

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

FORM 10-K

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

For the fiscal year ended January 31, 2026, or

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

Commission file number 001-06991.

Walmart Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1 Customer Drive

Bentonville, AR

(Address of principal executive offices)

71-0415188

(IRS Employer Identification No.)

72716

(Zip Code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	WMT	The Nasdaq Stock Market LLC
2.550% Notes due 2026	WMT26	The Nasdaq Stock Market LLC
1.050% Notes due 2026	WMT26A	The Nasdaq Stock Market LLC
1.500% Notes due 2028	WMT28C	The Nasdaq Stock Market LLC
4.875% Notes due 2029	WMT29B	The Nasdaq Stock Market LLC
5.750% Notes due 2030	WMT30B	The Nasdaq Stock Market LLC
1.800% Notes due 2031	WMT31A	The Nasdaq Stock Market LLC
5.625% Notes due 2034	WMT34	The Nasdaq Stock Market LLC
5.250% Notes due 2035	WMT35A	The Nasdaq Stock Market LLC
4.875% Notes due 2039	WMT39	The Nasdaq Stock Market LLC

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

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

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

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

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

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

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

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

Yes No

As of July 31, 2025, the aggregate market value of the voting common stock of the registrant held by non-affiliates of the registrant, based on the closing sale price of those shares on the New York Stock Exchange reported on July 31, 2025, was \$391,703,475,732. For the purposes of this disclosure only, the registrant has assumed that its directors, executive officers (as defined in Rule 3b-7 under the Exchange Act) and the beneficial owners of 5% or more of the registrant's outstanding common stock are the affiliates of the registrant.

The registrant had 7,972,402,501 shares of common stock outstanding as of March 11, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Parts Into Which Incorporated</u>
Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held June 4, 2026 (the "Proxy Statement")	Part III

Walmart Inc.
Form 10-K
For the Fiscal Year Ended January 31, 2026

Table of Contents

	<u>Page</u>
<u>Part I</u>	
<u>Item 1</u> <u>Business</u>	<u>6</u>
<u>Item 1A</u> <u>Risk Factors</u>	<u>13</u>
<u>Item 1B</u> <u>Unresolved Staff Comments</u>	<u>27</u>
<u>Item 1C</u> <u>Cybersecurity</u>	<u>27</u>
<u>Item 2</u> <u>Properties</u>	<u>29</u>
<u>Item 3</u> <u>Legal Proceedings</u>	<u>30</u>
<u>Item 4</u> <u>Mine Safety Disclosures</u>	<u>30</u>
<u>Part II</u>	
<u>Item 5</u> <u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>31</u>
<u>Item 6</u> <u>Reserved</u>	<u>32</u>
<u>Item 7</u> <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>33</u>
<u>Item 7A</u> <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>46</u>
<u>Item 8</u> <u>Financial Statements and Supplementary Data</u>	<u>48</u>
<u>Item 9</u> <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	<u>80</u>
<u>Item 9A</u> <u>Controls and Procedures</u>	<u>80</u>
<u>Item 9B</u> <u>Other Information</u>	<u>81</u>
<u>Item 9C</u> <u>Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u>	<u>81</u>
<u>Part III</u>	
<u>Item 10</u> <u>Directors, Executive Officers and Corporate Governance</u>	<u>82</u>
<u>Item 11</u> <u>Executive Compensation</u>	<u>82</u>
<u>Item 12</u> <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>82</u>
<u>Item 13</u> <u>Certain Relationships and Related Transactions, and Director Independence</u>	<u>82</u>
<u>Item 14</u> <u>Principal Accounting Fees and Services</u>	<u>82</u>
<u>Part IV</u>	
<u>Item 15</u> <u>Exhibits, Financial Statement Schedules</u>	<u>83</u>
<u>Item 16</u> <u>Form 10-K Summary</u>	<u>85</u>
<u>Signatures</u>	<u>86</u>

WALMART INC.

ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED JANUARY 31, 2026

All references in this Annual Report on Form 10-K, the information incorporated into this Annual Report on Form 10-K by reference to information in the Proxy Statement of Walmart Inc. for its Annual Shareholders' Meeting to be held on June 4, 2026 and in the exhibits to this Annual Report on Form 10-K to "Walmart Inc.," "Walmart," "the Company," "our Company," "we," "us" and "our" are to the Delaware corporation named "Walmart Inc." and, except where expressly noted otherwise or the context otherwise requires, that corporation's consolidated subsidiaries.

PART I

Cautionary Statement Regarding Forward-Looking Statements

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

Nature of Forward-Looking Statements

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

- macroeconomic, geopolitical, and business conditions, trends and events around the world and in the markets in which we operate, including inflation or deflation, generally, and in certain product categories, the impact of supply chain challenges, tariffs and recessionary pressures;
- changes or modifications in tariff rates, exemptions therefrom or the imposition of new tariffs or new taxes on imports, and changes or modifications in trade restrictions or the imposition of new trade restrictions;
- the growth of our business or change in our competitive position in the future, or in or over particular periods, both generally, and with respect to particular markets, segments or lines of business, including, but not limited to, advertising, fulfillment, healthcare and financial services;
- the amount, number, growth, increase, reduction or decrease in or over certain periods, of or in certain financial items or measures or operating measures, including our earnings per share, net sales, growth rates, comparable store and club sales, our eCommerce sales, liabilities, expenses of certain categories, including share-based compensation, expense leverage, operating income, returns, capital and operating investments or expenditures of particular types and new store and club openings, inventory levels and associated costs, product mix and demand for certain merchandise, consumer confidence, disposable income, credit availability, spending levels, shopping patterns and debt levels;
- our increasing investments in eCommerce, technology (including the use of artificial intelligence "AI"), automation, supply chain, new stores and clubs as well as remodels and other omnichannel customer initiatives, such as same day pickup and delivery;
- investments and capital expenditures we will make and how certain of those investments and capital expenditures are expected to be financed;
- our workforce strategy, including the availability of necessary personnel to staff our stores, clubs and other facilities and the potential impact of changes to the costs of labor;
- volatility in currency exchange rates affecting our consolidated, or one or more of our segments' results of operations;
- the Company continuing to provide returns to shareholders through share repurchases and dividends, the use of share repurchase authorization over a certain period or the source of funding of a certain portion of our share repurchases;
- our sources of liquidity, including our cash, continuing to be adequate or sufficient to fund our operations, finance our global investment and expansion activities, pay dividends and fund share repurchases;
- cash flows from operations, our current cash position and access to capital markets or credit will continue to be sufficient to meet our anticipated operating cash needs;
- our effective tax rate for certain periods and the realization of certain net deferred tax assets and the effects of resolutions of tax-related matters;

- the adoption or creation of new, and modification of existing, governmental policies, programs, initiatives and actions in the markets in which we operate and elsewhere and actions with respect to such policies, programs and initiatives (including, but not limited to, changes in the enforcement priorities of regulatory authorities);
- the effect of adverse decisions in, or settlement of, litigation or other proceedings or investigations to which we are subject, and the liabilities, obligations and expenses, if any, that we may incur in connection therewith, including expenses pertaining to general liability claims, for which we self-insure;
- the effect on our results of operations or financial position of our adoption of certain new, or amendments to existing, accounting standards; or
- our commitments, intentions, plans or goals related to our shared value priorities, including, but not limited to, the sustainability of our environment and supply chains, the promotion of economic opportunity or other societal initiatives.

