rules and the SEC's 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:

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

- 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 2015, the Board and the CNGC 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, as well as due diligence performed by management regarding any transactions, relationships, or arrangements between the company and the directors or parties related to the directors. 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: Aida M. Alvarez; James I. Cash, Jr.; Roger C. Corbett; Pamela J. Craig; Timothy P. Flynn; Thomas W. Horton; Marissa A. Mayer; Steven S Reinemund; Kevin Y. Systrom; and Linda S. Wolf. The Board has also determined that Douglas N. Daft, who is not standing for reelection at the 2015 Annual Shareholders' Meeting, is an Independent Director. In addition, the Board determined that the currently serving members of the Audit Committee and the CNGC meet the heightened independence standards for membership on those Board committees. The Board also determined that Christopher J. Williams, who did not stand for reelection at the 2014 Annual Shareholders' Meeting and, therefore, ceased to be a director of Walmart on June 6, 2014, was independent during the portion of fiscal 2015 during which he served on the Board.

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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**
The director was an officer of a Walmart vendor or service provider	Ms. Mayer Mr. Systrom
Immediate family members of the director were employees or officers of Walmart vendors or service providers	Ms. Alvarez Mr. Corbett Ms. Craig Mr. Reinemund Ms. Wolf
The director was a director or trustee of a Walmart vendor or service provider	Dr. Cash Ms. Craig Mr. Flynn Mr. Horton Ms. Mayer Mr. Reinemund Mr. Williams Ms. Wolf

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 Ms. Mayer and immediate family members of Ms. Craig, Mr. Corbett, and Mr. Reinemund. Ms. Mayer served as a member of the board of directors of a Walmart vendor that received payments from Walmart during the entity's last fiscal year that account for more than 1% but less than 2% of that entity's consolidated gross revenues for the entity's last fiscal year. In each of the other instances, an immediate family member of one of our directors is or was employed by or had a less than 5% indirect ownership interest in (but is not an executive officer of) a Walmart supplier or vendor that received payments from Walmart during the entity's last fiscal year that account for more than 1% 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 not an executive officer of the entity; (ii) is or was not involved in the negotiation of transactions or the business relationship between Walmart and the entity; (iii) does or did not receive compensation from the entity based on the marketing or sale of the entity's goods or services to Walmart; and (iv) did not have his or her 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.

In their determination of Ms. Mayer's independence, the Board and the CNGC considered Ms. Mayer's positions as the chief executive officer, president, and a member of the board of directors of Yahoo!. During fiscal 2015, Walmart paid Yahoo! for advertising space on Yahoo!'s websites and Yahoo! made ordinary course purchases from Walmart in amounts that account for less than 1% of Yahoo!'s 2014 revenues and Walmart's fiscal 2015 revenues. Walmart anticipates that it will purchase advertising space on Yahoo!'s websites and will sell goods in the ordinary course to Yahoo! in fiscal 2016. Ms. Mayer was not involved in any transaction between Walmart and Yahoo! and did not have a direct or indirect material interest in any transaction between Walmart and Yahoo!. Based on the Board's consideration of Ms. Mayer's positions at Yahoo! and the other factors relating to the transactions between Walmart and Yahoo!, the Board determined that Ms. Mayer's interest in Yahoo! did not give rise to a material relationship that would impair Ms. Mayer's independence.

The Board and the CNGC concluded that the Independent Directors do not currently have, and have not had during any pertinent period, relationships that: (i) constitute disqualifying relationships under the NYSE Listed Company Rules; (ii) otherwise compromise the independence of the named directors; or (iii) otherwise constitute a material relationship between Walmart and the directors.

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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.

At least annually, the CNGC reviews our compensation program for Outside Directors and makes recommendations to the Board, which approves Outside Director compensation. In developing its recommendations, the CNGC considers, among other information, data regarding director compensation at peer group companies.

Components of Director Compensation

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

Who is Eligible	Component	Annual Amount
Base Compensation – All Outside Directors	Annual Stock Grant	$175,000
	Annual Retainer	$75,000
Additional Fees – Some Outside Directors	Additional Retainer – Audit and CNGC Chairs	$25,000
	Additional Retainer – SPFC and TeCC Chairs	$20,000
	Additional Retainer – Lead Independent Director	$20,000
	Additional Retainer for service on multiple Board committees	$15,000

Outside Directors receive the stock grant annually upon election to the Board at our Annual Shareholders' Meeting. 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.

In addition, 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. Finally, each member of the Audit Committee received an additional fee during fiscal 2015. 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 2015, the Audit Committee conducted seven additional meetings primarily related to the investigation. Audit Committee members also 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, in November 2014, the CNGC and Board approved an additional fee of $37,500 payable to each Audit Committee member other than the Audit Committee Chair, and an additional fee of $50,000 payable to the Audit Committee Chair. These additional fees may be received 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

Pursuant to stock ownership guidelines adopted by the Board, 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.

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Director Compensation for Fiscal 2015

Name (a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards ($) (c)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (f)	All Other Compensation ($) (g)	Total ($) (h)
Aida M. Alvarez	79,000	175,035	0	3,787	257,822
James I. Cash, Jr.	151,500	175,035	0	3,486	330,021
Roger C. Corbett	91,000	175,035	0	41,300	307,335
Pamela J. Craig	116,500	175,035	0	0	291,535
Douglas N. Daft	79,000	175,035	10,254	282	264,571
Timothy P. Flynn	143,217	175,035	0	4,178	322,430
Thomas W. Horton	15,845	94,469	0	0	110,314
Marissa A. Mayer	90,000	175,035	0	3,227	268,262
Gregory B. Penner	114,000	175,035	0	0	289,035
Steven S Reinemund	99,000	175,035	0	4,077	278,112
H. Lee Scott, Jr.	32,349	0	0	0	32,349
Kevin Y. Systrom	23,723	121,313	0	0	145,036
Jim C. Walton	79,000	175,035	0	682	254,717
S. Robson Walton	45,000	162,530	0	0	207,530
Christopher J. Williams	53,602	0	0	4,470	58,072
Linda S. Wolf	119,000	175,035	0	1,863	295,898

Explanation of information in the columns of the table:

Name (column (a))

Michael T. Duke and C. Douglas McMillon are omitted from this table because they received compensation only as Associates of our company during fiscal 2015 and did not receive any additional compensation for their duties as directors. H. Lee Scott, Jr. and Christopher J. Williams did not stand for reelection and retired from the Board as of the 2014 Annual Shareholders' Meeting.

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

This column reflects the annual retainer, committee chair retainers, the Lead Independent Director retainer, retainers for service on multiple Board committees, additional payments to certain directors for attendance at Board meetings that required intercontinental travel, and the additional Audit Committee fees described above. Mr. Daft elected to defer the receipt of these fees into an interest-credited account. Certain other 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	143,217		1,771
Marissa A. Mayer	90,000		1,150
Gregory B. Penner	114,000		1,460
Kevin Y. Systrom	23,723	278	
Christopher J. Williams	53,602	707	

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 2015, 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 that was elected to the Board at the 2014 Annual Shareholders' Meeting received a stock award of 2,267 Shares ($175,000 divided by $77.21, the closing price of a Share on the NYSE on the grant date, and rounded to the nearest Share). Dr. Cash, Mr. Daft, Mr. Flynn, Ms. Mayer, Mr. Penner, Mr. Jim Walton, and Ms. Wolf elected to defer these Shares in the form of deferred stock units. Mr. Scott and Mr. Williams did not stand for reelection at the 2014 Annual Shareholders' Meeting and, therefore, did not receive a stock grant during fiscal 2015. Mr. S. Robson Walton ceased to be an Associate and became an Outside Director on July 1, 2014. Mr. Systrom and Mr. Horton were appointed to the Board on September 26, 2014 and November 21, 2014, respectively. In connection with these events, Mr. S. Robson Walton, Mr. Systrom, and Mr. Horton each received a prorated portion of the $175,000 annual stock award, rounded to the nearest Share, as shown on the table below. Mr. S. Robson Walton elected to defer these Shares in the form of deferred stock units.

Director	Grant Date	Prorated Value of Stock Award	Closing Stock Price on Grant Date	Number of Shares Granted
S. Robson Walton	July 1, 2014	$162,534	$75.28/Share	2,159
Kevin Y. Systrom	September 26, 2014	$121,301	$76.49/Share	1,586
Thomas W. Horton	November 21, 2014	$ 94,452	$84.65/Share	1,116

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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. As of the end of fiscal 2015, Mr. Duke held options to purchase 243,292 Shares. Mr. McMillon also held options to purchase Shares as of the end of fiscal 2015, as disclosed on the Outstanding Equity Awards at Fiscal 2015 Year-End table on page 71. The options held by Mr. Duke and Mr. McMillon were granted to them in prior years as part of their compensation for service as Associates and not as compensation for serving as a director of our company.

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

This column represents above-market interest earned on director compensation deferred to an interest-credited account under the Director Compensation Deferral Plan, as elected by the director. The interest rate on the interest-credited account is set pursuant to the terms of the Director Compensation Deferral Plan based on the ten-year United States Treasury note yield on the first day of January plus 2.70%. This rate was 5.70% for the calendar year ended December 31, 2014, and decreased to 4.82% for the calendar year ending December 31, 2015.

All Other Compensation (column (g))

The amounts in this column include tax gross-up payments paid during fiscal 2015 relating to imputed income attributable to spousal travel expenses, meals, and related activities in connection with certain Board meetings during fiscal 2015. For Mr. Corbett, this column also includes the aggregate cost of such spousal travel expenses, meals, and related activities in the amount of $31,527, primarily related to spousal travel from his residence in Australia to our Board and Board committee meetings. The cost of any such spousal travel expenses, meals, and related activities for each of the other Outside Directors is omitted from this column because the total incremental cost for such benefits for each other director was less than $10,000.

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Board Leadership Structure

As part of its annual evaluation process described below, the Board reviews its leadership structure to ensure that it is designed to provide robust oversight and promote overall Board effectiveness. Our current Board leadership structure consists of:

- **Chairman*: S. Robson Walton*** – Outside Director; presides over meetings of the Board and shareholders; provides advice and counsel to the CEO and other officers; focuses on oversight and governance matters
- **Lead Independent Director: *James I. Cash, Jr.*** – Independent Director; presides over the executive sessions of the Outside Directors and Independent Directors and performs the additional duties described below
- **Vice Chairman of the Board: *Gregory B. Penner*** – Outside Director; presides over Board and shareholders' meetings in the Chairman's absence and performs the additional duties described below
- **CEO: *C. Douglas McMillon*** – responsible for the general management and supervision of the business of our company and effectuating directives of the Board
- **Audit, CNGC and SPFC Chairs are independent** and all directors are actively engaged
- Additional information about Mr. Walton, Dr. Cash, Mr. Penner, Mr. McMillon, and our committee chairs may be found in the section titled "Who are the 2015 director nominees?" on pages 15-22.

Separation of Chairman and CEO Roles. As stated in our Corporate Governance Guidelines, the Board's policy is to separate the roles of Chairman and CEO, and we have separated these roles since 1988. We separate these roles in recognition of the differences between the two roles and the value to our company of having the distinct and different perspectives and experiences of a separate Chairman and CEO.

By separating the roles of Chairman and CEO, our CEO is able to focus his time and energy on managing Walmart's complex daily operations, while our Chairman, who is an Outside Director, can devote his time and attention to matters of Board oversight. Our CEO and Chairman have an excellent working relationship, and, with more than 40 years of experience with Walmart, our Chairman is well positioned to provide our CEO with guidance, advice, and counsel regarding our company's business, operations, and strategy. Moreover, we believe that having a separate Chairman focused on oversight and governance matters allows the Board to more effectively perform its risk oversight role as described on page 32.

Lead Independent Director. Walmart is committed to independent Board oversight. Pursuant to the company's Corporate Governance Guidelines, the Independent Directors, upon recommendation of the CNGC, annually appoint a Lead Independent Director who presides over executive sessions of the Outside Directors and Independent Directors.

Our Board has had an Independent Director in this role since 2004. James I. Cash, Jr. was first appointed to this role in 2013, when James W. Breyer, the Independent Director who previously served in this capacity, retired from the Board. In this role, Dr. Cash:

- Serves as a liaison between the Chairman and the Independent Directors;
- Actively participates in the Board and committee agenda review process and approves Board meeting agendas, schedules, and Board meeting-related information;
- Has authority to call meetings of the directors, including separate meetings of the Outside Directors and Independent Directors;
- Presides over regular meetings of the Outside Directors and Independent Directors;
- In conjunction with the Chair of the CNGC, leads the annual Board and committee evaluation process;
- In conjunction with the Chairman, the Vice Chairman, and the Chair of the CNGC, actively participates in work related to overall Board effectiveness, including Board succession planning and Board refreshment; and
- Is available, when appropriate, for consultation with major shareholders (generally defined as holders of 2% or more of Walmart's outstanding Shares).

Vice Chairman of the Board. As a result of the Board's ongoing efforts around Board effectiveness and Board succession planning, in 2014, the Board appointed Gregory B. Penner to the newly created position of Vice Chairman of the Board. In this role, Mr. Penner presides over Board meetings in the event that the Chairman is not present. Mr. Penner also actively participates in the Board and committee agenda review process, as well as in the Board's efforts regarding overall Board effectiveness and Board succession planning.

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Board Committees

As part of its annual Board and committee evaluation process, 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, and to ensure the effectiveness of the Board's risk oversight function. Currently, the Board has six standing committees: the Audit Committee; the Compensation, Nominating and Governance Committee; the Strategic Planning and Finance Committee; the Technology and eCommerce Committee; the Global Compensation Committee; and the Executive Committee. The Board has adopted a written charter for each of these committees, which are available on Walmart's website at *http://stock.walmart.com* in the "Corporate Governance" section.

Information about each of these committees is provided below.

Audit Committee **Committee members** Timothy P. Flynn (, , I) James I. Cash, Jr. (, I) Pamela J. Craig (, I) Thomas W. Horton (, I) **Number of meetings during fiscal 2015: 15**	**Roles and responsibilities** • Reviews 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 party transactions and other transactions subject to our Transaction Review Policy • Reviews Walmart's risk management policies and procedures, as well as policies, processes, and procedures regarding compliance with applicable laws and regulations, as well as our 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 in connection with foreign subsidiaries# • Oversees Walmart's enhanced global compliance program **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 the NYSE Listed Company Rules, and is an "audit committee financial expert" as defined in the SEC's rules.

Compensation, Nominating and Governance Committee

Committee members

Linda S. Wolf (, I)

Aida M. Alvarez (I)

Douglas N. Daft (I)*

Kevin Y. Systrom (I)

Number of meetings during fiscal 2015: 8

Roles and responsibilities

• In consultation with the CEO, approves the compensation of the Executive Officers other than the CEO, and reviews the compensation of certain other senior officers

• Reviews and approves the compensation of the CEO

• Reviews and makes recommendations to the Board regarding the compensation of the Outside Directors

• Sets performance measures and goals and verifies the attainment of performance goals under performance-based incentive compensation plans

• Reviews compensation and benefits issues

• 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 the company's social, community, and sustainability initiatives

• Reviews and advises management on the company's legislative affairs and public policy engagement

• Oversees the management development, succession planning, and retention practices for our Executive Officers and other senior leaders

Independence

• The Board has determined that each member of the CNGC 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.

= Committee Chair

= Determined by the Board to be an audit committee financial expert as defined under applicable SEC rules

I = Determined by the Board to be independent under the NYSE Listed Company Rules, the Exchange Act, and the SEC's rules

For more information on the Audit Committee's role with respect to the FCPA investigation, see "Director Compensation" on page 26.

* Not standing for reelection at the 2015 Annual Shareholders' Meeting

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Strategic Planning and Finance Committee

Committee members

Steven S Reinemund (, I)

Roger C. Corbett (I)

Michael T. Duke
Marissa A. Mayer (I)

Gregory B. Penner

Number of meetings during fiscal 2015: 6

Roles and responsibilities

• Reviews global financial policies and practices and reviews and analyzes financial matters, acquisitions 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

Technology and eCommerce Committee

Committee members

Gregory B. Penner ()

James I. Cash, Jr. (I)

Michael T. Duke
Marissa A. Mayer (I)

Kevin Y. Systrom (I)

Linda S. Wolf (I)

Number of meetings

during fiscal 2015: 3

Roles and responsibilities

• Reviews matters relating to information technology, eCommerce, and innovation and oversees the integration of Walmart's information technology, eCommerce, and innovation efforts with Walmart's overall strategy

• Reviews and provides guidance regarding trends in technology and eCommerce and monitors overall industry trends

Global Compensation Committee

Committee members

Roles and responsibilities

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

C. Douglas McMillon ()

Gregory B. Penner

S. Robson Walton

Number of meetings during fiscal 2015: 5

Executive Committee

Committee members

C. Douglas McMillon ()

James I. Cash, Jr. (I)

Jim C. Walton

S. Robson Walton

Number of meetings during fiscal 2015: 0**

Roles and responsibilities

• Implements policy decisions of the Board

• Acts on the Board's behalf between Board meetings

** The Executive Committee acted by unanimous written consent 13 times during fiscal 2015. The Board reviewed each unanimous written consent of the Executive Committee during fiscal 2015 and ratified each of them.