Our forward-looking statements may also include statements of our strategies, plans and objectives for our operations, including areas of future focus in our operations, and the assumptions underlying any of the forward-looking statements we make. The forward-looking statements we make can typically be identified by the use therein of words and phrases such as "aim," "anticipate," "believe," "continue," "could be," "could increase," "could occur," "could result," "estimate," "expansion," "expect," "expectation," "expected to be," "focus," "forecast," "goal," "grow," "guidance," "intend," "invest," "is expected," "may continue," "may fluctuate," "may grow," "may impact," "may result," "objective," "plan," "priority," "project," "should," "strategy," "to be," "we'll," "we will," "will add," "will allow," "will be," "will benefit," "will change," "will come in at," "will continue," "will decrease," "will grow," "will have," "will impact," "will include," "will increase," "will open," "will remain," "will result," "will stay," "will strengthen," "would be," "would decrease" and "would increase," variations of such words or phrases, other phrases commencing with the word "will" or similar words and phrases denoting anticipated or expected occurrences or results.

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

ITEM 1. BUSINESS

General

Walmart Inc. ("Walmart," the "Company" or "we") is a people-led, technology-powered omnichannel retailer dedicated to helping people around the world save money and live better by providing the opportunity to shop in both retail stores and through eCommerce, and to access our other service offerings. Through innovation, we strive to continuously improve a customer-centric experience that seamlessly integrates our eCommerce and retail stores in an omnichannel offering that saves time for our customers. Each week, we serve approximately 280 million customers who visit more than 10,900 stores in 19 countries and through our numerous eCommerce websites and mobile applications.

Our strategy is to make every day easier for busy families, operate with discipline, sharpen our culture and become more digital, and make trust a competitive advantage. Making life easier for busy families includes our commitment to price leadership, which has been and will remain a cornerstone of our business, as well as increasing convenience to save our customers time. By leading on price, we earn the trust of our customers every day by providing a broad assortment of quality merchandise and services at everyday low prices ("EDLP"). EDLP is our pricing philosophy under which we price items at a low price every day so our customers trust that our prices will not change under frequent promotional activity. Everyday low cost ("EDLC") is our commitment to control expenses so our cost savings can be passed along to our customers.

Our operations comprise three reportable segments: Walmart U.S., Walmart International and Sam's Club U.S. Our fiscal year ends on January 31 for our United States ("U.S.") and Canadian operations. We consolidate all other operations generally using a one-month lag and on a calendar year basis. Our discussion is as of, and for the fiscal years ended, January 31, 2026 ("fiscal 2026"), January 31, 2025 ("fiscal 2025") and January 31, 2024 ("fiscal 2024"). During fiscal 2026, we generated total revenues of \$713.2 billion, which primarily comprised net sales of \$706.4 billion.

We maintain our principal offices in Bentonville, Arkansas. Our common stock trades on the Nasdaq Global Select Market under the symbol "WMT."

The Development of Our Company

The businesses conducted by our founders began in 1945 when Sam M. Walton opened a franchise Ben Franklin variety store in Newport, Arkansas. In 1946, his brother, James L. Walton, opened a similar store in Versailles, Missouri. Until 1962, our founders' business was devoted entirely to the operation of variety stores, at which time we began to open discount stores. We completed our initial public offering in 1970. In 1983, we opened our first Sam's Club, and in 1988, we opened our first supercenter. In 1998, we opened our first Walmart Neighborhood Market. In 1991, we began our first international initiative when we entered into a joint venture in Mexico and, as of January 31, 2026, our Walmart International segment conducted business in 18 countries.

In 1996, we began our first eCommerce initiative by creating both walmart.com and samsclub.com. Since then, our eCommerce presence has continued to grow. In 2007, leveraging our physical stores, walmart.com launched its Site-to-Store service, enabling customers to make a purchase online and pick up merchandise in stores. Today, customers can access pickup or delivery services at over 8,400 locations globally, reflecting our ability to leverage our store and club footprint to expand customer access. In 2018, we expanded our eCommerce and digital presence through acquisitions with our majority stakes in Flipkart and PhonePe in India. We continue to heavily invest in omnichannel and eCommerce innovation, as well as supply chain capabilities, which enables us to leverage technology, talent and expertise, and expand our assortment and service offerings, including through the integration of advanced technologies such as AI.

We are enhancing our omnichannel capabilities through a combination of stores, eCommerce websites, mobile applications and service offerings, as well as our supply chain, combined with approximately 2.1 million associates as of January 31, 2026, to better serve our customers. Our strategies increasingly include the use of AI-powered tools to support customer and member-facing experiences, associate productivity and operational efficiency across our ecosystem. Together, these elements produce a global retail ecosystem that we believe allows customers to view Walmart as their primary retail destination. As we execute on our strategy globally, our business continues to expand through offerings such as membership, advertising, marketplace and fulfillment services, and financial services. These offerings represent mutually reinforcing pieces of our omnichannel model centered on our customers around the world who are increasingly seeking convenience.

Information About Our Segments

We are engaged in global operations of retail, wholesale and other units, as well as eCommerce, located throughout the U.S., Africa, Canada, Central America, Chile, China, India and Mexico. Our operations are conducted in three reportable segments: Walmart U.S., Walmart International and Sam's Club U.S., which are further described below. Each segment contributes to the Company's operating results differently. However, each has generally maintained a consistent contribution rate to the Company's net sales in recent years other than minor changes to the contribution rate for the Walmart International segment due to fluctuations in currency exchange rates. Additional information on our operating segments and geographic information is contained in [Note 11](#) to our Consolidated Financial Statements.

Walmart U.S. Segment

Walmart U.S. is our largest segment and operates 4,611 stores in the U.S., including in all 50 states, Washington D.C. and Puerto Rico. Walmart U.S. is a mass merchandiser of consumer products, operating under the "Walmart" and "Walmart Neighborhood Market" brands, as well as walmart.com and the Walmart mobile application. Walmart U.S. had net sales of \$483.0 billion for fiscal 2026, representing 68% of our fiscal 2026 consolidated net sales, and had net sales of \$462.4 billion and \$441.8 billion for fiscal 2025 and 2024, respectively.

Omnichannel. Walmart U.S. provides a convenient and seamless omnichannel experience to customers, integrating retail stores and eCommerce. Substantially all our stores provide same-day pickup and delivery, offering expedited delivery options that enable us to reach customers faster and in the ways they prefer, including in-home delivery and digital pharmacy fulfillment. Our Walmart+ membership offering provides enhanced omnichannel shopping benefits including unlimited free shipping on eligible items with no order minimum, unlimited delivery from store, fuel discounts, mobile Scan & Go and access to additional member benefits.

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

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

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

Brand name merchandise represents a significant portion of the merchandise sold in Walmart U.S. We also market lines of merchandise under our private brands, including brands such as: "Athletic Works," "bettergoods," "Equate," "Free Assembly," "Freshness Guaranteed," "George," "Great Value," "Holiday Time," "Hyper Tough," "Joyspun," "Kid Connection," "Mainstays," "Marketside," "No Boundaries," "onn.," "Ozark Trail," "Parent's Choice," "Sam's Choice," "Scoop," "Spring Valley," "Time and Tru," "Way to Celebrate" and "Wonder Nation." The Company also markets lines of merchandise under licensed brands, some of which include: "Avia," "Better Homes & Gardens," "Sofia Jeans by Sofia Vergara" and "The Pioneer Woman."

Other offerings in the Walmart U.S. business include advertising solutions for brands and online marketplace sellers, supply chain and fulfillment capabilities to online marketplace sellers, and data analytics and insights for suppliers and brands. Additional offerings include fuel, financial services and related products such as money orders, prepaid access, money transfers, check cashing, bill payment and certain types of installment lending.

Walmart International Segment

Walmart International is our second largest segment and operates 5,743 stores across 18 countries outside of the U.S. Walmart International operates through our wholly-owned subsidiaries in Canada, Chile, China, and Africa (which includes Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa and Zambia), and our majority-owned subsidiaries in India, as well as Mexico and Central America (which includes Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua).

Walmart International includes numerous formats divided into two major categories: retail and wholesale. These categories consist of many formats, including: supercenters, supermarkets, warehouse clubs (including our membership-only Sam's Club format) and cash and carry, as well as eCommerce through websites and mobile applications, including walmart.com.mx, walmart.ca, flipkart.com, PhonePe, samclub.cn and other sites. Walmart International had net sales of \$130.4 billion for fiscal 2026, representing 19% of our fiscal 2026 consolidated net sales, and had net sales of \$121.9 billion and \$114.6 billion for fiscal 2025 and 2024, respectively.

Walmart International's purpose is to help millions of customers and members save money and live better every day by leveraging our global ecosystem and deep local expertise to provide access to affordable products and services. In addition, we share what we learn in our markets to help the enterprise innovate and grow even faster. We are deliberate about where and how we choose to operate to best enable long-term, sustainable and profitable growth.

Omnichannel. Walmart International provides a convenient and seamless omnichannel experience to customers, integrating retail stores and eCommerce, such as through our pickup and delivery services from approximately 3,300 locations across all of our markets, including same-day and expedited delivery options across our markets. We continue to expand our marketplace offerings, which further enhances our fulfillment and advertising services.

Merchandise and Other Offerings. The merchandising strategy for Walmart International is similar to that of our operations in the U.S. in terms of the breadth and scope of merchandise offered for sale. While brand name merchandise accounts for a majority of our sales, we have both leveraged U.S. private brands and developed market specific private brands to serve our customers with high quality, low priced items. Along with the private brands we market globally, such as "Equate," "George," "Great Value," "Holiday Time," "Mainstays," "Marketside," "Member's Mark" and "Parent's Choice," our international markets have developed market specific brands including "Aurrera" and "Lider." In addition, we have developed and continue to grow our relationships with regional and local suppliers in each market to ensure reliable sources of quality merchandise that is equal to national brands at low prices. Consistent with its strategy, Walmart International continues to build mutually reinforcing businesses in areas such as advertising, marketplace and fulfillment services, financial services and healthcare.

Sam's Club U.S. Segment

Sam's Club U.S. is a membership-only warehouse club that operates 601 clubs in 44 states in the U.S. and Puerto Rico and also operates samsclub.com and the Sam's Club mobile application. Sam's Club U.S. had net sales of \$93.0 billion for fiscal 2026, representing 13% of our consolidated fiscal 2026 net sales, and had net sales of \$90.2 billion and \$86.2 billion for fiscal 2025 and 2024, respectively. As a membership-only club, membership income is a significant component of the segment's operating income.

Membership. The following two membership tiers are available: Club membership for a \$50 annual fee and Plus membership for a \$110 annual fee. All memberships include a spouse/household card at no additional cost, and members may purchase add-on memberships for \$45 each, subject to tier-based limits. Club members are eligible for free curbside pickup, and Plus members receive additional benefits including free delivery-from-club and free shipping on orders of \$50 or greater, exclusive discounts and convenience offers, and the ability to shop before regular shopping hours. Members may also earn Sam's Cash rewards on qualifying purchases that can be redeemed for cash, used for purchases, or used to pay membership fees.

Omnichannel. Sam's Club U.S. provides a fast and seamless omnichannel experience to members, integrating physical clubs and eCommerce. Club-fulfilled curbside pickup and delivery provides fast and convenient ways to shop for members; Scan & Go mobile checkout and payment solution allows members to bypass the checkout line; and Just Go provides members with a friction-free exit experience.

Merchandise and Other Offerings. Sam's Club U.S. offers merchandise in the following four merchandise categories:

- Grocery consists of dairy, meat, bakery, deli, produce, dry, chilled or frozen packaged foods, alcoholic and nonalcoholic beverages, floral, snack foods, candy, other grocery items, as well as consumables such as health and beauty aids, protein and nutrition, paper goods, laundry and home care, baby care, pet supplies and other consumable items;
- General merchandise includes:
 - Home, hardlines and seasonal items (such as home improvement, outdoor living, gardening, furniture, apparel, jewelry, tools and power equipment, housewares, toys and mattresses); and
 - Technology and entertainment items (such as consumer electronics and accessories, software, video games, office supplies, appliances and third-party gift cards).
- Health and wellness includes pharmacy, optical and hearing services, and over-the-counter drugs; and
- Fuel and other categories.