= Committee Chair

I = Determined by the Board to be independent under the NYSE Listed Company Rules and applicable SEC rules

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The Board's Role in Risk Oversight

Taking reasonable and responsible risks is an inherent part of Walmart's business, just as it is with any business, and is critical to our continued innovation, growth, and achievement of our strategic objectives. In order to ensure the long-term success and financial strength of our company, the Board and the Board committees play an active role in overseeing the management of the most significant risks that could impact the company's operations. Such risks include operational, legal, regulatory, financial, reputational, strategic, and other risks.

The Board does not view risk in isolation, but instead considers risk in conjunction with its oversight of the company's strategy and operations. The company's internal processes and internal control environment facilitate the identification and management of risk by the company's management, the Board, and the Board committees.

The Board carries out its risk oversight function both as a whole and through delegation of certain risk management oversight responsibilities to the Board committees, which report regularly to the Board. The Audit Committee has responsibility for overseeing the company's overall risk identification, monitoring, and mitigation processes and policies.

When a Board committee receives an update on a risk-related matter, the chair of the relevant Board committee reports on the discussion to the full Board during the Board committee reports portion of the next Board meeting. Additional information regarding the roles and responsibilities of our Board committees can be found under "Board Committees" beginning on page 30.

The Board's risk oversight role builds upon Walmart management's enterprise risk assessment. Management identifies key enterprise risks using internal and external information and analyses. The identified risks, and the actions required to mitigate them, are reviewed by executive management and incorporated into the company's strategic plans.

As shown in the chart below, the open communication between the company's management and the Board and the Board committees, and between the Board and the chairs and the other members of the Board committees, enables the Board, Board committees, and management to coordinate the risk oversight role in a manner that serves the long-term interests of the company and our shareholders.

• Has primary responsibility for overseeing risk • Delegates certain risk management oversight responsibilities to Board committees

Audit Committee	Compensation, Nominating and Governance Committee	Technology and eCommerce Committee	Strategic Planning and Finance Committee
Key risks overseen	**Key risks overseen**	**Key risks overseen**	**Key risks overseen**
• Financial statements, systems and reporting • Compliance and ethics • Information technology, data security, and cybersecurity • Related person transactions • Internal investigatory matters	• Corporate governance • Senior executive compensation • Director and senior executive succession planning • Social, community, sustainability and charitable giving initiatives • Legislative and public policy engagement strategy	• Integration of information technology and eCommerce efforts with overall strategy • Technology	• Financial status and financial matters, including capital expenditures, annual financial plans, and dividend policies • Long-range strategic plans • Potential acquisitions and divestitures

Global Audit Services	Enterprise Corporate Strategy	Legal, Regulatory, and Compliance Risk Management Committees	Financial Risk Management Committees	Operational and Strategic Management Committees

Responsible for day-to-day management of risks such as:

- Strategic risk
- Financial risk
- Reputational risk
- Operational risk
- Legal, regulatory, and compliance risk

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Board and Committee Evaluations

Annual Board and Board committee evaluations are an important tool for promoting Board and Board committee effectiveness. The CNGC oversees the Board and committee evaluation process, and the CNGC Chair and Lead Independent Director work together to develop and implement the Board and committee evaluations. This evaluation process includes:

- ***Questionnaires*** – each director completes a detailed, anonymous questionnaire regarding the full Board and regarding each Board committee on which he or she serves. These questionnaires, which are designed in conjunction with a third-party consultant, solicit quantitative ratings on a variety of topics, and also include open-ended questions and solicit comments. 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;
  - 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. In fiscal 2015, these interviews were conducted by the Lead Independent Director.
- ***Senior management questionnaires and interviews*** – Since fiscal 2014, members of Walmart's senior executive team have also completed brief anonymous questionnaires and participated in confidential, one-on-one interviews designed to solicit management's perspective on the Board's effectiveness, engagement, and the dynamic between Board and management. In fiscal 2015, these interviews were conducted by the Lead Independent Director.

At the completion of this process, the Lead Independent Director and CNGC Chair synthesize the results of these evaluations and report to the full Board on an anonymous basis. Time is allotted at a Board meeting to discuss the evaluation results. Similarly, each Board committee chair leads a discussion of the evaluation results for that committee. Following these discussions, the Lead Independent Director and the CNGC Chair, with input from the Chairman, Vice Chairman, and Board committee chairs, develop suggested action plans. These evaluations have consistently found that the Board and Board committees are operating effectively. Over the years, this evaluation process has contributed to various refinements in the way the Board and committees operate, including:

- Additional responsibilities for our Lead Independent Director, including active participation in the agenda-setting process for the Board and committees;

- Enhancements to our director onboarding program; and
- Increased focus on continuous Board succession planning and Board refreshment.

Board Refreshment and Succession Planning

The CNGC 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 CNGC 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 Walmart's current and future business strategies and the skills and qualifications of directors who are expected to retire in the future.

Director Tenure Policies	Board/Committee Evaluations	Director Recruitment	Director Onboarding
• Allow Board to anticipate future Board turnover	• Identify skill sets that would enhance Board effectiveness	• Identify top director talent with desired background and skill sets	• Tailored onboarding enables new directors to contribute quickly

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The CNGC and Board believe 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 set forth 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.
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 avoid excessive turnover on the Board or a Board committee in a short period of time. The Board believes that these policies have helped to 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 10.

As a part of the process of identifying potential director candidates, the CNGC may consult with other directors and senior officers and may engage a search firm to assist in the process. Spencer Stuart currently serves as the CNGC's director candidate search consultant. In this capacity, Spencer Stuart seeks out candidates who have the backgrounds, skills, and experience that the CNGC has identified as desired in director candidates, conducts an extensive search for, and analysis of, potential candidates, and then presents the most qualified candidates to the CNGC and our Chairman. If the CNGC decides to proceed with further consideration of a potential candidate, the Chair of the CNGC and other members of the CNGC, as well as other members of the Board, may interview the candidate. The CNGC then may recommend that the full Board appoint or nominate the candidate for election to the Board. Kevin Y. Systrom and Thomas W. Horton, who were first appointed by the Board as directors during fiscal 2015, were initially identified as potential director candidates by Spencer Stuart, and each of their appointments was a result of the process outlined above.

S. Robson Walton and Jim C. Walton are members of a group that beneficially owns more than 5% of the outstanding Shares. Any participation by either of them in the nomination process is considered to be in their capacities as members of the Board and is not considered to be a recommendation from security holders who beneficially own more than five percent of the outstanding Shares.

Director Onboarding and Engagement with the Business

All of our Board members are expected to invest the time and energy 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, one Board meeting each year is held at a location away from our home office, usually in an international market in which we operate. In connection with these Board meetings, our directors learn more about the local market and our business in that market through meetings with our business leaders in the 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 our Global eCommerce headquarters in San Bruno, California, where our Board members participate in intensive sessions focused on our eCommerce strategies and operations. Our Board members also 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 2015 include:

- Attending Walmart leadership meetings and traveling with senior business leaders on trips to domestic and international markets;
- Attending a summit of our CFOs from our worldwide markets;
- Serving as the keynote speaker of an International Women’s Day event at our home office in Bentonville, Arkansas; and
- 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 CNGC has primary responsibility for reviewing and establishing for the full Board’s approval 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 CNGC. At these meetings, the members of our CNGC, in consultation with our CEO, our Executive Vice President, Global People, and others as the CNGC may deem appropriate, engage in comprehensive deliberations regarding the development and evaluation of current and potential senior leaders, as well as

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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, upon recommendation of the CNGC, has also separately developed a CEO succession planning process to address certain unanticipated events and emergency situations.

Oversight of the Company's Legislative Affairs and Public Policy Engagement Strategy

Walmart participates 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. Consistent with our commitment to participating in the political process in a thoughtful and compliant manner, in fiscal 2014, the Board amended the charter of the CNGC, requiring the CNGC to review and advise management regarding the company's legislative affairs and public policy engagement strategy. Similarly, pursuant to its charter, the CNGC is further responsible for reviewing and advising management regarding the company's charitable giving strategy and the company's social, community, and sustainability initiatives.

For additional information regarding Walmart's engagement in the political process, please see Walmart's Global Responsibility Report, available at *http://corporate.walmart.com/global-responsibility/,* as well as Walmart's Government Relations Policy, available at *http://corporate.walmart.com/government-relations-policy.*

Shareholder Outreach and Engagement

We recognize the value of listening and taking into account the views of our shareholders because these relationships with Walmart's shareholders are 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. During fiscal 2015, at the direction of the CNGC, senior leaders and subject matter experts from the company met with representatives at many of our top institutional shareholders and well-recognized proxy advisory firms to discuss Walmart's enterprise strategy, governance practices, executive compensation, our company's compliance programs, and other environmental, social, and governance ("ESG") related matters. Management reports regularly to the CNGC about these meetings, including feedback on these diverse topics and concerns raised by our shareholders. We are continuing this program of enhanced shareholder engagement during fiscal 2016, 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

- Senior leaders and subject matter experts actively solicit feedback from our large shareholders on strategy, governance, compensation, and other topics
- Management reports this feedback regularly to the CNGC
- 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*

Board and Committee Governing Documents

Each standing committee of the Board has a written charter, which sets forth the roles and responsibilities of the Board committee. In addition, the Board has adopted Corporate Governance Guidelines, as more specifically described below. The committee charters and the Corporate Governance Guidelines, provide the overall framework for our corporate governance practices. Our Corporate Governance Guidelines address, among other topics:

- director qualifications and nomination requirements;
- Board size, structure, and composition;
- director stock ownership guidelines;

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- the Board's commitment to diversified membership;
- director duties and responsibilities;
- the committees of the Board;
- expectations regarding attendance at Board and Board committee meetings;
- the leadership of the Board, including the separation of the positions of CEO and Chairman of the Board and the selection, role, and responsibilities of the Lead Independent Director;
- the process for establishing the agendas of Board and Board committee meetings;
- executive sessions of the Outside Directors and Independent Directors chaired by the Lead Independent Director;
- 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 CNGC and the Board;
- annual Board and Board committee self-evaluations; and
- expected periods of service for directors.

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/corporate-governance/governance-documents; or*
- in print at no charge to any shareholder who requests a copy by writing to our Global Investor Relations Department at: Wal-Mart Stores, Inc., Global Investor Relations Department, 702 Southwest 8th Street, Bentonville, Arkansas 72716-0100.

The CNGC and the Board review the Corporate Governance Guidelines, and the CNGC, 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.

In addition to the Corporate Governance Guidelines and the Board committee charters, you may access and review the following additional corporate governance documents on our corporate website at *http://stock.walmart.com/corporate-governance/governance-documents:*

•the company's Bylaws;

•the company's Code of Ethics for the CEO and Senior Financial Officers;

•the company's Global Statement of Ethics;

•the company's Procedures for Accounting and Audit-Related Ethics Complaints;

•the company's Investment Community Communications Policy;

•the company's Fair Disclosure Procedures;

•the company's Global Anti-Corruption Policy;

•the company's Government Relations Policy; and

•the company's Privacy Policy.

Walmart's Code of Ethics for the CEO and Senior Financial Officers supplements Walmart's Global Statement of Ethics, which is applicable to all directors, Executive Officers, and Associates and is also available at *www.walmartethics.com.* 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 (*http://stock.walmart.com/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 2015.

Board Meetings and Director Attendance

The Board held a total of five meetings during fiscal 2015 to review significant developments affecting our company, engage in strategic planning, and act on matters requiring Board approval. During fiscal 2015, each director attended more than 75% of the aggregate number of Board meetings and meetings of Board committees on which he or she served. As a whole, during fiscal 2015, our directors attended approximately 98% of the aggregate number of Board meetings and meetings of Board committees on which they served, and 13 of the 15 director nominees had perfect attendance. The Outside Directors and Independent Directors met regularly in executive sessions, with the Lead Independent Director chairing those sessions.

Board Attendance at Annual Shareholders' Meetings

The Board has adopted a policy stating that 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 2014 Annual Shareholders' Meeting, including all director nominees named in this proxy statement who were members of the Board at the time of the 2014 Annual Shareholders' Meeting.

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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.

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 e-mail:

- the entire Board at *directors@wal-mart.com;*
- the Independent Directors at *independentdirectors@wal-mart.com;*
- the Outside Directors at *nonmanagementdirectors@wal-mart.com;*
- any individual director, at the full name of the director as listed in this proxy statement followed by "*@wal-mart.com.*" For example, our Chairman S. Robson Walton may be reached at *srobsonwalton@wal-mart.com.*

Our company receives 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 by the Board should do so in writing to the address set forth above. The recommendation should include the candidate's name and address; a resume or curriculum vitae that demonstrates the candidate's experience and qualifications; and other relevant information for the Board's consideration. All director candidates recommended by shareholders will be evaluated by the CNGC on the same basis as any other director candidates.

Proposal No. 2 Ratification of Independent Accountants

Although shareholder ratification is not required, the appointment of EY as the company's independent accountants for fiscal 2016 is being submitted for ratification at the 2015 Annual Shareholders' Meeting because the Board believes it is a matter of good corporate governance practice. Furthermore, the Audit Committee will take shareholders' opinions regarding EY's appointment into consideration in future deliberations. If EY's selection is not ratified at the 2015 Annual Shareholders' Meeting, the Audit Committee will consider the engagement of other independent accountants. The Audit Committee may terminate EY's engagement as the company's independent accountants without the approval of the company's shareholders whenever the Audit Committee deems termination appropriate.

The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the independent accountants. The Audit Committee has appointed EY as the company's independent accountants to audit the consolidated financial statements of the company for fiscal 2016. EY and its predecessor, Arthur Young & Company, have been Walmart's independent accountants since prior to the company's initial offering of securities to the public in 1970. EY served as the company's independent accountants for fiscal 2015 and reported on the company's consolidated financial statements for that year.

The Audit Committee annually reviews EY's independence and performance in determining whether to retain EY or engage another independent registered public accounting firm as our company's independent accountants. As part of that annual review, the Audit Committee considers, among other things, the following:

- The quality and efficiency of the current and historical services provided to our company by EY, including the results of an annual internal survey of key global financial management;
- EY's capability and expertise in handling the breadth and complexity of our company's global operations;
- The quality and candor of EY's communications with the Audit Committee;
- External data on EY's audit quality and performance, including recent Public Company Accounting Oversight Board ("PCAOB") reports on EY;
- EY's independence from our company;
- The appropriateness of EY's fees; and
- EY's tenure as our company's independent accountants, including the benefits of having a long-tenured auditor and the controls and processes in place to help ensure EY's continued independence as described below.

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Benefits of Long Tenure

Higher audit quality – Through more than 45 years of experience with our company, EY has gained institutional knowledge of and deep expertise regarding Walmart's global operations and businesses, accounting policies and practices, and internal control over financial reporting.

Efficient fee structure – EY's aggregate fees are competitive with peer companies because of EY's familiarity with our company.

Avoids costs associated with a new independent accountant – Onboarding a new independent accountant is costly and requires a significant time commitment that could distract from management's focus on financial reporting and controls.

Independence Controls

Audit Committee oversight – The Audit Committee's oversight includes regular private sessions with EY, discussions with EY regarding the scope of its audit, an annual evaluation of whether to engage EY, and direct involvement by the Audit Committee and its Chair in the transition to a new lead engagement partner in connection with the mandatory five-year rotation of that position.

Limits on non-audit services – The Audit Committee pre-approves audit and permissible non-audit services to be performed by EY in accordance with its pre-approval policy.

Strong internal EY independence processes – EY conducts periodic internal reviews of its audit and other work, assesses the adequacy of partners and other personnel working on our company's account, and rotates engagement partners consistent with independence requirements. A new lead engagement partner was designated during fiscal 2015.

Strong regulatory framework – Because EY is a registered accounting firm, it is subject to PCAOB inspections, peer review by other "Big 4" accounting firms, and PCAOB and SEC oversight.

Based on this evaluation, the Audit Committee believes that EY is independent and well qualified to serve as our company's independent accountants. Further, the Audit Committee and the Board believe it is in the best interests of Walmart and our company's shareholders to retain EY as our company's independent accountants for fiscal 2016.

Representatives of EY will attend the 2015 Annual Shareholders' Meeting. They will have the opportunity to make a statement if they desire to do so and to respond to appropriate questions.

EY's fees billed for fiscal 2015 and fiscal 2014 were as follows:

	Fiscal 2015	**Fiscal 2014**
Audit Fees	$17,977,000	$17,030,000
Audit-Related Fees	$1,300,000	$1,288,000
Tax Fees	$1,175,000	$819,000
All Other Fees	$26,000	$0
TOTAL FEES	$20,478,000	$19,137,000

A description of the types of services provided in each category is as follows:

Audit Fees – Includes the audit of the company's annual financial statements, the audit of the effectiveness of internal control over financial reporting, the review of the company's annual report on Form 10-K, the review of the company's quarterly reports on Form 10-Q, statutory audits required internationally, and consents for and review of registration statements filed with the SEC.