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

Within the categories above, the Sam's Club Member's Mark private label brand offers premium-quality, "Made Without" products across a wide range of categories at competitive, value-driven prices, designed to meet the needs of members. We continue to expand its assortment to reinforce Sam's Club value proposition to our members.

Other offerings in the Sam's Club U.S. business include advertising solutions for brands as well as operational insights and analytics for suppliers. Additional offerings include tire and battery installation services, photo and tech assistance, home and auto solutions, and certain financial services and related products.

Additional Information About Our Business

Competition. We compete with brick and mortar, eCommerce and omnichannel retailers operating discount, department, retail and wholesale grocery, drug, dollar, variety and specialty stores, supermarkets, supercenter-type stores, membership-only warehouse clubs, gasoline stations and social commerce platforms, as well as companies that offer services in digital advertising, fulfillment and delivery services, health and wellness and financial services. Our ability to develop and effectively operate different formats at the right locations and to deliver a customer-centric omnichannel experience largely determines our competitive position in the retail industry within the markets where we operate. Each of these landscapes is highly competitive and rapidly evolving, and new business models and the entry of new, well-funded competitors continue to intensify this competition. Some of our competitors have longer histories in these lines of business, more customers and greater brand recognition. They may be able to obtain more favorable terms from suppliers and business partners and to devote greater resources to the development of these businesses. In addition, for eCommerce and other internet-based businesses, newer or smaller businesses may be better able to innovate and compete with us.

We compete in a variety of ways, including the prices at which we sell our merchandise, merchandise and selection availability, services offered to customers, the quality of the products and services we offer, location, store and club hours, on-site amenities, the shopping convenience and overall shopping experience we offer, the attractiveness and ease of use of our digital platforms, cost and speed of and options for delivery to customers of merchandise purchased through our digital platforms or through our omnichannel integration of our physical and digital operations. We employ many strategies and programs designed to meet competitive pressures within our industry, which increasingly incorporate the use of AI-powered tools. These strategies include the following:

- EDLP: our pricing philosophy under which we price items at everyday low prices so our customers trust that our prices will not change under frequent promotional activity;
- EDLC: everyday low cost is our commitment to control expenses so our cost savings can be passed along to our customers;
- Omnichannel offerings such as pickup and delivery, all of which enhance convenience and seek to serve customers in the ways they want to be served;
- Expanding our ecosystem and the products and services we offer in areas such as digital advertising, marketplace and fulfillment services, health and wellness, and financial services to provide our customers a broader set of offerings to meet expanding needs;
- Opening new stores and clubs, as well as remodeling existing locations, to enhance the customer experience, support omnichannel capabilities, and strengthen our physical footprint in existing and new markets; and
- Investing in technology, automation, and our associates to deliver growth, expand operating margins and improve returns.

Seasonal Aspects of Operations. Our business is seasonal to a certain extent and varies by country due to different national and religious holidays, festivals and customs, as well as different weather patterns. Historically, our highest sales volume for each segment has occurred in the fourth quarter of our fiscal year.

Suppliers, Supply Chain and Distribution. As a retailer and warehouse club operator, we utilize a global supply chain that includes both U.S. and international suppliers from whom we purchase the merchandise that we sell in our stores, clubs and online. In many instances, we purchase merchandise from producers located near the stores and clubs in which such merchandise will be sold, particularly perishable items. Consistent with applicable laws, we offer our suppliers the opportunity to efficiently sell significant quantities of their products to us. These relationships enable us to obtain pricing that reflects the volume, certainty and cost-effectiveness these arrangements provide to such suppliers, which in turn enables us to provide low prices to our customers. Our suppliers are subject to standards of conduct, including requirements that they comply with local labor laws, local worker safety laws and other applicable laws. Our ability to acquire from our suppliers the assortment and volume of products we wish to offer to our customers, to receive those products within the required time through our supply chain and to distribute those products to our stores and clubs, determines, along with other supply chain logistics matters (such as containers or port access for example), in part, our in-stock levels in our stores and clubs and the attractiveness of our merchandise assortment we offer to our customers and members.

We continue to invest in supply chain automation and our fulfillment and delivery capabilities to better serve our customers. In the U.S., we utilize a network of 192 distribution facilities located strategically throughout the country using a combination of our private truck fleet as well as contracting with common carriers. During fiscal 2026, we began combining the Sam's Club U.S. supply chain function with Walmart U.S. to streamline operations and leverage our enterprise systems and infrastructure over time. Outside the U.S., we utilize a total of 179 distribution facilities strategically located in Africa, Canada, Central America, Chile, China, India and Mexico, which process and distribute both imported and domestic products to where our customers live. For fiscal 2026, the majority of our purchases of store and club merchandise were shipped through these facilities, while most of the remaining merchandise we purchased was shipped directly from suppliers to our stores and clubs. As an omnichannel retailer, we ship merchandise purchased by customers on our eCommerce platforms by a number of methods from multiple locations, including leveraging our network of stores and clubs to fulfill and deliver customer orders, as well as shipping directly from eCommerce fulfillment centers and other distribution facilities.

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

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

Our Shared Value Priorities

As part of our purpose to help people save money and live better, we seek to operate our business in a way that creates shared value. We believe we maximize long-term value and competitive advantage by delivering for stakeholders, customers, associates, shareholders, suppliers, partners and communities. Addressing their needs strengthens our business by building trust, creating opportunity, managing cost and risk, developing future capabilities and reinforcing the systems on which we rely.

We prioritize stakeholder issues with the greatest potential to create long-term shared value – those most relevant to our business, important to stakeholder trust and where Walmart can make a meaningful impact.

- **Opportunity.** Expanding economic opportunity for associates, suppliers and communities helps us attract and retain talent, meet customer needs and strengthen resilience. As described further below, our workforce strategy focuses on preparing our workforce for the future by aligning skills with evolving business needs and investing in career pathways and learning. We also support supplier growth through development programs and sourcing from a diverse mix of local and global suppliers.
- **Sustainability.** Walmart's sustainability efforts focus on enhancing the resilience of our operations and product value chains to enhance surety of supply, catalyze innovation and growth, maintain everyday low cost and build stakeholder trust. Our priorities include reducing greenhouse gas emissions, regenerating natural resources, reducing product and packaging waste and supporting people who work in supply chains through responsible sourcing and the creation of economic opportunity.
- **Community.** We serve customers globally through our omnichannel model and contribute to community vitality by providing quality jobs and training, investing in local suppliers, supporting causes important to customers and associates and assisting communities during crises and natural disasters.
- **Ethics and Integrity.** We foster trust by promoting ethics and compliance, maintaining strong governance and oversight, engaging responsibly in public policy, using data and technology responsibly and respecting human rights.

We report periodically on these priorities through environmental, social and governance disclosures on our corporate website, which are not incorporated by reference into this Annual Report on Form 10-K or incorporated by reference into any of our other filings with the SEC.

Human Capital Management

As Walmart grows, the way we attract, develop and reward talent – and design how work gets done – evolves alongside our business. Our business is focused on serving people and this is delivered by our approximately 2.1 million associates around the world with approximately 1.6 million associates in the U.S. and approximately 0.5 million associates internationally. In the U.S., approximately 92% of our associates are hourly and approximately 68% of our associates are full-time. Our workforce strategy reflects our commitment to creating a future-ready workforce, supporting associate growth, and fostering a culture where associates can thrive.

Workforce Strategy and Enablement. Our workforce strategy focuses on aligning our organizational structure, talent capabilities and technology investments with the evolving needs of the business, including development of a digitally skilled, AI-enabled workforce. This includes preparing associates for new roles, technologies and ways of working, as well as deploying digital tools that support associate effectiveness, engagement and performance. As part of this effort, we are making everyday work simpler and more meaningful by reshaping roles to emphasize uniquely human strengths such as creativity and leadership and identifying areas where AI can automate repetitive tasks.

We are committed to maintaining fair and competitive workforce practices as we evolve how work gets done. We regularly review our workforce practices to support consistency, accountability and long-term sustainability, and we maintain a performance-based culture where associates are rewarded based on meaningful factors such as qualifications, experience, performance and the work they do.

Associate Growth and Development. Investment in associate growth and development supports skill-building, leadership development and overall business performance. Development programs are designed to meet both individual and business needs, offering multiple career pathways and learning opportunities across roles, levels and geographies. Our development approach focuses on building leadership, technical and professional capabilities and equipping associates with the skills required for a changing environment. This includes company-wide AI learning pathways and certifications designed to meet associates where they are.

Internal career mobility is an important component of our talent model. Approximately 75% of U.S. salaried store, club and supply chain management associates began their careers in hourly positions, reflecting long-term advancement opportunities within the Company.

Development is further supported through targeted programs such as Walmart Academy, which provides training in retail skills, leadership and well-being, along with Live Better U, which offers eligible associates access to high school diplomas, certificates, skills credentials and college degrees that are aligned to business needs and in-demand roles.

By investing in development, career mobility and skills, we strengthen our associate value proposition and support a workforce capable of adapting as our business evolves.

Associate Experience and Engagement. Our efforts focus on supporting associate well-being, listening and a culture of belonging. We prioritize the financial, physical and mental well-being of our associates by offering competitive wages and a broad range of benefits designed to meet the diverse needs of our global workforce and their eligible dependents. In the U.S., these benefits include a 401(k) match, Associate Stock Purchase Plan match, associate discounts, predictable scheduling practices, paid time off, life insurance, medical coverage (for most plans, this includes no-cost virtual care and no-cost centers of excellence program for certain complex conditions), behavioral health services, family building benefits, maternity leave and paid parental leave for full-time associates.

We focus on creating a workplace where associates feel seen, supported and connected, and where they can perform at their best. Associate perspectives help shape the workplace through listening channels such as in-person dialogue, leadership visits and listening sessions, associate engagement surveys, pulse surveys and always-on confidential reporting mechanisms, including Open Door and ethics processes.

Walmart's culture is grounded in our core value of "Respect the Individual," and we believe in fostering a culture where everyone belongs—for associates and for driving business success. When associates feel valued for who they are, engagement deepens and associates are empowered to better serve our customers and members while delivering innovative solutions for our business. As part of our commitment to accountability and transparency, we publish workforce representation data and provide recurring updates to senior leadership, including our President and CEO, and to members of our Board of Directors.

Additional information about our associates and our investments in them can be found on our corporate website, which are not incorporated by reference into this Annual Report on Form 10-K or incorporated by reference into any of our other filings with the SEC. Certain information relating to retirement-related benefits we provide to our associates is included in [Note 10](#) to our Consolidated Financial Statements.

Our Website and Availability of SEC Reports and Other Information

Our corporate website is located at www.stock.walmart.com. We file with, or furnish to, the SEC Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, amendments to those reports, proxy statements and annual reports to shareholders, and, from time to time, other documents. The reports and other documents filed with, or furnished to, the SEC are available to investors on or through our corporate website free of charge as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers, such as the Company, that file electronically with the SEC. The address of that website is www.sec.gov. Our SEC filings, our Reporting Protocols for Senior Financial Officers and our Code of Conduct can be found on our website at www.stock.walmart.com. These documents are available in print to any shareholder who requests a copy by writing or calling our Investor Relations Department, which is located at our principal offices.