Audit-Related Fees – Includes audits of the company's employee benefit plans, due diligence in connection with acquisitions and accounting consultations related to GAAP, the application of GAAP to proposed transactions, statutory financial statement audits of non-consolidated affiliates, and work related to the company's compliance with its obligations under SOX.

Tax Fees – Includes tax compliance at international locations, domestic and international tax advice and planning, assistance with tax audits and appeals, and tax planning for acquisitions and restructurings.

All Other Fees – Includes fees for permissible advisory services not included in the above categories.

None of the services described above were approved pursuant to the de minimis exception provided in Rule 2-01(c)(7)(i)(C) of Regulation S-X promulgated by the SEC.

For the above reasons, the Board recommends that the shareholders vote FOR the ratification of EY as the company's independent accountants for fiscal 2016.

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Audit Committee Report

The Audit Committee consists of four Outside Directors, each of whom has been determined by the Board to meet the heightened independence criteria applicable to Audit Committee members and to satisfy the financial literacy requirements of the NYSE Listed Company Rules and the applicable rules of the SEC. Each member of the Audit Committee has also been determined by the Board to be an "audit committee financial expert" as defined under applicable SEC rules. The members of the Audit Committee are James I. Cash, Jr.; Pamela J. Craig; Timothy P. Flynn, the Chair of the Audit Committee; and Thomas W. Horton. Additional information regarding the members of the Audit Committee and the Audit Committee's roles and responsibilities is set forth under "Proposal No. 1 – Election of Directors" and "Board Committees" on pages 12-22 and 30-31 of this proxy statement.

The Audit Committee held 15 meetings in fiscal 2015, seven of which related primarily to its ongoing FCPA-related investigation and compliance matters. Additional information about the Audit Committee's role in the investigation may be found under "Director Compensation" on page 26. During fiscal 2015, at its regularly scheduled in-person meetings, the Audit Committee had separate private sessions with our company's CEO, CFO, chief audit executive, global chief compliance officer, global chief ethics officer, the independent accountants, and others, during which sessions candid discussions regarding our company's financial, accounting, auditing, and internal control over financial reporting, compliance, Exchange Act reporting, and ethics matters took place. Throughout the year, the Audit Committee had full access to management, the independent accountants, and internal auditors. The Audit Committee has retained independent legal counsel and met periodically with its legal counsel throughout fiscal 2015 regarding the FCPA-related investigation and ongoing enhancements to our global compliance program.

The Audit Committee's meeting agendas are established by the Chair of the Audit Committee in consultation with the chief audit executive, the company's Corporate Secretary, and other members of senior management.

The Audit Committee operates pursuant to a written charter, which may be found in the "Corporate Governance" section of Walmart's website located at *http://stock.walmart.com/corporate-governance/governance-documents*. The Audit Committee reviews and assesses the adequacy of its charter on an annual basis.

To fulfill its oversight responsibilities as detailed in its charter, the Audit Committee did, among other things, the following in fiscal 2015 or subsequent to fiscal 2015 for matters related to fiscal 2015:

- reviewed and discussed with Walmart's management and the independent accountants Walmart's audited consolidated financial statements for fiscal 2015;
- reviewed management's representations that those consolidated financial statements were prepared in accordance with GAAP and fairly present the consolidated results of operations and consolidated financial position of our company for the fiscal years and as of the dates covered by those consolidated financial statements;

- discussed with the independent accountants the matters required to be discussed by applicable standards of the PCAOB, including matters related to the planning and results of the audit of Walmart's consolidated financial statements;

- received the written disclosures and the letter from EY required by applicable requirements of the PCAOB relating to EY's communications with the Audit Committee concerning independence, and discussed with EY its independence;

- based on the review and discussions with management and the independent accountants discussed above, recommended to the Board that Walmart's audited annual consolidated financial statements for fiscal 2015 be included in Walmart's Annual Report on Form 10-K for fiscal 2015 filed with the SEC;

- monitored and reviewed audit, audit-related, and non-audit services performed for Walmart by EY and considered whether EY's provision of non-audit services was compatible with maintaining its independence from Walmart;

- evaluated the global performance of our company's independent accountants and determined whether to select the current independent accountants or to consider other audit firms. In doing so, the Audit Committee considered, among other things, the quality and efficiency of the services provided, including the results of a global internal survey of EY's performance, the technical capabilities of the engagement teams, external data concerning EY's audit quality and performance obtained from reports of the PCAOB regarding EY, and the engagement teams' understanding of our company's global business. Based on this evaluation and after discussions with our company's senior financial management, the Audit Committee selected and appointed EY as Walmart's independent accountants to audit and report on the annual consolidated financial statements of Walmart to be filed with the SEC prior to Walmart's annual shareholders' meeting to be held in calendar year 2016. Additional information regarding the factors used by the Audit Committee to select EY is set forth under "Proposal No. 2 – Ratification of Independent Accountants" on pages 37-38 of this proxy statement;

- supervised the transition to a new lead engagement partner in conjunction with the mandated rotation of the independent accountant's lead engagement partner;

- monitored the progress and results of the testing of internal control over financial reporting pursuant to Section 404 of SOX, reviewed a report from management and the internal auditors of our company regarding the design, operation, and effectiveness of internal control over financial reporting, and reviewed an attestation report from EY regarding the effectiveness of internal control over financial reporting;

- reviewed the fiscal 2015 internal audit plan and budget;

- reviewed the company's related person transactions;

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- provided oversight of the company's overall risk identification, monitoring, and mitigation processes and policies, and reviewed and discussed with members of senior management significant risks identified by management in various areas of the company, including financial statements, systems and reporting, legal, compliance, ethics, information technology, data security, cybersecurity, related party transactions, and internal investigatory matters; and
- received reports from management regarding our company's policies, processes, and procedures regarding compliance with applicable laws and regulations and Walmart's Global Statement of Ethics, all in accordance with the Audit Committee's charter.

The Audit Committee submits this report:

James I. Cash, Jr.

Pamela J. Craig
Timothy P. Flynn, *Chair*
Thomas W. Horton

Audit Committee Financial Experts

The Board has determined that James I. Cash, Jr., Pamela J. Craig, Timothy P. Flynn, and Thomas W. Horton are "audit committee financial experts" as that term is defined in Item 407(d)(5)(ii) of Regulation S-K of the SEC, and that all members of the Audit Committee are "independent" under Section 10A(m)(3) of the Exchange Act, the SEC's Rule 10A-3, and the requirements set forth in the NYSE Listed Company Rules.

Audit Committee Pre-Approval Policy

To ensure the independence of our independent accountants and to comply with applicable securities laws, the NYSE Listed Company Rules, and the Audit Committee charter, the Audit Committee is responsible for reviewing, deliberating on, and, if appropriate, pre-approving all audit, audit-related, and non-audit services to be performed for our company by the independent accountants. For that purpose, the Audit Committee has established a policy and related procedures regarding the pre-approval of all audit, audit-related, and non-audit services to be performed by our company's independent accountants (the "Pre-Approval Policy").

The Pre-Approval Policy provides that our company's independent accountants may not perform any audit, audit-related, or non-audit service for Walmart, subject to those exceptions that may be permitted by applicable law, unless: (i) the service has been pre-approved by the Audit Committee; or (ii) Walmart engaged the independent accountants to perform the service pursuant to the pre-approval provisions of the Pre-Approval Policy. In addition, the

Pre-Approval Policy prohibits the Audit Committee from pre-approving certain non-audit services that are prohibited from being performed by our company's independent accountants by applicable securities laws. The Pre-Approval Policy also provides that Walmart's corporate controller will periodically update the Audit Committee as to services provided by the independent accountants. With respect to each such service, the independent accountants provide detailed back-up documentation to the corporate controller.

Pursuant to the Pre-Approval Policy, the Audit Committee has pre-approved certain categories of services to be performed by the independent accountants and a maximum amount of fees for each category. The Audit Committee annually reassesses these service categories and the associated fees. Individual projects within the approved service categories have been pre-approved only to the extent that the fees for each individual project do not exceed a specified dollar limit, and this limit is reassessed annually. Projects within a pre-approved service category with fees in excess of the specified fee limit for individual projects may not proceed without the specific prior approval of the Audit Committee (or a member to whom pre-approval authority has been delegated). In addition, no project within a pre-approved service category will be considered to have been pre-approved by the Audit Committee if the project would cause the maximum amount of fees for the service category to be exceeded, and the project may only proceed with the prior approval of the Audit Committee (or a member to whom pre-approval authority has been delegated) to increase the aggregate amount of fees for the service category.

At least annually, the Audit Committee designates a member of the Audit Committee to whom it delegates its pre-approval responsibilities. That member has the authority to approve interim requests as set forth above within the defined, pre-approved service categories, as well as interim requests to engage Walmart's independent accountants for services outside the Audit Committee's pre-approved service categories. The member has the authority to pre-approve any audit, audit-related, or non-audit service that falls outside the pre-approved service categories, provided that the member determines that the service would not compromise the independent accountants' independence and the member informs the Audit Committee of his or her decision at the Audit Committee's next regular meeting. The Audit Committee approved all of the audit fees, audit-related fees, tax fees, and all other fees paid to the company's independent accountants in fiscal 2015.

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Transaction Review Policy

The Board has adopted a written policy (the “Transaction Review Policy”) applicable to: all Executive Officers and all Walmart officers who serve as Executive Vice Presidents or above; all directors and director nominees; all shareholders beneficially owning more than 5% 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 the 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 Transactions

This section discusses certain direct and indirect relationships and transactions involving Walmart and certain of its directors, Executive Officers, the beneficial owners of more than 5% of the Shares outstanding, and certain immediate family members of the foregoing. Walmart believes that the terms of the transactions described below are comparable to terms that would have been reached by unrelated parties in arm’s-length transactions.

- Dr. G. David Gearhart, the Chancellor of the University of Arkansas at Fayetteville (the “University”), is the brother of Jeffrey J. Gearhart, an Executive Officer. During fiscal 2015, Walmart paid the University approximately $1.5 million, including approximately $0.9 million for the use of facilities of the University in connection with Walmart’s 2014 Annual Shareholders’ Meeting, the meetings of Associates held during the week of the 2014 Annual Shareholders’ Meeting, and other meetings and events during fiscal 2015. This amount also includes payments for academic studies and educational programs. Walmart expects that in fiscal 2016 it will continue to use University facilities for similar events and pay the University for studies and programs.

- 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 2015, Walmart paid Mahco and its subsidiaries approximately $19.3 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 2016.

- Eric S. Scott, the son of H. Lee Scott, Jr., who was a director of Walmart for a portion of fiscal 2015, is the chairman, a director, and an indirect equity owner of Cheyenne Industries, Inc. ("Cheyenne"). Walmart paid Cheyenne and its subsidiaries approximately $43.3 million during fiscal 2015 in connection with Walmart's purchases of home furnishing and related products from Cheyenne and its subsidiaries. Walmart expects to continue to purchase similar products from Cheyenne and its subsidiaries during fiscal 2016.

- During fiscal 2015, a banking corporation that is collectively owned by Mr. Jim C. Walton, Mr. S. Robson Walton, and the John T. Walton Estate Trust, and certain of that banking corporation's bank subsidiaries made payments to Walmart in the aggregate amount of approximately $0.5 million for supercenter, discount store, and Neighborhood Market banking facility rent pursuant to negotiated arrangements. The banking corporation and its affiliates 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 2016 such banking corporation and its affiliates will pay Walmart approximately $0.5 million pursuant to those leases not awarded on a competitive-bid basis.

- Stephen P. Weber, a senior manager in Walmart's Information Systems Division, is the son-in-law of Michael T. Duke, a member of the Board. For fiscal 2015, Walmart paid Mr. Weber a salary of approximately $128,600, a payment pursuant to the MIP of approximately $22,800, and other benefits totaling approximately $14,700 (including Walmart's matching contributions to Mr. Weber's 401(k) Plan account and health insurance premiums). In fiscal 2015, Mr. Weber also received a grant of 456 restricted stock units having a value of approximately $35,000 at the date of grant. Mr. Weber continues to be an Associate, and, in fiscal 2016, he may receive compensation and other benefits in amounts similar to or greater than those he received during fiscal 2015.

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- Greg T. Bray, a senior director in Walmart's Finance department, is the brother-in-law of C. Douglas McMillon, a director of Walmart and an Executive Officer. For fiscal 2015, Walmart paid Mr. Bray a salary of approximately $182,900, a payment pursuant to the MIP of approximately $39,100, and other benefits totaling approximately $19,300 (including Walmart's matching contributions to Mr. Bray's 401(k) Plan account and health insurance premiums). In fiscal 2015, Mr. Bray also received a grant of 651 restricted stock units with a value of approximately $50,000 at the date of grant. Mr. Bray continues to be an Associate, and in fiscal 2016, he may receive compensation and other benefits in amounts similar to or greater than those he received during fiscal 2015.

- Nichole R. Bray, a senior manager 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 2015, Walmart paid Ms. Bray a salary of approximately $126,800, a payment pursuant to the MIP of approximately $22,500, and other benefits totaling approximately $17,600 (including Walmart's matching contributions to Ms. Bray's 401(k) Plan account and health insurance premiums). In fiscal 2015, Ms. Bray also received a grant of 456 restricted stock units having a value of approximately $35,000 at the date of grant. Ms. Bray continues to be an Associate, and in fiscal 2016, she may receive compensation and other benefits in amounts similar to or greater than those she received during fiscal 2015.

- Timothy K. Togami, a senior director in Walmart's Human Resources department, is the brother-in-law of Rollin L. Ford, an Executive Officer. For fiscal 2015, Walmart paid Mr. Togami a salary of approximately $179,700, a payment pursuant to the MIP of approximately $36,500, and other benefits totaling approximately $20,300 (including Walmart's matching contributions to Mr. Togami's 401(k) Plan account and health insurance premiums). In fiscal 2015, Mr. Togami also received a grant of 651 restricted stock units having a value of approximately $50,000 at the date of grant. Mr. Togami continues to be an Associate, and, in fiscal 2016, he may receive compensation and other benefits in amounts similar to or greater than those he received during fiscal 2015.

- Jessica Ford Salmon, a senior manager at Sam's Club, is the daughter of Rollin L. Ford, an Executive Officer. For fiscal 2015, Walmart paid Ms. Salmon a salary of approximately $94,500, a payment pursuant to the MIP of approximately $22,100, and other benefits totaling approximately $7,600 (including Walmart's matching contributions to Ms. Salmon's 401(k) Plan account and health insurance premiums). In fiscal 2015, Ms. Salmon also received a grant of 326 restricted stock units having a value of approximately $25,000 at the date of grant. Ms. Salmon continues to be an Associate, and in fiscal 2016, she may receive compensation and other benefits in amounts similar to or greater than those she received during fiscal 2015.

- Brian Salmon, a senior buyer at Walmart, is the son-in-law of Rollin L. Ford, an Executive Officer. For fiscal 2015, Walmart paid Mr. Salmon a salary of approximately $85,400, a payment pursuant to the MIP of approximately $18,100, and other benefits totaling approximately $9,500 (including an additional cash bonus, Walmart's matching contributions to Mr. Salmon's 401(k) Plan account, and health insurance premiums). In fiscal 2015, Mr. Salmon also received a grant of 195 restricted stock units having a value of approximately $15,000 at the date of grant. Mr. Salmon continues to be an Associate, and in fiscal 2016, he may receive compensation and other benefits in amounts similar to or greater than those he received during fiscal 2015.

- Brittney Duke, a senior director in Walmart's Marketing department and the daughter of Michael T. Duke, a member of the Board, became a Walmart Associate on February 1, 2015. Walmart expects that she will receive compensation and other benefits in excess of $120,000 from Walmart in fiscal 2016.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In this section, we describe our executive compensation philosophy and program that we have implemented to achieve our company's strategic objectives and serve the long-term interests of our shareholders. We also discuss how our CEO, CFO, and certain other Executive Officers (our NEOs) were compensated in fiscal 2015 and describe how their compensation fits within our executive compensation philosophy. For fiscal 2015, our NEOs were:

Name	Title
C. Douglas McMillon	President and Chief Executive Officer
Charles M. Holley, Jr.	Executive Vice President and Chief Financial Officer
Gregory S. Foran	Executive Vice President, President and CEO, Walmart U.S.
David Cheesewright	Executive Vice President, President and CEO, Walmart International
Rosalind G. Brewer	Executive Vice President, President and CEO, Sam's Club
Neil M. Ashe	Executive Vice President, President and CEO, Global eCommerce

Disclosure regarding Mr. Ashe's compensation for fiscal 2015 is not required under SEC rules. Nevertheless, we have included compensation information for Mr. Ashe in this proxy statement on the same basis as our other NEOs. We chose to include this information in the proxy statement for continuity purposes, as we expect that the Executive Officers required to be included as NEOs will vary from year to year among the executives listed above. We also believe it is important to provide shareholders with information regarding how our compensation plans are designed to incentivize and support our Global eCommerce strategies integrated into our operating segments.

Executive Summary

Fiscal 2015 Highlights

As the world's largest retailer, Walmart continues to operate in a challenging, highly competitive, and rapidly evolving global environment. In fiscal 2015, we outlined our enterprise strategy for positioning our company for long-term success. Key highlights included:

- Successful senior leadership transitions, with a new company president and CEO and a new Walmart International CEO effective at the beginning of fiscal 2015, and a new Walmart U.S. CEO taking over mid-year. All of these appointments were internal promotions and reflect our bench strength and the Board's and the CNGC's focus on succession planning and talent development. We believe that our executive compensation program is a key element and facilitator of our succession planning strategy.

- Consolidated net sales grew 1.9%, operating income increased 1.0%, and return on investment (ROI) was slightly lower than the prior fiscal year. Walmart U.S. improved its sales and operating income throughout the year, and fourth quarter comparable store sales, were the strongest in more than two years. Similarly, Sam's Club comparable club sales, without fuel, continued to improve throughout the year, and Sam's Club had solid operating income. On a constant currency basis, Walmart International produced solid sales and operating income. Globally, e-commerce sales grew 22%.

- We continued to provide solid returns to our shareholders, with total shareholder return, or TSR, of 16.6% and our stock price ending the year near an all-time high. We also increased our dividend for the 41st consecutive year and returned approximately $7.2 billion to shareholders through dividends and share repurchases.

- We continued to make key investments to position our company to meet the rapidly changing needs of our customers. These included eCommerce initiatives, as we continue to work toward a seamless digital and physical integration for our customers. We continued to invest in our global compliance program. And shortly after the end of fiscal 2015, we announced a major investment in Associate opportunity, including increases in Associate pay, improvements to our scheduling system, realignments to our store operational structure, and enhancements to our training and educational programs.

Despite these achievements, our financial performance did not meet the challenging targets established by the CNGC at the beginning of fiscal 2015. Accordingly, as described below, our short- and long-term incentive pay was below target levels.

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Our Executive Compensation Philosophy

The CNGC has carefully structured our executive compensation programs to motivate and retain key executives, with the ultimate goal of facilitating our enterprise strategy, generating strong operating results, and delivering solid returns to our shareholders. We believe we have an outstanding leadership team that is essential to the future success of our company. We have developed our compensation programs for our leadership team to align with our culture, strategy, and structure.

Our executive compensation program is intended to align the interests of our NEOs with the interests of our shareholders by:

•Rewarding good performance aligned with our strategy;

•Encouraging accountability;

•Motivating performance that drives long-term shareholder value in a simple, easily-communicated manner; and

•Attracting and retaining highly-qualified executives.

Our Compensation Program Emphasizes Performance and Balances Short- and Long-Term Incentives

In keeping with our pay-for-performance philosophy, more than 70% of our NEOs' fiscal 2015 target total direct compensation, or TDC, is based on achieving specified performance targets related to sales, operating income, and ROI. Our executive compensation program is designed to focus our leadership and balance short-term performance and long-term strategic priorities. This program is also intended to align the interests of our executives with the interests of our shareholders throughout our business and investment cycles.

Our Incentive Payouts Reflect Company Performance

Payouts under our annual cash incentive plan and long-term performance share unit plan continue to be closely aligned with our operating results and demonstrate our commitment to our pay-for-performance philosophy. This alignment between pay and performance is also demonstrated by the most recent payouts under our incentive plans:

- **Annual cash incentive payments** to our NEOs for fiscal 2015, which were primarily based on operating income and sales metrics, were significantly below target, ranging from 71% to 91% of target payouts with our CEO receiving a payout equal to 75% of target. See pages 51-53 for more information about our annual cash incentive plan, including the performance metrics used in this plan.

- **Performance share unit payouts** to our NEOs for the fiscal 2013 through fiscal 2015 performance cycle were also well below target levels, ranging from 67% to 76% of target. For more information about our performance share unit program, which is based on sales and ROI metrics, see pages 54-56.

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CEO Payouts Under our Incentive Plans: Fiscal 2013 - 2015

Incentive payments have been consistently aligned with our company's performance, as demonstrated in the following graph showing the combined value of the annual cash incentive and long-term performance share unit payouts to our CEOs over the past three fiscal years.

Fiscal 2013

Solid operating income performance in fiscal 2013 resulted in an annual cash incentive payment to our CEO of approximately $4.37 million, slightly above his target payout. We also had solid sales and ROI performance in fiscal 2013, but our CEO's long-term performance share unit payout for the three-year period ending January 31, 2013 was $1.7 million below target due to weaker sales and ROI performance during fiscal 2012 and fiscal 2011. Our TSR was 16.6% for fiscal 2013 and 40.9% for the three-year period ending January 31, 2013.

Fiscal 2014

A challenging global retail environment during fiscal 2014 resulted in operating income that was below expectations, leading to our CEO receiving an annual cash incentive payment of approximately $2.85 million, more than $1.5 million less than his target payout. We also fell short of sales and ROI targets, resulting in a long-term performance share unit payout for the three-year period ending January 31, 2014 that was $4.4 million below target. Our TSR was 9.4% for fiscal 2014 and 43.7% for the three-year period ending January 31, 2014.

Fiscal 2015

While our financial performance improved throughout fiscal 2015, we fell short of the challenging operating income, sales, and ROI targets established at the beginning of fiscal 2015. As a result, our CEO's annual cash incentive payout was approximately $2.88 million, once again significantly below his target payout. Our CEO's performance share unit payout for the three-year period ending January 31, 2015 was $3.6 million below target. Our TSR was 16.6% for fiscal 2015 and 49.0% for the three-year period ending January 31, 2015.

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Shareholder Engagement and Consideration of Last Year's "Say on Pay" Vote

Following our 2014 Annual Shareholders' Meeting, the CNGC considered the results of the non-binding, advisory vote on our executive compensation program ("say on pay"). While shareholders strongly supported our executive compensation program, with approximately 86.4% of the votes cast in support of our say on pay proposal, support was not as strong as in the two prior years, when more than 98% of votes were cast in support of our executive compensation program. During fiscal 2015, at the direction of the CNGC, in addition to our regular conversations with the investment community, senior representatives of the company held meetings with a number of significant shareholders, as well as with leading proxy advisory firms, to discuss executive compensation matters, governance matters, and other issues of interest to our shareholders. We value the feedback provided by our shareholders and look forward to continuing this dialogue. In these meetings, shareholders generally expressed a positive view of our executive compensation program and its link to performance, but requested enhanced disclosure regarding certain topics. While our investors expressed a wide range of viewpoints during these conversations, key themes regarding our executive compensation program included the following:

Investor Questions	**Our Responses**
Why don't we use TSR or other relative performance metrics in our executive compensation program?	While the CNGC closely monitors Walmart's performance relative to peers when making compensation decisions, the CNGC determined that there are key differences in Walmart's business compared to other U.S.-based retailers that make it unworkable to base our executives' pay on relative performance compared to a peer group. These differences include our size; our significant international operations; our product mix; and our variety of formats. Additionally, the price of Walmart stock has historically been less volatile than the common stock of most of our retail peers, which makes relative TSR an imprecise measure of our performance compared to other retailers. As explained more fully on pages 49-51, the CNGC believes that the best approach for Walmart is to tie our executive compensation to performance metrics that are aligned with our strategy, that can be directly impacted by our executives, and that are designed to promote shareholder value over the long term.
Has the CNGC made performance goals easier to achieve in recent years?	No. As explained more fully on page 59, our performance goals are in line with our operating plans, which are established with input and review by the Board. These operating plans are developed in the context of our long-term strategic plans, which are developed at a series of Board meetings each year. Like our operating plans, our performance goals vary from year to year and reflect economic conditions, planned capital expenditures, and other strategic decisions. For example, our operating income and ROI goals reflect our significant ongoing investments in our e-commerce operations and our global compliance program. The CNGC's independent compensation consultant regularly analyzes our performance goals and has consistently found them to be challenging – a conclusion that is supported by our recent history of below-target incentive payouts shown on page 45 above.
Why does the CNGC make adjustments to our reported results of operations for incentive plan purposes?	As discussed more fully on pages 56-57, the CNGC makes a limited number of positive and negative adjustments as required by the terms of our incentive plans or contemplated at the time performance goals are set. These adjustments are not outcome-driven and are intended to ensure that pay is aligned with performance and that we are incentivizing the right behavior. For example, our incentive plans require that reported results be adjusted to remove the effect of store closings, restructurings, acquisitions, and dispositions. The CNGC believes that decisions regarding these matters should not be influenced by considerations of how these actions may impact incentive payouts. Similarly, executives should neither be rewarded nor punished due to events outside their control, such as currency exchange rate fluctuations.

Why does the CNGC sometimes grant special or retention awards?	The CNGC believes that targeted special awards, used selectively, have proven effective in retaining and motivating key executives through periods of leadership transition. We believe that the selective use of special awards has been instrumental in our ability to successfully manage two CEO transitions since 2009. We revised the CD&A to provide more information regarding the specific rationale for each special award granted in fiscal 2015. See page 58.
Why do we set performance goals annually under our long-term performance share unit program?	As a global retailer, our operating results are significantly impacted by macroeconomic factors outside of our control. These macroeconomic factors, along with the rapidly evolving retail landscape, make it difficult to forecast accurately over a multi-year period. Similar to the long-term incentive plans used by many retailers, performance goals for our three-year performance share unit grants are set annually, and payouts are determined based on average performance over each of the three years within each performance cycle. See page 56 for more information regarding the rationale for this approach.
Why do we grant "feather-in" performance share unit awards for newly hired or promoted executives?	Under our long-term incentive plan, in appropriate circumstances, we may make "feather-in" grants of performance share units when executives are hired or promoted to significantly larger roles. These "feather-in" awards result in these executives having an opportunity to realize a performance share unit payout following their first full year in role. We believe that this approach has helped to incentivize both short- and long-term performance and also provides recruiting and retention value. It is important to note that when executives retire or otherwise leave the company, all unvested performance share units for performance cycles that are still in progress are forfeited, and we do not accelerate the vesting of any performance share units. See page 58 for more information.

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Our Executive Compensation Practices

We are committed to executive compensation practices that drive performance and mitigate risk, and that align the interests of our leadership team with the interests of our shareholders. Below is a summary of best practices that we have implemented and practices we avoid because we believe they are not in the best interests of our company or our shareholders.

WHAT WE DO

Pay for Performance – A significant majority of our executives' target compensation is performance-based and tied to pre-established performance goals aligned with our short- and long-term objectives.

Mitigation of Risk – By using a variety of performance measures in our incentive programs, we mitigate the risk that our executives will be motivated to pursue results with respect to one performance measure to the detriment of our company as a whole.

Modest Perquisites – We provide only a limited number of perquisites and supplemental benefits to attract talented executives to our company and to retain our current executives.

Responsible Use of Equity Compensation – Our "burn rate" from the issuance of equity compensation is low relative to our retail peers. Any dilution from the issuance of equity compensation has historically been more than offset by our share repurchase program.

Compensation Recoupment Policies – Both our annual cash incentive plan and our Stock Incentive Plan contain robust recoupment provisions.

Stock Ownership Guidelines – Our Board has established robust stock ownership guidelines applicable to our Board members and Executive Officers.

Independent Compensation Consultant – The CNGC benefits from its use of an independent compensation consulting firm, which provides no other services to the company.

Thorough Compensation Benchmarking – The CNGC reviews publicly-available information for three different peer groups to evaluate how our NEOs' compensation compares to that of executives in comparable positions at other companies.

WHAT WE DO NOT DO

No Employment Contracts – All of our NEOs are employed on an at-will basis.

No Unapproved Trading Plans – Board members and Executive Officers are prohibited from entering into securities trading plans pursuant to SEC Rule 10b5-1 without the pre-approval of our Corporate Secretary.

No Hedging – Board members and Associates are prohibited from engaging in hedging transactions that could eliminate or limit the risks and rewards of Walmart Share ownership.

No Speculative Trading – Board members and Associates are prohibited from short-selling Walmart stock, buying or selling puts and calls of Walmart stock, or engaging in any other speculative transaction involving Walmart stock.

No Liberal Share Recycling – We do not add back to our plan reserves any shares tendered as payment for an option exercise or shares withheld for taxes. Our 2015 Stock Incentive Plan removes provisions that would allow for shares to be recycled in this manner.

No Use of Walmart Stock as Collateral for Margin Loans – Board members and Executive Officers are prohibited from using Walmart stock as collateral for any margin loan.

No Unapproved Pledging of Walmart Stock – Board members and Executive Officers may not pledge Walmart stock without the pre-approval of our Corporate Secretary. Any pledged shares will not count towards a Board member's or Executive Officer's stock ownership requirements.

No Dividends on Unearned Performance Share Units – We do not pay dividends or dividend equivalents on unearned and unvested performance share units.

Annual Pay for Performance Review – With the help of its independent compensation consultant, the CNGC annually analyzes the difficulty of our performance goals and the alignment of realizable pay and performance to ensure that our incentive programs are working as intended.

Annual Shareholder "Say on Pay" – Our shareholders have the opportunity each year to provide input on our executive compensation programs through an annual "say on pay" vote.

No Pension Plans or Special Retirement Programs for Executive Officers – We do not have a pension plan in the United States, and, except as described otherwise on page 73, Executive Officers do not participate in any retirement programs not generally available to all officers.

No Change in Control Provisions – Other than non-competition agreements providing for limited severance payments, we do not have any plans or agreements under which our Executive Officers would receive payments or accelerated stock vestings in the event of a change in control of our company.

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Components of NEO Compensation and Pay Mix

What are the primary components of our NEO compensation packages?

There are three components of our executives' total direct compensation, or TDC: base salary, annual cash incentive, and long-term equity (consisting of a mix of performance share units and restricted stock/restricted stock units):

	ANNUAL		**LONG-TERM EQUITY**	
	Base Salary	**Annual Cash Incentive**	**Restricted Stock/ Restricted Stock Units**	**Performance Share Units**
Objective	Provide fixed base of cash compensation commensurate with position and experience	Achieve annual performance	Align NEOs' interests with shareholders; retention tool	Achieve long-term performance and align NEOs' interests with shareholders
Performance Rewarded	Established in light of individual NEO's particular skills, experience, responsibilities, and individual performance	Operating Income and Sales*	Increase in Share price	Sales and ROI; increase in Share price

* A portion of Mr. Ashe's annual cash incentive payment is also based on the gross merchandise value of the Global eCommerce operations of our operating segments on a combined basis (defined on page 51 below).

Base Salary. We pay base salaries commensurate with each NEO's position and experience. In keeping with our philosophy that a substantial majority of NEO compensation should be performance-based, the CNGC typically allocates a relatively small percentage of TDC to base salary.

Annual Cash Incentive. Under our Management Incentive Plan, most salaried associates, including our NEOs, are eligible to earn an annual cash incentive payment based on a percentage of base salary. This cash incentive payment can range from 37.5% of target payout opportunity (if threshold performance goals are met) to a maximum of 125% of target payout opportunity.

Long-Term Equity. The largest portion of our NEOs' TDC consists of two types of long-term equity compensation. We believe that long-term equity helps to align the interests of our NEOs with the long-term interests of our shareholders and also serves as a retention tool.

Performance Share Units. Consistent with our pay-for-performance philosophy, 75% of each NEO's annual long-term equity award value consists of performance share units. Generally, performance share units granted to our executives have a three-year performance period, with the performance measures and goals set annually by the CNGC. The number of Shares that an NEO receives at the end of the performance period is based on the average performance with respect to these performance goals during each of these three years. Our NEOs can earn from 50% (if threshold performance goals are met) up to a maximum of 150% of the target number of Shares.

Restricted Stock or Restricted Stock Units. The remaining 25% of each NEO's annual long-term equity award value consists of restricted stock/restricted stock units, which vests on the third anniversary of the grant date, provided that the NEO remains employed by our company through the vesting date.

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How much of our NEOs' TDC was performance-based in fiscal 2015?

As shown in the chart below, a substantial majority of our NEOs' fiscal 2015 target TDC was performance-based. Base salary represented less than 7% of our CEO's target TDC for fiscal 2015, while more than 75% of our CEO's target TDC was tied to performance goals. For each of our other NEOs, at least 71% of target TDC was performance-based. The percentages may not total 100.00% due to rounding.

Target TDC	
Mr. McMillon:	$19,540,000
Mr. Holley:	$6,700,000
Mr. Foran:	$9,730,000
Mr. Cheesewright:	$9,908,951
Ms. Brewer:	$9,060,000
Mr. Ashe:	$10,230,000

What performance measures were used in our executive compensation program for fiscal 2015, and why did the CNGC select these measures?

As in the prior year, our NEOs' performance-based pay was based on achieving objective goals related to the financial metrics of operating income, sales, and ROI. For some of our NEOs, these goals were based partly on the performance of one of our operating segments or the performance of the NEO's area of responsibility. In addition, a portion of Mr. Ashe's performance-based pay was based on Global eCommerce gross merchandise value of our operating segments on a combined basis.