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

Information About Our Executive Officers

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

Name	Business Experience	Current Position Held Since	Age
Daniel J. Bartlett	Executive Vice President, Corporate Affairs, effective June 2013. From November 2007 to June 2013, he served as Chief Executive Officer and President of U.S. Operations at Hill & Knowlton, Inc., a public relations company.	2013	54
Seth Dallaire	Executive Vice President and Chief Growth Officer, effective February 2026. From October 2024 to February 2026, he served as Executive Vice President and Chief Growth Officer, Walmart U.S. From November 2021 to October 2024, he served as Executive Vice President and Chief Revenue Officer, Walmart U.S. From November 2019 to November 2021 he served as Chief Revenue Officer at Instacart.	2026	55
Daniel Danker	Executive Vice President, AI Acceleration, Product and Design, effective August 2025. From March 2021 to August 2025, he worked at Instacart in various roles, including most recently, Chief Product Officer and Head of Online Grocery. From July 2018 to March 2021, he worked at Uber in various roles, including most recently Head of Product, Uber Eats.	2025	45
John Furner	President and Chief Executive Officer, effective February 2026. From November 2019 to February 2026, he served as Executive Vice President, President and Chief Executive Officer, Walmart U.S.	2026	51
David Guggina	Executive Vice President, President and Chief Executive Officer, Walmart U.S., effective February 2026. From January 2025 to February 2026, he served as Executive Vice President and Chief eCommerce Officer, Walmart U.S. From November 2022 to January 2025, he served as Executive Vice President, Supply Chain, Walmart U.S. From April 2021 to November 2022, he served as Senior Vice President, Innovation and Automation, Walmart U.S. From December 2019 to April 2021, he served as Senior Vice President, Product and Engineering, Walmart U.S.	2026	40
Suresh Kumar	Executive Vice President, Global Chief Technology Officer and Chief Development Officer, effective July 2019. From February 2018 until June 2019, Mr. Kumar was Vice President and General Manager at Google LLC.	2019	61
Dwayne Milum	Senior Vice President and Controller, effective February 2026. From April 2022 to February 2026, he served as Senior Vice President and Chief Audit Executive. From October 2016 to April 2022, he served as Vice President and Controller for Walmart International.	2026	50
Donna Morris	Executive Vice President, Global People, and Chief People Officer, effective February 2020. From April 2002 to January 2020, she worked at Adobe Inc. in various roles, including most recently, Chief Human Resources Officer and Executive Vice President, Employee Experience.	2020	58
Christopher Nicholas	Executive Vice President, President and Chief Executive Officer, Walmart International, effective February 2026. From September 2023 to February 2026 he served as Executive Vice President, President and Chief Executive Officer, Sam's Club U.S. From October 2021 to September 2023, he served as Executive Vice President, Chief Operating Officer, Walmart U.S. From February 2021 to October 2021, he served as Executive Vice President, Chief Financial Officer Walmart U.S. From January 2020 to February 2021, he served as Executive Vice President, Chief Financial Officer Walmart International.	2026	49
John David Rainey	Executive Vice President and Chief Financial Officer, effective June 2022. From September 2015 to June 2022, he served as Chief Financial Officer and Executive Vice President, Global Customer Operations for PayPal Holdings, Inc.	2022	55
Latriece Watkins	Executive Vice President, President and Chief Executive Officer, Sam's Club U.S., effective February 2026. From May 2023 to February 2026, she served as Executive Vice President and Chief Merchandising Officer, Walmart U.S. From December 2020 to May 2023, she served as Executive Vice President, Consumables, Walmart U.S.	2026	51

ITEM 1A. RISK FACTORS

The risks described below could, in ways we may or may not be able to accurately predict, materially and adversely affect our business, results of operations, financial position and liquidity. Our business operations could also be affected by additional factors that apply to all companies operating in the U.S. and globally. The following risk factors do not identify all risks that we may face. The disclosures below reflect our beliefs and opinions as to risk factors that could materially and adversely affect our business operations and our securities in the future. References to past events are provided by way of example only and are not intended to be a complete listing or a representation as to whether or not such risk factors have occurred in the past or their likelihood of occurring in the future.

Strategic Risks

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

The retail business continues to rapidly evolve with consumers embracing the digital shopping experience and expecting a robust online marketplace of goods available for purchase and delivery. As a result, the portion of total consumer expenditures with retailers and wholesale clubs occurring through digital platforms is increasing and the pace of this increase could continue to accelerate.

Our strategy, which includes investments in eCommerce, technology, AI, talent, supply chain automation and enhancements, advertising, acquisitions, joint ventures, new store and club openings and remodels and other customer initiatives, may not adequately or effectively allow us to continue to grow our omnichannel business offerings, increase comparable sales or maintain or grow our overall market position. The success of this strategy will depend in large measure on our ability to continue building and delivering a seamless omnichannel shopping experience and interconnected ecosystem for our customers that deepens and maintains our relationships with our customers across our various businesses and partnerships. Customers are using digital means, including websites, captive and third-party digital applications, social media, and emerging agentic platforms to shop with us and our competitors and to do comparison shopping, and we use these digital means along with digital advertising, text messages and email to interact with our customers and enhance their shopping experience.

The success of this strategy is further subject to the related risks discussed in this [Item 1A](#). With the interconnected components of this enterprise strategy and an increasing allocation of capital expenditures focused on these initiatives, changes in customer or member perceptions about our reputation in general, or our failure to successfully execute on individual components of this strategy may adversely affect our market position, net sales and financial performance, which could also result in impairment charges to intangible assets or other long-lived assets. In addition, a greater concentration of eCommerce sales, including increasing online grocery sales and the increasing role of AI-enabled platforms in product search, discovery, advertising and purchasing, could result in a reduction in the amount of traffic in our stores and clubs, which would, in turn, reduce the opportunities for cross-store or cross-club sales of merchandise that such traffic creates and could reduce our sales within our stores and clubs and materially adversely affect our financial performance.

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

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

It is difficult to predict consistently and successfully the products and services our customers will demand and changes in their shopping patterns, tastes and preferences. The success of our business depends in part on how accurately we predict consumer demand, availability of merchandise, the related impact on the demand for existing products and services and the competitive environment. Our business is dependent on our ability to make critical decisions and predictions with respect to merchandise categories that quickly respond to changing consumer spending patterns, tastes and preferences, and any incorrect calculations by us may result in lower sales, spoilage and inventory markdowns, which could adversely impact our results of operations. Our ability to predict and adapt to changing tastes and preferences depends on many factors, including obtaining accurate and relevant data on customer preferences, emphasizing relevant merchandise categories, effectively managing our inventory levels, implementing competitive and effective pricing and promotion strategies. Price transparency, assortment of products, customer experience, convenience, ease and the speed and cost of shipping are of primary importance to customers and continue to increase in importance, particularly as a result of digital tools, social media, and emerging agentic tools available to consumers and the choices available to consumers for purchasing products. In addition, to remain competitive, we must continue to develop, integrate and scale digital tools, including AI-powered search and discovery platforms and capabilities, useful interfaces and other marketing tools such as third-party recommendation engines, paid search and mobile applications. We must continue to preserve our reputation, which is impacted by public perceptions and customer experiences. It may be difficult to address negative publicity across media channels, regardless of whether it is accurate. Negative incidents, including the loss of merchandise as a result of shrink or theft, ineffective use or misuse of AI technologies, inaccurate, biased or otherwise flawed

AI search and discovery results, or a data breach as a result of a cyberattack could quickly erode trust and confidence in our business and could result in customer dissatisfaction, consumer boycotts, workforce unrest and government investigations. These incidents may involve us, our vendors that handle our data or personal information, our workforce or others with whom we do business, including third-party service providers and independent contractors. Societal expectations, preferences, trends and political expression are ever-changing and we try to adapt, evolve and maintain a balance that meets the acceptance of our customers, members, associates, shareholders, suppliers and other stakeholders, but we may not always move as quickly or in the direction that various competing interests desire or demand, which could impact our reputation. For instance, strong opinions continue to be publicly expressed both for and against various social and environmental initiatives and positions taken by many corporations, including Walmart, are tracked, monitored and subject to heightened scrutiny from consumers, investors, advocacy groups and public figures, potentially leading to consumer boycotts, negative publicity campaigns, litigation and reputational harm. Negative reputational incidents or negative perceptions of us could adversely impact our business and results of operations, including through lower sales, the termination of business relationships and negative impacts to associate retention and recruiting efforts. Moreover, failure to adequately predict customer demand and consumer spending patterns or otherwise optimize and operate our distribution and fulfillment centers could result in excess or insufficient inventory, service interruptions and increased costs, any of which could significantly harm our business. As we continue to add new fulfillment centers, our fulfillment and technology networks become increasingly complex and operating them in a way that effectively meets consumer demands continues to be challenging. There can be no assurance that we will be able to operate our networks effectively.

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

Each of our segments competes for customers, employees, digital prominence, products and services and in other important aspects of its business with many other local, regional, national and global physical, eCommerce and omnichannel retailers, social commerce platforms, wholesale club operators and retail intermediaries, and emerging agentic shopping tools and platforms, as well as companies that offer services in digital advertising, data analytics/insights, fulfillment and delivery services, health and wellness and financial services. The omnichannel retail landscape is highly competitive and rapidly evolving, and the entry of new, well-funded competitors, or more rapid development of AI capabilities and agentic tools by these competitors to enhance productivity and the shopping experience, may increase competitive pressures. In addition, for eCommerce and other internet-based businesses, newer or smaller businesses may be better able to innovate and compete with us.

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

A failure to respond effectively to these competitive pressures and changes in the retail and other markets in which we operate, omnichannel innovations and omnichannel ecosystems developed by our competitors or delays or failure in execution of our strategy could materially adversely affect our financial performance. See "[Item 1. Business](#)" above for additional discussion of the competitive landscape of our business.

Further, the protection of our proprietary rights, including our trademarks, copyrights, domain names, patents and trade secrets, is important to our business. Effective protection of our proprietary rights may not be available in every jurisdiction in which we offer our products and services, and we may not be able to prevent or deter third parties from infringing or misappropriating our intellectual property, or ensure that third parties will not independently develop equivalent or superior intellectual property rights, which could affect our ability to maintain a competitive advantage and adversely impact our business.

Certain segments of the retail industry are undergoing consolidation or substantially reducing operations, whether due to bankruptcy, economics or other factors. Such consolidation, or other business combinations or alliances, competitive omnichannel ecosystems or reductions in operations may result in competitors with improved financial resources, improved access to merchandise, greater market penetration and other improvements in their competitive positions. Such business combinations or alliances could allow these companies to provide a wider variety of products and services at competitive prices, which could adversely affect our financial performance.

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

General economic conditions and other economic factors, globally or in one or more of the markets we serve, may adversely affect our financial performance. Higher interest rates, higher prices of petroleum products, including crude oil, natural gas, gasoline and diesel fuel, increased costs for electricity and other energy, weakness in the housing market, inflation, deflation, increased costs of essential services, such as medical care and utilities, higher levels of unemployment, decreases in GDP and consumer purchasing power (including from reductions resulting from changes to government programs), unavailability of

consumer credit, higher consumer debt levels, changes in consumer spending and shopping patterns, fluctuations in currency exchange rates, higher tax rates, imposition of new taxes or other changes in tax laws, changes in healthcare laws, other regulatory changes, the imposition of export and import restrictions, tariffs, trade barriers or other measures that create barriers to or increase the costs associated with international trade, overall economic slowdown or recession and other economic factors in the U.S., or in any of the other markets in which we operate, could adversely affect consumer demand for the products and services we sell in the U.S. or such other markets, change the mix of products we sell to any one or more markets with a lower average gross margin, cause a slowdown in discretionary purchases of goods, adversely affect our net sales, growth rates, operating income and result in slower inventory turnover and greater markdowns of inventory, or otherwise materially adversely affect our operations and operating results and could result in impairment charges to intangible assets, goodwill or other long-lived assets.

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

The economic factors that affect our operations may also adversely affect the operations of our suppliers, which can result in an increase in the cost to us of the goods we sell to our customers or, in more extreme cases, in certain suppliers not producing goods in the volume typically available to us for sale, or adversely impact product margins due to higher labor and material costs of our suppliers that we are unable, or choose not, to pass on to our customers.

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

We may enter into strategic alliances and other business relationships in the countries in which we have existing operations or in other markets to expand our business. These arrangements may not generate the level of sales or profitability we anticipate when entering into the arrangement or may otherwise adversely impact our business and competitive position relative to the results we could have achieved in the absence of such alliance. In addition, any investment we make in connection with a strategic alliance, business relationship or in certain of our divested markets, could materially adversely affect our financial performance.

Operational Risks

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

The emergence, severity, magnitude and duration of global or regional pandemics, epidemics or other health crises are uncertain and difficult to predict. A pandemic, epidemic or contagious disease outbreak that affects humans or the food supply, such as the avian flu impact on poultry and egg production could impact our business operations, demand for our products and services, in-stock positions, costs of doing business, access to inventory, supply chain operations, ability to predict future performance, exposure to litigation and financial performance, among other things. In the event of any global or regional health crisis, customer demand for certain products may fluctuate, customer behaviors may change and consumer disposable income could be negatively impacted, which may challenge our ability to anticipate and/or adjust inventory levels to meet that demand. These risks and their impacts are difficult to predict and could otherwise disrupt and adversely affect our operations and our financial performance.

To the extent that a future pandemic, epidemic or contagious disease outbreak occurs, such events may also heighten other risks described in this Item 1A, including but not limited to those related to consumer behavior and expectations, competition, our reputation, implementation of strategic initiatives, cybersecurity threats, payment-related risks, technology systems disruption, supply chain disruptions, labor availability and cost, and litigation and regulatory requirements.

Natural disasters, climate change, geopolitical events, catastrophic and other events could materially adversely affect our financial performance.