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The following charts show the portion of each of our NEO's incentive pay opportunity that was subject to each of these measures during fiscal 2015. The percentages may not total 100.00% due to rounding:

During fiscal 2014 and fiscal 2015, at the direction of the CNGC, the company undertook a comprehensive review of the performance metrics used in our executive compensation program, and concluded that the metrics described above are appropriate and effective in driving results tied to shareholder value. In reaching this conclusion, the CNGC considered the following factors:

- **These performance measures are aligned with our strategy and can be impacted by our executives.** Unlike measures tied to stock price or shareholder return, our executives can have a direct impact on our sales, operating income, ROI, and GMV performance.
- **These performance measures are important metrics for judging retail performance.** Sales, operating income, and ROI measures have historically been, and continue to be, important indicators of retail performance, and we believe that our performance in these areas is important to our shareholders. Similarly, GMV is a key indicator of e-commerce performance.
- **The CNGC believes that success with respect to these performance measures will support shareholder value over the long term.** At the request of the CNGC, the CNGC's independent compensation consultant reviewed the historical correlation between various performance metrics and TSR within the retail industry. The CNGC's independent compensation consultant found that the metrics used in Walmart's short- and long-term incentive plans are generally aligned with TSR in the retail industry. We believe that good performance with respect to these metrics should translate into shareholder value over the long term.
- **It is unworkable to effectively apply relative performance metrics to Walmart's executive compensation program.** There are several key differences in our business compared to other publicly-traded retailers in the U.S., including our size; our significant international operations; our product mix; and our variety of formats. Additionally, the price of Walmart common stock has historically been significantly less volatile than the common stock of most of our retail peers. The CNGC concluded that these factors make it unworkable to base our executives' incentive pay on relative TSR performance or other relative performance metrics.
- **The combination of these performance measures mitigates risk.** Using a combination of performance measures mitigates the risk that our executives could be motivated to pursue results with respect to one measure to the detriment of our company as a whole. For example, if management were to seek to increase sales by pursuing strategies that would negatively impact operating income or ROI, resulting

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increases in incentive pay based on sales should be offset by decreases in incentive pay based on the other metrics. The specific weighting between these metrics reflects a balancing of the overall strategic goals of our company.

In addition to the financial metrics described above, our NEOs' annual cash incentive pay is also based on performance with respect to diversity goals and compliance goals, described below on page 52.

Our Incentive Compensation Programs During Fiscal 2015

What were the financial goals under our annual cash incentive plan for fiscal 2015, and how did we perform in comparison to those goals?

As noted above, while our performance improved throughout the course of fiscal 2015, our operating income and sales fell short of our expectations at the time the CNGC established performance goals early in fiscal 2015.

The operating income, sales, and GMV goals for our cash incentive plan are expressed in terms of a percentage increase or decrease as compared to our prior fiscal year performance. For fiscal 2015, the threshold, target, and maximum performance goals under our cash incentive plan, and our actual performance compared to those goals, are shown in the following table:

	Fiscal 2015 Goals under Cash Incentive Plan (percentage increase/decrease over fiscal 2014)					
Goal Applicable To:	**Threshold (37.5% Payout)**	**Target (100% Payout)**	**Maximum (125% Payout)**	**Actual Performance (as reported)**	**Actual Performance (as adjusted)***	**Impact of Adjustments***
Total Company Operating Income	1.0%	6.3%	7.8%	1.0%	3.9%	2.9%
Total Company Sales	1.7%	3.8%	4.8%	1.9%	3.3%	1.4%
Walmart U.S. Operating Income	–2.3%	1.8%	2.8%	–2.1%	–1.3%	0.8%
Walmart U.S. Sales	1.5%	3.4%	4.5%	3.1%	3.1%	—
International Operating Income	14.2%	23.6%	26.1%	19.8%	26.4%	6.6%
International Sales (excluding fuel)	2.4%	4.3%	5.4%	0.0%	4.1%	4.1%
Sam's Club Operating Income	0.9%	6.2%	8.3%	7.2%	9.5%	2.3%
	1.6%	4.5%	5.6%	2.1%	2.1%	—

Sam's Club Sales (excluding fuel)						
Global eCommerce Operating Income**	–24.5%	–13.1%	–10.3%	–28.4%	–22.4%	6.0%
Global eCommerce Gross Merchandise Value**	15.8%	39.4%	47.3%	29.9%	29.9%	—

* In order to make results comparable from year to year, we apply certain adjustments to our reported results for purposes of our incentive plans. See pages 56-57 for more details.

** Global eCommerce activities are embedded within our segment operations and included within operating income for each of our segments. For purposes of our fiscal 2015 incentive plans, "global eCommerce operating income" is defined as the allocated portion of the operating income or loss from our operating segments attributable to walmart. com, Vudu.com, and e-commerce operations in Brazil and China. Expenses related to corporate support for global e-commerce operations are also included. For purposes of our 2015 incentive plans, "global eCommerce gross merchandise value" or "global eCommerce GMV" is defined as the total sales value of merchandise sold or transacted where the transaction originates online, excluding the sale of gift cards.

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As a result of this performance, our fiscal 2015 annual cash incentive payments were significantly below target levels. The following table shows the performance measure weightings for each of our NEOs, as well as each NEO's actual payout compared to target:

Annual Cash Incentive Plan – Fiscal 2015

Name	Performance Measure(s)	Weighting	Payout–% of Target	Target Payout	Actual Payout
C. Douglas McMillon	Total Company Operating Income	75%	74.96%	$3,840,000	$2,878,272
	Total Company Sales	25%			
Charles M. Holley, Jr.	Total Company Operating Income	75%	74.96%	$1,800,000	$1,349,190
	Total Company Sales	25%			
Gregory S. Foran*	Total Company Operating Income	50%	78.99%	$1,612,276	$1,273,491
	Walmart U.S. Operating Income	25%			
	Walmart U.S. Sales	25%			
David Cheesewright**	Total Company Operating Income	50%	90.74%	$2,759,260	$2,503,814
	International Operating Income	25%			
	Walmart International Sales	25%			
Rosalind G. Brewer	Total Company Operating Income	50%	79.25%	$2,160,000	$1,711,746
	Sam's Club Operating Income	25%			
	Sam's Club Sales	25%			
Neil M. Ashe	Total Company Operating Income	37.5%	71.01%	$2,280,000	$1,618,926
	Total Company Sales	12.5%			
	Global eCommerce GMV	35%			
	Global eCommerce Operating Income	15%			

* Prior to his appointment to his current role effective August 9, 2014, Mr. Foran served as President and CEO of Walmart China for a portion of fiscal 2015, and then as President and CEO of Walmart Asia for a portion of fiscal 2015. As a result, Mr. Foran's annual cash incentive payment for fiscal 2015 was based in part on sales and operating income goals specific to Walmart China and Walmart Asia. More information about these goals and the calculation of Mr. Foran's fiscal 2015 annual cash incentive payment can be found on page 53.

** Mr. Cheesewright's cash incentive payment is paid in Canadian dollars. The figure above assumes an exchange rate of 1 CAD = 0.8984 USD, which is an average exchange rate during fiscal 2015.

What other goals were our NEOs subject to under our annual cash incentive plan for fiscal 2015?

Diversity Goals. Since fiscal 2005, a portion of most officers' cash incentive payment has also been subject to satisfying diversity objectives, and each NEO's cash incentive payment can be reduced by up to 15% if he or she does not satisfy these objectives. The CNGC established these diversity goals because it believes that diversity and inclusion contribute to an engaged and effective workforce. For fiscal 2015, these objectives consisted of one or both of two components: good faith efforts and placement objectives. Each of our NEOs is subject to good faith efforts requirements. In order to satisfy the good faith efforts component of this program, each NEO must actively sponsor at least two associates and must also participate in at least two diversity-related events.

Each of our NEOs with responsibility for Walmart U.S. and/ or Sam's Club field operations is also subject to placement objectives. For fiscal 2015, Mr. McMillon, Mr. Foran, and Ms. Brewer were subject to placement objectives. The determination as to whether an NEO satisfied his or her placement objectives during the prior fiscal year is based on several factors, including the relative number of diverse candidates placed in specified positions within the NEO's organization; the NEO's engagement and participation in diversity and inclusion strategies; the NEO's leadership efforts in implementing these strategies; and the NEO's efforts in recruiting and developing diverse associates. Applying these factors, at the end of each fiscal year, our chief diversity officer reviews each NEO's performance under our diversity program and reports the results of this review to the CNGC. Based on the report of our chief diversity officer, the CNGC determined that each NEO satisfied his or her diversity goals for fiscal 2015.

For more information about Walmart's commitment to diversity and inclusion and key diversity and inclusion initiatives, please see Walmart's 2014 Diversity and Inclusion Report, which is available on our website at *http://corporate.walmart.com/global-responsibility/diversity-inclusion/.*

Compliance Goals. Beginning in fiscal 2014 and again in fiscal 2015, our Executive Officers' cash incentive payments were also subject to achieving adequate progress in implementing enhancements to the company's global compliance program. Our company is committed to having and maintaining a strong and effective global compliance program in every country in which we operate. Consistent with that commitment, over the past few years, our company has made significant improvements to our compliance programs around the world. To further emphasize our commitment to compliance, in early fiscal 2015,

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our company's senior leadership again developed a timetable for implementing further enhancements to our global compliance program on a prioritized basis. These objectives covered such subject matters as anti-corruption, anti-money laundering, health and wellness compliance, environmental compliance, health and safety compliance, labor and employment compliance, and licensing and permits. These objectives sought to enhance key elements of a corporate compliance program, including but not limited to developing and implementing enhanced compliance protocols and procedures, hiring and training of key compliance personnel, monitoring and assessment of various elements of the program, internal communications, and access to information.

As disclosed in our 2014 proxy statement, if, in the judgment of the Audit Committee, the company had not achieved adequate progress in implementing these compliance objectives, then the CNGC could have exercised negative discretion to reduce or eliminate the fiscal 2015 cash incentive payments to our Executive Officers. During fiscal 2015, management reported regularly to the Audit Committee regarding ongoing enhancements to our global compliance program and progress in implementing these objectives. At the end of fiscal 2015, the Audit Committee determined that, in its qualitative judgment, adequate progress had been achieved in implementing these objectives and reported its determination to the CNGC. Factors relied on by the Audit Committee in making this determination included the progress achieved on workstreams in a variety of compliance areas and the extent to which that progress reflected sustainable, long-term change in the company's people, processes, systems, and culture. Based on the qualitative assessment of the Audit Committee, the CNGC determined not to exercise negative discretion to reduce or eliminate the cash incentive payments to any of our Executive Officers for fiscal 2015.

For more information about specific enhancements to our global compliance program during fiscal 2015, please see Walmart's Global Compliance Program Report on Fiscal Year 2015, which is available on our website at *http://corporate.walmart.com/global-responsibility/global-compliance-program-report-on-fiscal-year-2015.*

Mr. Foran – Asia and China Performance. Mr. Foran served as President and CEO of Walmart China for a portion of fiscal 2015, and then as President and CEO of Walmart Asia for a portion of fiscal 2015, before being promoted to his current position. As a result, a portion of Mr. Foran's annual cash incentive for fiscal 2015 is based on the operating income and sales performance of Walmart China and Walmart Asia. Those goals, and performance compared to those goals, are shown in the table below.

Annual Cash Incentive Plan – China

Goal Applicable To:	**Threshold (37.5% Payout)**	**Target (100% Payout)**	**Maximum (125% Payout)**	**Actual Performance**
Walmart China Operating Income (% increase over prior fiscal year)	267.7%	339.5%	363.5%	355.7%
Walmart China Sales excluding e-commerce sales (% increase over prior fiscal year)	1.2%	6.5%	11.9%	Below threshold-no payout on this metric

Annual Cash Incentive Plan – Asia

Goal Applicable To:	Threshold (37.5% Payout)	Target (100% Payout)	Maximum (125% Payout)	Actual Performance
Walmart Asia Operating Income (% increase over prior fiscal year)	35.1%	105.8%	137.4%	132.8%
Walmart Asia Sales (% increase over prior fiscal year)	2.6%	7.6%	11.3%	3.4%

Mr. Foran's incentive payout for fiscal 2015 shown on page 52 above was determined by a proration based on the amount of time Mr. Foran spent in each position during fiscal 2015 and performance as compared to his incentive goals in each of those positions, as follows:

Dates	Performance Metrics	Prorated Payout ($)
2/1/2014 – 5/30/2014	75% China Operating Income 25% China Sales	256,436
5/31/2014 – 8/8/2014	25% Asia Operating Income 25% Asia Sales 50% International Operating Income	230,773
8/9/2014 – 1/31/2015	50% Total Company Operating Income 25% Walmart U.S. Operating Income 25% Walmart U.S. Sales	786,282
TOTAL		**1,273,491**

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What were the goals under our long-term performance share unit program for fiscal 2015, and how did we perform in comparison to those goals?

As noted above, while our performance improved throughout the course of fiscal 2015, our sales and ROI performance fell short of our expectations at the time the CNGC established performance goals early in fiscal 2015.

The sales goals for our performance share unit program are expressed in terms of a percentage increase or decrease as compared to our prior fiscal year performance. For fiscal 2015, the threshold, target, and maximum performance goals under our performance share unit program, and our actual performance, are shown in the following table:

		Performance Goals (% of Performance Share Units Vesting on Achievement of Goal)			**Actual**	**Actual**		
Performance Period	**Performance Measure**	**Threshold (50%)**	**Target (100%)**	**Maximum (150%)**	**Performance (as reported)**	**Performance (as adjusted)***	**Impact of Adjustments***	**Fiscal 2015 Payout %**
2/1/2014 – 1/31/2015	Return on Investment (Total Company)	16.58%	17.13%	17.58%	16.9%	16.61%	–0.29%	52.33%
	Total Company Sales	0.9%	3.8%	5.3%	1.9%	3.3%	1.4%	91.17%
	Walmart U.S. Sales	0.4%	3.4%	4.9%	3.1%	3.1%	—	94.27%
	International Sales (excluding fuel)	1.9%	4.3%	5.9%	0.0%	4.1%	4.1%	96.27%
	Sam's Club Sales (excluding fuel)	0.6%	4.5%	6.1%	2.1%	2.1%	—	68.63%

* In order to make results comparable from year to year, we apply certain adjustments to our reported results for purposes of our incentive plans. See pages 56-57 for more details.

Each of our NEO's performance share units are weighted 50% to ROI performance and 50% to sales performance, either of the total company or one of its operating segments, as follows:

Long-Term Performance Share Unit Program – Fiscal 2015

Name	Performance Measure(s)	Weighting
Mr. McMillon, Mr. Holley, and Mr. Ashe	Total Company ROI	50%
	Total Company Sales	50%
Gregory S. Foran*	Total Company ROI	50%
	Walmart U.S. Sales	50%
David Cheesewright	Total Company ROI	50%
	Walmart International Sales	50%
Rosalind G. Brewer	Total Company ROI	50%
	Sam's Club Sales	50%

* As described below, for a portion of fiscal 2015, Mr. Foran's performance share units were subject to goals based on Walmart International and Walmart Asia performance.

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The performance compared to each of the goals shown above is then weighted according to each NEO's performance measure weightings shown above, and is then averaged with results for the other two years within each three-year performance cycle, as illustrated below:

	Segment	FY13 Performance	FY14 Performance	FY15 Performance	Fiscal 2015 Payout
Fiscal 2012 Grant	**Walmart U.S.**	115.68%	51.88%	**73.30%**	**80.29%**
	Sam's Club	113.69%	26.57%	**60.48%**	**66.91%**
	International	88.55%	52.42%	**74.30%**	**71.76%**
	Total Company	103.76%	26.57%	**71.75%**	**67.36%**

	Segment	Performance	Performance	FY16 Performance
Fiscal 2013 Grant	**Walmart U.S.**	51.88%	**73.30%**	TBD
	Sam's Club	26.57%	**60.48%**	
	International	52.42%	**74.30%**	
	Total Company	26.57%	**71.75%**	

	Segment	Performance	Performance	FY17 Performance
Fiscal 2014 Grant	**Walmart U.S.**	**73.30%**	TBD	TBD
	Sam's Club	**60.48%**		
	International	**74.30%**		
	Total Company	**71.75%**		

Applying this methodology, our NEOs earned the following performance share unit payouts for the three-year cycle ending January 31, 2015:

		Number of Performance Share Units for Cycle Ended 1/31/15	
Name	**Three-Year Performance (% of Target)**	**Target**	**Earned**
C. Douglas McMillon*	70.91%	146,130	103,620
Charles M. Holley, Jr.	67.36%	42,822	28,845
David Cheesewright**	76.44%	60,468	46,222
Gregory S. Foran***	72.20%	9,447	6,821
Rosalind G. Brewer	66.91%	60,468	40,459
Neil M. Ashe	67.36%	70,546	47,519

* Mr. McMillon served as President and CEO of Walmart International during fiscal 2013 and fiscal 2014; therefore, his performance share unit payout for the three-year cycle ended January 31, 2015 was based on Walmart International performance during fiscal 2013 and fiscal 2014 and on total company performance for fiscal 2015.