Natural disasters and weather conditions, which may include hurricanes, tropical storms, typhoons, floods, wildfires, cyclones, tornadoes, winter storms, droughts, extreme temperatures, could have a material adverse effect on our operations and financial performance, and a changing climate could exacerbate certain of these events and conditions. Moreover, geopolitical tensions or events such as war; civil unrest (including theft, looting or vandalism); terrorist attacks; acts of violence, including active shooter situations (such as those that have occurred in our U.S. stores); or similar disruptions in countries or regions in which our suppliers operate or through which goods are transported could materially adversely affect our operations and financial performance. Protecting the safety of our associates, including our senior leaders, is critical to preventing business disruption and executing on our business strategies and objectives.

The occurrence of these events could result in immediate and longer-term impacts on our operations, including physical damage or loss of properties, the closure of stores, clubs and distribution or fulfillment centers, limited operating hours, workforce shortages and challenges in labor availability, the inability of customers and associates to reach or have transportation to our

stores and clubs affected by such events, the evacuation of the populace from areas in which our stores, clubs and distribution and fulfillment centers are located, the unavailability of our digital platforms to our customers, and changes in the purchasing patterns of consumers (including the frequency of visits by consumers to physical retail locations, whether as a result of limitations on large gatherings, travel and movement limitations or otherwise). These events could also lead to temporary or long-term disruption in our supply chains, including by disrupting or delaying the delivery of goods to our distribution and fulfillment centers, stores and customers, negatively impacting consumers' disposable income; reducing the availability of products in our stores; increasing the costs of procuring products; increasing transportation costs (whether due to fuel prices, fuel supply or otherwise); disrupting critical infrastructure systems, banking systems, utility services or energy availability to our stores, clubs and our facilities; and disrupting communications with our stores, clubs and our other facilities.

We bear the majority of the costs associated with adaptation and the risk of losses incurred as a result of physical damage to, or destruction of, any stores, clubs, distribution or fulfillment centers and transportation vehicles and equipment; theft, loss or spoilage of inventory; and business interruption caused by such events. These events and their impacts could otherwise disrupt and adversely affect our operations and could materially adversely affect our financial performance. Moreover, our operations in the U.S. comprise a significant portion of our financial and operational performance. Therefore, any of the above matters that uniquely impact or are specifically concentrated in the U.S. could materially adversely affect our financial condition, results of operations or cash flows.

Risks associated with our suppliers could materially adversely affect our financial performance.

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

We are exposed to a number of risks in our relationships with our suppliers, many of which are beyond our control, and which could adversely impact our operations and financial performance. These risks include political and economic instability, as well as other impactful events and circumstances in the countries and regions in which our suppliers are located, goods are manufactured and located, and through which goods are transported; the financial instability of suppliers; suppliers not having the financial ability or capacity to fulfill their indemnification obligations to us if called upon, thereby exposing us to the full cost of risks and claims; suppliers' failure to meet our terms and conditions or our supplier standards (including our responsible sourcing standards); labor problems experienced by our suppliers and their manufacturers; the availability of raw materials to suppliers; extreme weather events impacting the growing, manufacturing, mining and harvesting of commodities and products; merchandise safety and quality issues; disruption or delay in the transportation of merchandise from the suppliers and manufacturers to our stores, clubs and other facilities, including as a result of extreme weather or labor slowdowns; currency exchange rates; transport availability and cost; transport security; and inflation.

In addition, U.S. and international trade policies, tariffs, trade barriers and other restrictions on the exportation and importation of goods, trade sanctions imposed between certain countries and entities, the limitation on the exportation or importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. These and other factors affecting our suppliers, our access to products and our access to service providers (such as transportation and logistics providers) could adversely affect our operations and financial performance.

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

Our customers count on us to provide them with quality products at an affordable price. Occasionally, the quality of products that we source from our suppliers fails to meet customer expectations. In many cases, these products are subject to regulatory action or recall. For general merchandise, this could be because the product fails to meet safety standards. For food products, it could be because the product is a source of foodborne illness. For health and wellness products, it could be because the product does not produce the expected result for the customer or harms the customer. Any of these factors could cause customers to avoid purchasing certain products from us or to choose to buy products from a different retailer, even if the quality issue is outside of our control. Any lost confidence on the part of our customers would be difficult and costly to reestablish. When a product we sell does not meet quality or safety standards, there is an increased risk of liability for harm the product may cause our customers. While we rely on our suppliers to meet our safety and quality expectations, and to indemnify us if their products do not, certain suppliers may not have the financial capacity or ability to fulfill their indemnification obligations. In that case, we may be exposed to the full cost of liability claims. Any issue regarding the quality or safety of products we sell, regardless of the cause, could adversely affect our brand, reputation and financial performance.

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

Some of the products customers buy from our website are sold by third parties, which we refer to as marketplace transactions. While that transaction ultimately occurs between the third-party seller and the customer, some regulators and courts have taken a view that the retailer is responsible for marketplace transactions that occur on a retailer's digital platform. Unsettled law on whether a retailer is responsible for intellectual property or product liability claims related to marketplace transactions creates additional risk. Any unfavorable changes or legal interpretations could further expose us to liability. Our arrangements with our third-party marketplace sellers are complex and we may not be able to implement, maintain and develop the components of these commercial relationships, which may include fulfillment, inventory management, tax collection, payment processing, content and engaging other third parties to perform services.

In addition, poor quality or safety of third-party products offered for sale on our platforms could erode customer trust, leading to loss of sales, reduction in transactions and deterioration of our competitive position. In addition, we may face reputational, financial and other risks, including liability for third-party products offered for sale on our platform that are controversial, counterfeit, pirated or stolen or that infringe the intellectual property rights of others. We may not be able to collect sufficient damages for these types of breaches from third-party sellers. Furthermore, even if we are successful in negotiating a contractual shift in risk of loss to third parties, a regulator may view us as having responsibility for regulatory compliance of the third-party products offered for sale on our platform. Although we have marketplace compliance controls in place and impose contractual terms on sellers to prohibit sales of non-compliant products, we may not be able prevent sellers from offering prohibited items for sale, enforce such terms or fully protect against regulatory risk. Any of these events could have a material adverse impact on our business and results of operations and impede the execution of our eCommerce growth and enterprise strategy.

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

Given the number of individual transactions we have each year, it is crucial that we maintain uninterrupted operation of our business-critical information systems. Our information systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, ransomware, worms, other malicious computer programs, denial-of-service attacks, security incidents and breaches from a variety of threat actors, including both cybercriminals and nation state-sponsored actors and catastrophic events noted above in this [Item 1A](#). The availability of our information systems and the integrity of data are essential to our business operations, including the processing of transactions, management of our associates, facilities, logistics, inventories, physical stores and clubs and our online operations. Our information systems are not fully redundant and our disaster recovery planning cannot account for all eventualities. If our systems