** Mr. Cheesewright served as President and CEO, Walmart EMEA during fiscal 2013 and fiscal 2014; therefore, his performance share unit payout for the three-year cycle ended January 31, 2015 was based on Walmart EMEA performance during fiscal 2013 and fiscal 2014 and on Walmart International performance during fiscal 2015.

*** Mr. Foran served as President and CEO, Walmart China during fiscal 2013, fiscal 2014, and a portion of fiscal 2015. During a portion of fiscal 2015, Mr. Foran also served as President and CEO, Walmart Asia prior to assuming his current role. Therefore, Mr. Foran's performance share unit payout for the three-year cycle ended January 31, 2015 was based on Walmart International performance during fiscal 2013 and fiscal 2014 and on a combination of Walmart International, Walmart Asia, and Walmart U.S. performance during fiscal 2015. Fiscal 2015 Walmart Asia goals under the performance share unit program, and performance compared to those goals, were as follows:

Goal Applicable To:	**Threshold (50% Payout)**	**Target (100% Payout)**	**Maximum (150% Payout)**	**Actual Performance**
Walmart Asia ROI (increase or decrease in bps compared to prior fiscal year)	–40	40	107	58
Walmart Asia Sales (% increase over prior fiscal year)	2.6 %	7.6 %	11.3 %	3.4 %

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Why doesn't the CNGC set three-year goals for the long-term performance share unit program?

The CNGC has found that the current approach of setting goals annually, with payouts determined by averaging performance over a three-year period, is the most effective approach for our long-term performance share unit program for the following reasons:

- As a global retailer, Walmart's operating results are significantly impacted by macroeconomic and regional economic factors outside of management's control. These economic factors, as well as the rapidly evolving retail landscape, make it difficult to forecast accurately over a three-year period. For example, in fiscal 2008, our officers were granted performance share units with three-year sales and ROI performance goals. Subsequently, the global financial downturn in 2008 had the effect of making these three-year goals virtually unachievable only a few months into the three-year performance period. The CNGC reasoned that performance goals cease to be an effective tool in motivating performance if the goals either become unrealistic or too easy to achieve. While some companies attempt to address the impact of macroeconomic factors by using relative goals in their long-term incentive plans, the CNGC has determined that relative goals are not the right approach for Walmart for the reasons described on page 50 above. The CNGC regularly reviews Walmart's performance relative to peers and the relative alignment of pay and performance to ensure that our incentive programs are operating as intended.
- Another advantage of our current approach is more easily understandable and better aligned performance goals, which the CNGC believes are more effective in motivating performance. As described above, our incentive goals are aligned with our business plan and expectations regarding financial performance. These necessarily change from year to year based on macroeconomic conditions, strategic investments, and other factors. Setting three-year sales goals, for example, would result in a situation in which our leaders have three differing sales goals at any one time – one for each outstanding tranche of performance share units. The CNGC believes that the current performance share units structure effectively balances long-term focus with clear and understandable performance goals.

Adjustments

Why do we adjust reported results of operations for purposes of our incentive plans?

Both our annual incentive plan and our Stock Incentive Plan require that certain adjustments be made to our reported results of operations for purposes of calculating incentive awards. The purpose of these adjustments is to cause incentive awards to be calculated on a comparable basis from year to year and to ensure that participants in these plans are incentivized and rewarded appropriately.

Many of these adjustments, including a substantial majority of the aggregate adjustments made during fiscal 2015, are adjustments that the CNGC expected to make at the time incentive goals are established by the CNGC. For example:

- Our incentive plans require that reported results be adjusted to remove the effects of currency exchange rate fluctuations. Given our significant international operations, which contribute approximately 30% of our total revenues, fluctuations in currency exchange rates, which are generally out of our management's control, often have a significant impact on our financial results.
- The CNGC typically sets sales goals that exclude the impact of fuel sales because fuel prices (and, therefore, our fuel sales) are subject to significant fluctuation and are outside of management's ability to control.
- In light of our significant ongoing investments in Global eCommerce, when the CNGC established fiscal 2015 operating income goals for our operating segments, it limited the operating losses attributable to the eCommerce operations of those operating segments for incentive plan purposes.

Like many other companies, our incentive plans dictate that we make other adjustments to our results of operations for incentive plan purposes for items that may not be known at the beginning of the fiscal year, when goals are set. For example:

- Our plans require that we make adjustments for the impact of store closings, restructurings, acquisitions and dispositions. We do not believe that a decision regarding these types of events should be influenced by a consideration of how these actions might impact the incentive pay of our management. The CNGC believes that our compensation plans should not serve as a disincentive that could discourage management from making decisions that are in the best interests of our company and our shareholders.

The CNGC undertakes a rigorous oversight and certification process to determine the adjustments required by our incentive plans. This process is not outcome-driven and includes both positive and negative adjustments. While the adjustments made for fiscal 2015 had a net positive impact on incentive payouts, this is not always the case. For example, in fiscal 2011 and fiscal 2012, the adjustment process resulted in a reduction in incentive payouts.

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What adjustments were made to fiscal 2015 reported results for incentive plan purposes?

Operating Income—Annual Cash Incentive Plan. For fiscal 2015, the substantial majority of adjustments to operating income pursuant to the terms of our annual cash incentive plan consisted of the following items, the first three of which are required by the terms of our incentive plans, and the fourth of which was established by the CNGC at the time goals were set in early fiscal 2015.

- An adjustment to remove the impact of currency exchange rate fluctuations, which adjustment had a net positive impact on operating income for annual incentive plan purposes.
- Adjustments to remove the impact of expenses related to store closings and restructurings in the U.S., Canada and Japan, which adjustments positively impacted operating income for incentive plan purposes.
- Adjustments to remove the impact for losses and accruals for litigation related to events that occurred in prior periods, generally under prior management teams, which adjustments had a positive impact on operating income for purposes of our annual cash incentive plan.
- Adjustments to remove the impact of losses attributable to walmart.com and samsclub.com in excess of a pre-set limit established by the CNGC when goals were set at the beginning of fiscal 2015 from Walmart U.S. and Sam's Club operating income, which had the effect of increasing operating income for purposes of our annual cash incentive plan.

Other adjustments to fiscal 2015 operating income for incentive plan purposes included adjustments to remove the impact of the following items, each of which are required by the terms of our incentive plans:

- Costs related to e-commerce acquisitions, which adjustments positively impacted operating income.
- Gains on the sale of real estate and other assets, which adjustments negatively impacted operating income.
- Losses related to uninsured damage to stores resulting from a hurricane, which had the effect of increasing operating income for annual incentive plan purposes.

These adjustments, taken together, had the effect of increasing the fiscal 2015 operating income of our total company and of each operating segment and/or area of responsibility of each of our NEOs as calculated for purposes of our annual cash incentive program. As a result of these adjustments, the percentage increases in fiscal 2015 operating income compared to prior year operating income for purposes of our cash incentive plan as shown in the "Actual Performance (as adjusted)" column in the table on page 51 were somewhat greater than the increases in our publicly-reported operating income for fiscal 2015. The table on page 51 above shows the net impact of these adjustments on the operating income of our total company and the operating income attributable to the operating segment and/or area of responsibility of each of our NEOs as calculated for purposes of our cash incentive plan.

Sales—Annual Cash Incentive Plan and Long-Term Performance Share Unit Program. For fiscal 2015, there were two primary adjustments to sales for purposes of our annual cash incentive plan and our performance share unit program. Both of these adjustments were contemplated at the time goals were set in early fiscal 2015:

- An adjustment to exclude fuel sales, which adjustment was mandated at the time the CNGC established goals. We generally exclude fuel sales from our incentive plan results due to the high volatility of fuel prices.

- An adjustment for the impact of currency exchange rate fluctuations, which was also mandated at the time goals were established. This adjustment positively impacted sales for purposes of our incentive plans.

These adjustments, taken together, had the effect of increasing the sales of our total company and the sales attributable to each operating segment and/or area of responsibility of each of our NEOs as calculated for purposes of our annual cash incentive plan and performance share unit program. As a result of these adjustments, the percentage increases in fiscal 2015 sales over fiscal 2014 sales for purposes of our incentive plans as shown in the “Actual (as adjusted)” column in the tables on pages 51 and 54 were greater than the increases in sales reflected in our publicly-reported operating results for fiscal 2015 as calculated in accordance with GAAP. The tables on pages 51 and 54 above show the net impact of these adjustments on the sales of our total company and on the sales attributable to the operating segment or area of responsibility for each of our NEOs as calculated for purposes of our annual cash incentive plan and our performance share unit program.

ROI—Long-Term Performance Share Unit Program. For fiscal 2015, the primary difference between our reported ROI and ROI for purposes of our performance share unit program is that ROI for performance share unit program purposes excludes the impact of currency exchange rate fluctuations. Excluding currency exchange rate fluctuations had the effect of decreasing our ROI for fiscal 2015 for purposes of our performance share unit program as compared to our reported ROI. In addition, when calculating ROI for purposes of our performance share unit program, we use the adjusted operating income results used for calculating our annual cash incentive payouts described above. Since these adjustments had the effect of increasing fiscal 2015 operating income for annual cash incentive plan purposes, these adjustments also positively impacted ROI for performance share unit program purposes and partially offset the negative impact of the currency exchange rate adjustment. The table on page 54 above shows the net impact of this adjustment on our ROI as calculated for purposes of our performance share unit program.

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Other Compensation

What other types of compensation did our NEOs receive during fiscal 2015?

Special Restricted Stock Awards. Our NEOs may from time to time receive special awards. The CNGC believes that the targeted use of these awards have proven effective in retaining and motivating key executives through periods of leadership transition, have been instrumental in our ability to successfully manage our last two CEO transitions, and have allowed us to maintain leadership continuity in a highly competitive market. During fiscal 2015, three of our NEOs received special restricted stock awards:

- Prior to assuming his current role, Mr. Foran received a $750,000 special restricted stock unit award in May 2014, vesting on the second anniversary of the grant date. This award was made in connection with his promotion from President and CEO, Walmart China, to become President and CEO, Walmart Asia, and was also intended to compensate for the fact that Mr. Foran would no longer be eligible to participate in a Walmart China long-term incentive plan.
- Ms. Brewer received a $1 million special restricted stock award in September 2014, vesting on the third anniversary of the grant date, and Mr. Holley received a $1 million special restricted stock award in November 2014, vesting at the end of fiscal 2016. The CNGC approved these awards for retention purposes in the context of our leadership transition during fiscal 2015, with Mr. McMillon being promoted to President and CEO of our company at the beginning of fiscal 2015, and Mr. Foran being promoted to President and CEO of our Walmart U.S. segment in August 2015. The CNGC believes that retaining our current leadership team is critical at this time for future succession planning and execution of our enterprise strategy.

Special Performance-Based Awards. On occasion, the CNGC also grants special cash-based performance awards to our executives. The purpose of these awards is typically to drive performance with respect to a specific performance metric or strategic initiative. In September 2014, the CNGC approved a special performance-based cash award opportunity for Ms. Brewer in the amount of $1 million. In order for Ms. Brewer to earn this award, Sam's Club gross membership income must exceed our business plan for Sam's Club gross membership income by a specified amount during the one-year period ending July 31, 2015. The CNGC approved this special award opportunity for Ms. Brewer to drive performance in light of Sam's Club's initiatives to increase membership and membership income, which are key components of our Sam's Club strategy.

"Feather-In" Performance Share Unit Awards. Under our long-term performance share unit program, we customarily make additional grants of performance share units to newly-hired executives or when executives are promoted to significantly larger roles. These "feather-in" awards allow executives to realize performance share unit payouts commensurate with their positions for three-year cycles that are already in progress. We believe that this approach has helped to appropriately incentivize and reward short- and long-term performance and also provides retention value. Unlike some companies, when executives retire or otherwise leave the company, all unvested performance share units are forfeited, and we do not accelerate the vesting or otherwise pay out any outstanding performance share units.

In January 2015, in connection with his recent promotion to President and CEO of our Walmart U.S. segment, Mr. Foran received two additional "feather-in" performance share unit grants vesting at the conclusion of the performance cycles ending January 31, 2016 and January 31, 2017. These additional performance share unit awards were intended to increase Mr. Foran's target performance share units opportunity for each of those cycles to $4,875,000, which is equal to the target value of his annual performance share units award granted in January 2015 for the performance cycle ending January 31, 2018.

Additional MIP Award. Under the terms of the Management Incentive Plan, the CNGC may award an additional cash incentive amount based on individual performance. For his performance during fiscal 2015, the CNGC awarded Mr. Cheesewright an additional cash incentive amount equal to 20% of his target annual cash incentive award for fiscal 2015 (approximately $551,852). The CNGC awarded this amount to Mr. Cheesewright based on the solid constant-currency sales and operating income performance of Walmart International in a difficult global environment, as well as Mr. Cheesewright's contributions to strategic initiatives, including e-commerce initiatives in international markets, and management of our international portfolio through targeted closings of underperforming stores.

What perquisites and other benefits do our NEOs receive?

Our NEOs receive a limited number of perquisites and supplemental benefits. We cover the cost of annual physical examinations for our NEOs and provide each NEO with personal use of our aircraft for a limited number of hours each year. Our NEOs also receive company-paid life and accidental death and dismemberment insurance. Additionally, our NEOs are entitled to benefits available to officers generally, such as participation in the Deferred Compensation Matching Plan, and benefits available to associates generally, including a Walmart discount card; a limited 15% match of purchases of Shares through our Stock Purchase Plan; participation in our 401(k) Plan, including a company match; medical insurance; and foreign business travel insurance. We provide these perquisites and supplemental benefits to attract talented executives to our company and to retain our current executives, and we believe their limited cost is outweighed by the benefits to our company.

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Executive Compensation Process and Governance

Who establishes the TDC at Walmart?

The CNGC is the Board committee that is responsible for establishing and approving the compensation of the officers subject to Section 16, including the CEO and other NEOs. All members of the CNGC are independent (see page 30 for more information on the CNGC).

The CNGC met eight times in fiscal 2015. During each of these meetings, the CNGC considered executive compensation matters, including matters such as the review and approval of compensation for our NEOs; the selection of performance measures and performance goals for our short- and long-term incentive plans; and the review of performance against those goals, including compliance and diversity goals.

How does the CNGC establish TDC?

The CNGC considers a variety of factors in setting TDC for our NEOs, including:

- the overall financial and operating performance of our company and its operating segments and/or areas of responsibility, as applicable;
- each NEO's individual performance and contributions to the achievement of financial goals and operational milestones;
- each NEO's job responsibilities, expertise, historical compensation, and years and level of experience;
- our overall succession planning and the importance of retaining each NEO and each NEO's potential to assume greater responsibilities in the future; and
- peer group data and analyses (see pages 60-62 for more details).

How does the CNGC set performance goals?

Performance goals are established in the context of, and consistent with, the company's enterprise strategy and financial operating plans each fiscal year. The process begins with the Board's review of the company's overall enterprise strategy and long-term financial plan beginning in the spring and culminating at an annual Board strategic retreat each September. Following the strategic retreat, the annual operating plans of the company and each of its operating segments are established with SPFC and Board input. The CNGC then establishes performance goals under our short- and long-term incentive programs that are consistent with these operating plans.

Incentive Plans Informed by Strategic and Financial Planning Process	Long-Range Planning	Annual Operating Plan	Incentive Plans
	April - September	September - January	January - March
	• Assess competitive landscape and macro trends	• Develop annual operating plan in light of long-range planning and strategic initiatives	• Review choice of incentive metrics to ensure that they support enterprise strategy
	• Refine enterprise strategy and segment-specific initiatives	• October investor conference–review strategy and planned capital expenditures	• Establish performance goals aligned with annual operating plan

Walmart's operating plans are intended to be challenging, and fiscal 2015 was no exception. Generally, incentive goals are established so that performance in line with our operating plans should result in target payouts. In order to achieve the maximum goals, our performance would have to exceed our operating plans to a significant degree. Threshold performance goals are set at a level that is attainable and below which the company could not justify a payout.

The CNGC generally attempts to set the performance goals so that a consistent level of expected difficulty in achieving these goals is maintained from year to year. The CNGC's independent compensation consultant annually evaluates the difficulty of the performance goals and has consistently found these goals to be challenging.

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What is the role of management and compensation consultants with respect to NEO compensation?

When evaluating, establishing, and approving the compensation of our NEOs other than the CEO, the CNGC considers the performance evaluations of these NEOs provided by our CEO and the recommendations provided by our Chairman, our Global People division, and our CEO. As part of this process, our CEO reviews the annual performance evaluations of the other NEOs with the CNGC.

When establishing and approving the compensation of our CEO, our Chairman, with support from our Global People division and the Chair of the CNGC, reviews our CEO's performance evaluation with the CNGC and makes recommendations to the CNGC regarding our CEO's compensation.

Since early 2007, the CNGC has engaged an independent consultant on executive compensation matters. Since early 2010, Pay Governance LLC ("Pay Governance") has been engaged by the CNGC as its independent executive compensation consultant. Under the terms of its engagement, Pay Governance reports directly and exclusively to the CNGC; the CNGC has sole authority to retain, terminate, and approve the fees of Pay Governance; and Pay Governance may not be engaged to provide any other services to Walmart without the approval of the CNGC. Other than its engagement by the CNGC, Pay Governance does not perform and has never performed any other services for Walmart. The CNGC's independent consultant attends and participates in CNGC meetings at which executive compensation matters are considered, and performs analyses for the CNGC at the CNGC's request, including benchmarking, realizable pay analyses, analyses of the correlation between performance measures and shareholder return, and assessments of the difficulty of attaining performance goals. The CNGC annually reviews the independence of Pay Governance in light of SEC rules and NYSE Listed Company Rules regarding compensation consultant independence and has affirmatively concluded that Pay Governance is independent from Walmart and has no conflicts of interest relating to its engagement by the CNGC.

How is peer group data used by the CNGC?

Walmart is the world's largest retailer by a substantial margin, and there are significant differences in our business compared to most other publicly-traded retailers in the U.S. In addition to our size and scope, these differences include our product mix, the fact that we have significantly more extensive international operations than most U.S.-based retailers, and our variety of formats. As described above on page 50, these differences make it unworkable to base our incentive pay on our performance relative to retail peers. These differences also mean that executive positions at Walmart are generally significantly larger in size, scope, and complexity than similar positions at many of our retail peers. To account for these differences, the CNGC reviews publicly-available compensation information for three separate peer groups when establishing TDC for our executives.

Retail Industry Survey. This peer group allows the CNGC to compare our NEO compensation to that of our primary U.S.-based competitors in the retail industry. For fiscal 2015, the Retail Industry Survey included all publicly-traded retail companies with significant U.S. operations with annual revenues exceeding approximately $10 billion. By almost any measure, Walmart is the largest company in the Retail Industry Survey, and compared to the median of this peer group, Walmart is approximately 20 times larger in terms of revenue, and approximately 16 times larger in terms of market capitalization.

Select Fortune 100. The CNGC also benchmarks our NEO compensation against a select group of companies within the Fortune 100. This group, which we refer to as the "Select Fortune 100," was chosen from among the Fortune 100 by our Global People division, with input from the CNGC's independent consultant. The Select Fortune 100 includes companies whose primary business is not retailing but that are similar to us in one or more ways, such as global operations, business model, and size. We exclude retailers from this group because those companies were already represented in the Retail Industry Survey. We also exclude companies with business models that are broadly divergent from ours, such as financial institutions and energy companies.

Top 50. While the Select Fortune 100 includes some larger companies than the Retail Industry Survey, Walmart is still the largest company within the Select Fortune 100 in terms of revenues, and is the third largest in terms of market capitalization. To account for this size discrepancy and the corresponding complexity of our NEOs' job responsibilities, the CNGC also benchmarks our NEOs' pay against the 50 largest public companies (including selected non-U.S. based companies), excluding Walmart, in terms of market capitalization at the time of the review. Even among the Top 50, Walmart is the largest company in terms of revenue, and in the top quartile in terms of market capitalization.

The CNGC uses benchmarking data as a general guide to ensure that the TDCs of our executives are set at an appropriately competitive level, as well as ensuring that our NEOs' mix of compensation is consistent with our emphasis on performance-based compensation. The CNGC does not attempt to quantify or otherwise assign any relative weightings to any of these peer groups or to any particular members of a peer group when benchmarking against them.

While the CNGC reviews benchmarking data for comparable positions within each of these peer groups, the CNGC also benchmarks the compensation of Mr. Foran, Mr. Cheesewright, Ms. Brewer, and Mr. Ashe against CEO positions within the Retail Industry Survey. These executives have significant responsibilities and lead organizations that are, considered separately from the rest of our company, larger than many of the other retailers in the retail peer group, and we believe that these positions are comparable in many respects to CEO positions at many of our peer group companies. In addition, from a competitive standpoint, we believe that it is more likely that these leaders would be recruited for a CEO position in the retail industry or elsewhere, rather than for a lateral move.

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As a general guideline, the CNGC seeks to place our NEOs' target TDC near the 75th percentile of comparable positions within our peer groups taken as a whole. The CNGC believes that it is generally appropriate to position our NEOs' target TDC at this level because, as described above, our company's size, extensive international presence, and complex operations result in our NEOs' jobs having a greater level of complexity than similar jobs at many of our peer group companies. The target TDC opportunity for a particular NEO may be higher or lower than the 75th percentile of the peer groups, and may differ from the TDC of our other NEOs, depending on a number of factors, including the factors described under "How does the CNGC establish TDC?" on page 59 above.

What companies were included in our peer groups for fiscal 2015, and how did our NEOs' compensation compare to those peers?

When the CNGC reviewed and approved fiscal 2015 executive compensation in January 2014, our three peer groups described above included the following companies:

Retail Industry Survey		
Amazon.com, Inc.	The Home Depot, Inc.	Rite Aid Corporation
AutoNation, Inc.	J. C. Penney Company, Inc.	Safeway Inc.
Bed Bath & Beyond Inc.	Kohl's Corporation	Sears Holdings Corporation
Best Buy Co., Inc.	The Kroger Co.	Staples, Inc.
CarMax, Inc.	L Brands, Inc.	SUPERVALU INC.
Costco Wholesale Corporation	Lowe's Companies, Inc.	Target Corporation
CVS Health Corporation	Macy's, Inc.	The TJX Companies, Inc.
Dollar General Corporation	Nordstrom, Inc.	Walgreen Co.
eBay Inc.	Office Depot, Inc.	Whole Foods Market, Inc.
The Gap, Inc.	Penske Automotive Group, Inc.	
Select Fortune 100		
Archer-Daniels-Midland Company	Honeywell International Inc.	PepsiCo, Inc.
AT&T Inc.	Ingram Micro Inc.	Pfizer Inc.
Caterpillar Inc.	Intel Corporation	Philip Morris International Inc.
Cisco Systems, Inc.	International Business Machines Corporation	The Procter & Gamble Company
The Coca-Cola Company	Johnson & Johnson	Sprint Nextel Corporation
Dell Inc.	Johnson Controls, Inc.	Twenty-First Century Fox, Inc.
FedEx Corporation	McKesson Corporation	Tyson Foods, Inc.
Ford Motor Company	Microsoft Corporation	United Parcel Service, Inc.
General Electric Company	Mondelez International, Inc.	Verizon Communications Inc.
Hewlett-Packard Company		
Top 50		
Amazon.com, Inc.	Google Inc.	Philip Morris International Inc.
Anheuser-Busch InBev SA/NV	The Home Depot, Inc.	The Procter & Gamble Company
Apple Inc.	HSBC Holdings plc	QUALCOMM Incorporated
AT&T Inc.	Imperial Tobacco Group plc	Rio Tinto plc
Bayer AG	Intel Corporation	Royal Bank of Canada
Berkshire Hathaway Inc.	International Business Machines Corporation	Royal Dutch Shell plc
BHP Billiton Limited	Johnson & Johnson	SABmiller plc

BP p.l.c.	L'Oreal	Sanofi S.A.
British American Tobacco plc	McDonald's Corporation	SAP AG
Centrica plc	Merck & Co., Inc.	Schlumberger N.V.
Chevron Corporation	Microsoft Corporation	Siemens AG
Cisco Systems, Inc.	Nestlé S.A.	Total S.A.
The Coca-Cola Company	Novartis AG	Verizon Communications Inc.
Comcast Corporation	Novo Nordisk A/S	Visa Inc.
Exxon Mobil Corporation	Oracle Corporation	Vodafone Group plc
General Electric Company	PepsiCo, Inc.	The Walt Disney Company
GlaxoSmithKline plc	Pfizer Inc.	

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For fiscal 2015, Mr. McMillon's target TDC was in the top quartile when compared to CEO positions within the Retail Industry Survey and the Top 50. When compared to CEO positions within the Select Fortune 100, Mr. McMillon's fiscal 2015 target TDC was between the 50th and 75th percentiles.

For fiscal 2015, Mr. Holley's target TDC was in the top quartile when compared to CFO positions within the Retail Industry Survey, and between the 50th and 75th percentiles when compared to CFO positions within the Select Fortune 100 and Top 50 peer groups.

For fiscal 2015, the target TDCs for Mr. Foran, Mr. Cheesewright, Ms. Brewer, and Mr. Ashe were within the top quartile when compared to divisional president positions within the Retail Industry Survey and the Top 50, and between the 50th and 75th percentiles of the select Fortune 100. When compared to CEO positions within our peer groups, the TDC of these NEOs was near the median of the Retail Industry Survey, and below the median of the Select Fortune 100 and Top 50.

What other information does the CNGC consider when establishing TDC?

The CNGC also reviews other information in the process of setting TDC, although the CNGC generally considers these factors to be less significant than the factors described above.

Realized and Realizable Compensation. The CNGC reviews an estimate of the realized compensation of each of our NEOs during prior fiscal years, as well as forecasts of the compensation that could be realized by our NEOs in future years. The CNGC reviews this information in order to understand the compensation actually earned by each NEO and to determine whether such realized and realizable compensation is consistent with its view of the performance of each NEO, as well as to provide insight into retention considerations.

Tally Sheets. The CNGC also reviews "tally sheets" prepared by our company's Global People division. These tally sheets summarize the total value of the compensation realizable by each NEO for the upcoming fiscal year and quantify the value of each element of that compensation, including perquisites and other benefits. The tally sheets also quantify the amounts that would be owed to each NEO upon retirement or separation from our company.

Advisory Shareholder Votes on Executive Compensation. As noted above on page 46, our shareholders have expressed support for our executive compensation program at each of our last three annual shareholders' meetings. The CNGC considered that support, as well as other feedback from our shareholders, when deciding to maintain the overall structure of our executive compensation program for fiscal 2015, and when establishing our NEOs' compensation opportunities for fiscal 2015. The CNGC will continue to consider the outcome of these annual shareholder advisory votes and other feedback from our shareholders when making future compensation decisions regarding our NEOs.

What are our practices for equity awards, including stock options?

Timing of Equity Awards. The CNGC meets each January to approve and grant annual equity awards to our Executive Officers, including our NEOs, that are part of the compensation packages for those Executive Officers for the upcoming fiscal year. Because of the timing of these meetings, equity grants awarded for an upcoming fiscal year are reported in the executive compensation tables appearing in this proxy statement as granted during the prior fiscal year. The CNGC meets again in February and/or March to establish the performance goals applicable to the performance share units and any other performance-based equity granted at the January meeting.

Any special equity grants to Executive Officers during the year are approved by the CNGC at a meeting or by unanimous written consent.

Option Exercise Prices. We have not granted stock options to our Executive Officers for several years, and stock options are not currently a part of our executive compensation program. The CNGC may grant stock options in the future in special circumstances. If and when we grant stock options, the exercise price is and will be equal to the fair market value of our common stock on the date of grant.

Does the CNGC take tax consequences into account when designing executive compensation?

Yes. Section 162(m) of the Internal Revenue Code provides that compensation in excess of $1,000,000 paid to certain of our NEOs is generally not deductible by our company unless it is performance-based. The CNGC considers the deductibility of the compensation paid to our NEOs when designing and approving executive compensation. A significant portion of the compensation awarded to our NEOs is intended to satisfy the requirements for deductibility under Section 162(m). However, there is no guarantee that any element will actually qualify for deductibility. In addition, to maintain flexibility to compensate our executive officers in a manner designed to promote our long-term goals and objectives, the CNGC has not adopted a policy that all compensation must be deductible or have the most favorable tax or accounting treatment available to our company. Rather, in certain circumstances, the CNGC may determine that it is in the best interests of our company to award a particular form of compensation, even if our company may not be able to deduct all or a portion of that compensation under federal tax laws.

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Do we have employment agreements with our NEOs?

We do not have employment agreements with any of our NEOs. Our NEOs and other Executive Officers are employed on an at-will basis.

Do we have severance agreements with our NEOs?

We have entered into a post-termination and non-competition agreement with each NEO. With the exception of Mr. Cheesewright, each agreement provides that, if we terminate the NEO's employment for any reason other than his or her violation of company policy, we will generally pay the NEO an amount equal to two times the NEO's base salary, one-fourth of which is paid upon termination of employment and the balance of which is paid in installments commencing six months after separation. Under our agreement with Mr. Cheesewright, we would pay him an amount equal to one year base salary plus the value of health and dental care for one year.

Under these agreements, each NEO has agreed that for a two-year period (or a one-year period in the case of Mr. Cheesewright) following his or her termination of employment, he or she will not participate in a business that competes with us and will not solicit our Associates for employment. For purposes of these agreements, a competing business generally means any retail, wholesale, or merchandising business that sells products of the type sold by Walmart with annual revenues in excess of certain thresholds. These agreements reduce the risk that any of our former NEOs would use the skills and knowledge they gained while with us for the benefit of one of our competitors during a reasonable period after leaving our company. We do not have any contracts or other arrangements with our NEOs that provide for payments or other benefits upon a change in control of our company.

See "Potential Payments Upon Termination or Change in Control" beginning on page 75 for more information.

What types of retirement and other benefits are our NEOs eligible to receive?

Our NEOs are eligible for the same retirement benefits as our officers generally, such as participation in our Deferred Compensation Matching Plan. They may also take advantage of other benefits available more broadly to our Associates, such as our 401(k) Plan. With the exception of Mr. Cheesewright, who has an interest in pension plans related to his prior employment with our U.K. subsidiary, our NEOs do not participate in any pension or other defined benefit retirement plan. Mr. Cheesewright is not eligible for further contributions to these U.K. pension plans.

Does our compensation program contain any provisions addressing the recovery or non-payment of compensation in the event of misconduct?

Yes. Our MIP and our Stock Incentive Plan both provide that we will recoup awards to the extent required by Walmart policies. Furthermore, our MIP provides that, in order to be eligible to receive an incentive payment, the participant must have complied with our policies, including our Global Statement of Ethics, at all times. It further provides that if the CNGC determines, within twelve months following the payment of an incentive award, that prior to the payment of the award, a participant has violated any of our policies or otherwise committed acts detrimental to the best interests of our company, the participant must repay the incentive award upon demand. Similarly, our Stock Incentive Plan provides that if the CNGC determines that an Associate has committed any act detrimental to the best interests of our company, he or she will forfeit all unexercised options and unvested Shares of restricted stock and performance share units. In addition, both the MIP and the Stock Incentive Plan provide that all awards under these plans, whether or not previously paid or deferred, will be subject to the company's policies and applicable law regarding clawbacks in effect from time to time.

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Are our NEOs subject to any minimum requirements regarding ownership of our stock?

Yes. Our senior executives have been subject to stock ownership guidelines since 2003. In June 2013, our Board strengthened the stock ownership guidelines applicable to our CEO and senior officers, as follows:

- our CEO must maintain beneficial ownership of unrestricted Shares equal in market value to seven times his current annual base salary; and
- our other NEOs and certain other senior officers must maintain beneficial ownership of unrestricted Shares equal in market value to five times his or her current annual base salary.

The CEO and other senior officers must satisfy these stock ownership guidelines no later than the fifth anniversary of his or her appointment to a position covered by the stock ownership guidelines. If any covered officer is not in compliance with these stock ownership guidelines, he or she may not sell or otherwise dispose of more than 50% of any Shares that vest pursuant to any equity award until such time as he or she is in compliance with the guidelines and such sale would not cause the covered officer to cease to be in compliance with the guidelines. Further, as noted below, any Shares that have been pledged will not be counted when determining whether the officer is in compliance with the guidelines. Currently, each of our NEOs is in compliance with our stock ownership guidelines, as illustrated by the following graph:

* Assumes a stock price of $80.65/Share, which was the closing price of a Share on April 10, 2015. Includes Shares that have vested and been deferred. Does not include Shares that have not yet vested or Shares underlying options. Due to their recent promotions, Mr. Cheesewright and Mr. Foran have not yet reached their required compliance dates under our stock ownership guidelines. We expect that Mr. Cheesewright and Mr. Foran will satisfy their stock ownership requirements by their required compliance dates.

Are there any restrictions on the ability of our NEOs to engage in transactions involving Walmart stock?

Yes. Our Insider Trading Policy contains the following restrictions:

- Our directors and Executive Officers may trade in our stock only during open window periods, and then only after they have pre-cleared transactions with our Corporate Secretary.
- Our directors and Executive Officers may not enter into trading plans pursuant to SEC Rule 10b5-1 without having such plans pre-approved by our Corporate Secretary.

- Our directors and Executive Officers may not at any time engage in hedging transactions (such as swaps, puts and calls, collars, and similar financial instruments) that would eliminate or limit the risks and rewards of Walmart stock ownership.

- Our directors and Executive Officers may not at any time engage in any short selling, buy or sell options, puts or calls, whether exchange-traded or otherwise, or engage in any other transaction in derivative securities that reflects speculation about the price of our stock or that may place their financial interests against the financial interests of our company.

- Our directors and Executive Officers are prohibited from using Walmart stock as collateral for any margin loan.

- Before using Walmart stock as collateral for any other borrowing, our directors and Executive Officers must satisfy the following requirements:

  - The pledging arrangement must be pre-approved by Walmart's Corporate Secretary; and

  - Any Walmart Shares pledged will not be counted when determining whether the director or Executive Officer is in compliance with our stock ownership guidelines.

Currently, none of our Independent Directors or Executive Officers has any pledging arrangements in place involving Walmart stock. One Outside Director has pledged Shares representing less than 1% of his sole and shared beneficial ownership of Shares as security for a line of credit, as disclosed on page 79 under "Holdings of Officers and Directors."

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Risk Considerations in our Compensation Program

The CNGC, pursuant to its charter, is responsible for reviewing and overseeing the compensation and benefits structure applicable to our Associates generally, including any risks that may arise from our compensation program. We do not believe that our compensation policies and practices for our Associates give rise to risks that are reasonably likely to have a material adverse effect on our company. In reaching this conclusion, we considered the following factors:

- Our compensation program is designed to provide a mix of both fixed and variable incentive compensation.
- The performance-based (cash incentive and performance share units) portions of compensation are designed to reward both annual performance (under the cash incentive plan) and longer-term performance (under the performance share unit program). We believe this design mitigates any incentive for short-term risk-taking that could be detrimental to our company's long-term best interests.
- Our performance-based incentive compensation programs generally reward a mix of different performance measures, namely, operating income-based measures; sales-based measures; and return on investment. We believe that this mix of performance measures mitigates any incentive to seek to maximize performance under one measure (e.g., sales growth) to the detriment of performance under another measure (e.g., return on investment). For example, if our management were to seek to increase sales by pursuing strategies that would negatively impact our operating income, resulting increases in performance share unit payouts should be offset by decreases in annual cash incentive payouts. The CNGC regularly reviews the mix and weightings of the performance measures used in our incentive compensation programs and has concluded that they provide appropriate incentives to encourage sustainable shareholder value creation and return on investment.
- Maximum payouts under both our annual cash incentive plan and our performance share unit program are capped at 125% and 150% of target payouts, respectively. We believe that these limits mitigate excessive risk-taking, since the maximum amount that can be earned in a single cycle is limited.
- A significant percentage of our management's incentive compensation is based on the performance of our total company. This is designed to mitigate any incentive to pursue strategies that might maximize the performance of a single operating segment or area of responsibility to the detriment of our company as a whole.
- Our senior executives are subject to stock ownership guidelines, which we believe motivate our executives to consider the long-term interests of our company and our shareholders and discourage excessive risk-taking that could negatively impact our stock price.
- Our performance-based incentive compensation programs are designed with payout curves that are relatively smooth and do not contain steep payout "cliffs" that might encourage short-term business decisions in order to meet a payout threshold.
- Our Executive Officers' annual cash incentive payments are subject to reduction or elimination if certain compliance objectives are not satisfied.

Finally, our cash incentive plan and our Stock Incentive Plan both contain provisions under which awards may be recouped or forfeited if the recipient has not complied with our policies, including our Global Statement of Ethics, or has committed acts detrimental to the best interests of our company.

Compensation Committee Report

The CNGC has reviewed and discussed with our company's management the CD&A included in this proxy statement and, based on that review and discussion, the CNGC recommended to the Board that the CD&A be included in this proxy statement.

The CNGC submits this report:

Aida M. Alvarez
Douglas N. Daft
Kevin Y. Systrom
Linda S. Wolf, *Chair*

Compensation Committee Interlocks and Insider Participation

None of the directors who served on the CNGC at any time during fiscal 2015 were officers or Associates of Walmart or were former officers or Associates of Walmart. Further, none of the members who served on the CNGC at any time during fiscal 2015 had any relationship with our company requiring disclosure under the section of this proxy statement entitled "Related Person Transactions." Finally, no Executive Officer serves, or in the past fiscal year has served, as a director of, or as a member of the compensation committee (or other board committee performing equivalent functions) of, any entity that has one or more of its executive officers serving as a director of Walmart or as a member of the CNGC.

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Summary Compensation

Name and Principal Position (a)	Fiscal Year ended Jan. 31 (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)	Non-Equity Incentive Plan Compensation ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)	All Other Compensation ($) (i)	Total ($)
C. Douglas McMillon	2015	1,200,930	0	14,597,374	2,878,272	322,359	393,673	19,392,608
President and CEO	2014	954,408	0	23,011,020	1,035,019	338,400	254,091	25,592,938
	2013	929,748	0	6,544,249	1,553,986	246,652	288,458	9,563,093
Charles M. Holley, Jr.	2015	885,165	0	4,798,975	1,349,190	137,129	261,382	7,431,841
Executive Vice President	2014	793,617	0	6,227,241	827,762	140,435	210,336	8,199,391
and CFO	2013	752,002	0	4,272,120	1,246,554	107,876	260,118	6,638,670
Gregory S. Foran	2015	846,910	500,000	15,781,823	1,273,491	4,084	1,128,815	19,535,123
Executive Vice President								
David Cheesewright	2015	1,152,850	551,852	5,598,373	2,503,814	605,579	252,586	10,665,054
Executive Vice President								
Rosalind G. Brewer	2015	893,819	0	6,698,382	1,711,746	11,051	245,237	9,560,235
Executive Vice President	2014	843,544	0	9,181,738	1,281,066	8,166	349,909	11,664,423
	2013	801,992	0	11,914,550	1,463,770	8,650	268,160	14,457,122
Neil M. Ashe	2015	935,303	0	6,648,142	1,618,926	2,205	232,199	9,436,775
Executive Vice President	2014	843,544	0	11,252,483	1,030,705	842	51,169	13,178,743
	2013	804,396	500,000	5,706,985	1,297,076	0	42,488	8,350,945

Explanation of information in the columns of the table:

Name and Principal Position and Fiscal Year ended Jan. 31 (columns (a) and (b))

Disclosure regarding Mr. Ashe's compensation for fiscal 2015 is not required under SEC rules. Nevertheless, we have included compensation information for Mr. Ashe on the same basis as our other NEOs. We chose to include this information for continuity purposes, as we expect that the executive officers required to be included as NEOs will vary from year to year among the executives included in the table.

Mr. Foran and Mr. Cheesewright were NEOs for the first time in fiscal 2015. Accordingly, only information relating to their fiscal 2015 compensation is included in the compensation tables and related discussions of NEO compensation.

Salary (column (c))

Represents salaries earned during the fiscal years shown. Mr. Cheesewright's salary is paid in Canadian dollars, and is reported here using an average exchange rate during fiscal 2015 of 1 CAD = 0.8984 USD. Mr. McMillon elected to defer $130,000 of his fiscal 2015 salary and Mr. Holley elected to defer $286,000 of his fiscal 2015 base salary, in each case under the Deferred Compensation Matching Plan. See pages 73-74 for details.

Bonus (column (d))

The amount for Mr. Foran represents a one-time bonus payable in connection with Mr. Foran's promotion to his current role. The amount for Mr. Cheesewright represents an additional cash incentive based on Mr. Cheesewright's individual performance during fiscal 2015, as further described in the CD&A on page 58. The amount for Mr. Cheesewright was paid in Canadian dollars, and is reported here using an average exchange rate during fiscal 2015 of 1 CAD = 0.8984 USD.

Stock Awards (column (e))

The CNGC generally grants equity awards to our Executive Officers each January, just prior to the end of our fiscal year, that are intended as part of each Executive Officer's compensation opportunity for the following year. Under the SEC's rules, however, these awards are reported as compensation for the year in which the grant date falls. Accordingly, this column includes, for each NEO, an award of restricted stock (or restricted stock units in the case of Mr. Cheesewright and Mr. Foran) and performance share units approved by the CNGC on January 26, 2015. This column also includes, for Mr. Foran, his fiscal 2014 annual award, which was made in April 2014 prior to his promotion to his current position. As described on page 58 of the CD&A, Mr. Foran was also granted additional "feather-in" performance share units during fiscal 2015, as is customary when executives are promoted to significantly larger roles.

In accordance with SEC rules, the amounts included in this column are the grant date fair value for awards granted in the fiscal years shown, computed in accordance with the stock-based compensation accounting rules that are a part of GAAP (as set forth in Financial Accounting Standards Board's Accounting Standards Codification Topic 718), but excluding the effect of any estimated forfeitures of such awards. For additional information about how we account for stock-based compensation, see Note 3 to our consolidated financial statements included in our Annual Report to Shareholders for fiscal 2015.

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The number of performance share units that vest, if any, depends on whether we achieve certain levels of performance with respect to certain performance measures. The grant date fair values of the performance share units included in this column are based on payouts at target, which we have determined, in accordance with the stock-based compensation accounting rules, to be the probable levels of achievement of the performance goals related to those awards. The table below shows the grant date fair value of the performance share unit awards granted to each NEO during fiscal 2015, assuming that: (i) our performance with respect to those performance measures will be at target levels (*i.e.*, probable performance); and (ii) our performance with respect to those performance measures will be at levels that would result in a maximum payout. The grant date fair value of each performance share unit was determined based on the closing price of a Share on the NYSE on the grant date, with stock-settled awards discounted for the expected dividend yield for such Shares during the vesting period:

Name	**Fiscal Year of Grant**	**Grant Date Fair Value (Probable Performance) ($)**	**Grant Date Fair Value (Maximum Performance) ($)**
C. Douglas McMillon	2015	10,754,909	16,132,406
Charles M. Holley, Jr.	2015	2,798,974	4,198,502
Gregory S. Foran	2015	13,246,404	19,869,650
David Cheesewright	2015	4,198,419	6,297,670
Rosalind G. Brewer	2015	4,198,419	6,297,670
Neil M. Ashe	2015	4,898,142	7,347,255

Option Awards (column (f))

We have omitted this column because we did not grant any option awards to NEOs during fiscal 2015, and stock options are not currently part of our executive compensation program.

Non-Equity Incentive Plan Compensation (column (g))

Represents annual cash incentive payments earned by our NEOs for performance during fiscal 2015, fiscal 2014, and fiscal 2013, respectively, but paid to our NEOs during the following fiscal year. Certain of our NEOs elected to defer a portion of their annual cash incentive payment for fiscal 2015, as follows:

Name	**Amount of Fiscal 2015 Cash Incentive Deferred ($)**
C. Douglas McMillon	1,439,136
Charles M. Holley, Jr.	681,974
Rosalind G. Brewer	256,762

Neil M. Ashe	117,000

Change in Pension Value and Nonqualified Deferred Compensation Earnings (column (h))

For each of the NEOs except Mr. Cheesewright, the amounts shown in this column represent above-market interest credited on deferred compensation under our company’s nonqualified deferred compensation plans, as calculated pursuant to Item 402(c)(2)(viii)(B) of SEC Regulation S-K. For Mr. Cheesewright, the amount in this column represents the aggregate change during fiscal 2015 in the actuarial present value of Mr. Cheesewright’s accumulated benefit in the pension plans administered by Asda, the company’s U.K. subsidiary. The increase was primarily due to a change in actuarial assumptions used to value the pension benefits. The amount reported for Mr. Cheesewright was converted from British Pounds using an average currency exchange rate during fiscal 2015 of 1.6367 USD = 1 GBP. Mr. Cheesewright participated in these pension plans in connection with his prior employment with Asda Group Limited from 1999 until 2011. These pension plans were closed to participants in 2011, but participants’ account balances are adjusted for inflation until they begin to receive distributions from the plan. See the Pension Benefits table on page 73 for more information.

All Other Compensation (column (i))

“All other compensation” for fiscal 2015 includes the following amounts:

Name	**401(k) Plan Matching Contributions ($)**	**Personal Use of Company Aircraft ($)**	**Company Contributions to Deferred Compensation Plans ($)**
C. Douglas McMillon	15,600	82,274	292,016
Charles M. Holley, Jr.	15,600	74,012	167,368
Gregory S. Foran	15,600	23,030	0
David Cheesewright	0	247,450	0
Rosalind G. Brewer	15,600	83,505	140,528
Neil M. Ashe	15,600	89,834	117,000

The value shown for personal use of Walmart aircraft is the incremental cost to our company of such use, which is calculated based on the variable operating costs to our company per hour of operation, which include fuel costs, maintenance, and associated travel costs for the crew. Fixed costs that do not change based on usage, such as pilot salaries, depreciation, insurance, and rent, are not included.

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"All other compensation" for fiscal 2015 also includes the following amounts for Mr. Foran:

- $206,837 for relocation expenses and $442,797 in standard expatriate benefits. Mr. Foran served on two separate expatriate assignments during fiscal 2015, in China and in Hong Kong, and was relocated twice, first from China to Hong Kong, and then to Walmart's headquarters in Bentonville, Arkansas in connection with his promotion to his current assignment. The company paid or reimbursed standard relocation expenses in connection with both of his moves, including travel, movement of household goods, and temporary housing. Mr. Foran did not receive any reimbursement for any loss on the sale of a residence. During his expatriate assignments, Mr. Foran received standard benefits available to all company Associates on expatriate assignments, including housing, automobile, and car and driver. A portion of this amount was reimbursed or paid in Chinese Yuan Renminbi (CNY) or Hong Kong Dollars (HKD), and have been reported here using average currency exchange rates during fiscal 2015 of 1 CNY = 0.1626 USD and 1 HKD = 0.1290 USD.
- $423,162 in tax equalization for Mr. Foran. In accordance with our tax equalization policy for all expatriates, we made certain income tax payments on Mr. Foran's behalf so that Mr. Foran's effective income tax obligation was equal to what it would have been if all of his fiscal 2015 taxable income was subject only to state and federal income taxes in the U.S.
- $13,129 of dividend equivalents credited to cash-settled restricted stock units granted in fiscal 2015. Under the stock-based compensation accounting rules that are a part of GAAP (as set forth in Financial Accounting Standards Board's Accounting Standards Codification Topic 718), these dividend equivalents are not included in the grant date fair value of these restricted stock units.

The amounts in this column for fiscal 2015 also include tax gross-up payments to our NEOs in amounts less than $10,000. The amounts in this column for fiscal 2015 also include the cost of term life insurance premiums for each of our NEOs and physical examinations for Mr. Holley, Ms. Brewer, and Mr. Ashe, as well as the cost of tax preparation services for Mr. Foran and Mr. Cheesewright related to their prior expatriate service. The values of these personal benefits are based on the incremental aggregate cost to our company and are not individually quantified because none of them individually exceed the greater of $25,000 or 10% of the total amount of perquisites or personal benefits provided to such NEO.

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Fiscal 2015 Grants of Plan-Based Awards

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards
Name	Grant Date	Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	(#) (i)	($) (l)
C. Douglas		1,526,400	4,070,400	5,088,000					
McMillon	1/26/15				65,032[1]	130,063[1]	195,095[1]		10,754,909
	1/26/15							43,354[4]	3,842,465
Charles M.		712,125	1,899,000	2,373,750					
Holley, Jr.	1/26/15				16,925[1]	33,849 [1]	50,774 [1]		2,798,974
	1/26/15							11,283[4]	1,000,012
	11/20/14							11,823[5]	999,989
Gregory S.		880,650	2,348,400	2,935,500					
Foran	1/26/15				27,502[1]	55,004 [1]	82,506 [1]		4,548,281
	1/26/15				23,594[2]	47,188 [2]	70,782 [2]		3,996,352
	1/26/15				23,658[3]	47,315 [3]	70,973 [3]		4,101,737
	4/1/14				3,908 [2]	7,816 [2]	11,724 [2]		600,034
	1/26/15							18,335[4]	1,625,031
	4/1/14							2,605 [6]	199,986
	5/31/14							9,769 [7]	710,402
David		1,091,632	2,911,019	3,638,773					
Cheesewright	1/26/15				25,387[1]	50,773 [1]	76,160 [1]		4,198,419
	1/26/15							16,924[8]	1,399,953
Rosalind G.		830,250	2,214,000	2,767,500					
Brewer			1,000,000						
	1/26/15				25,387[1]	50,773 [1]	76,160 [1]		4,198,419
	1/26/15							16,924[4]	1,499,974
	9/25/14							13,137[9]	999,988
Neil M. Ashe		906,300	2,416,800	3,021,000					
	1/26/15				29,618[1]	59,235 [1]	88,853 [1]		4,898,142
	1/26/15							19,745[4]	1,749,999

Explanation of information in the columns of the table:

Estimated Future Payments Under Non-Equity Incentive Plan Awards (columns (c), (d) and (e))

The amounts in these columns represent the threshold, target, and maximum amounts of potential annual cash incentive payments that may be earned by our NEOs under the Management Incentive Plan for performance during fiscal 2016. The performance measures and weightings applicable to these awards for each of our NEOs are as follows: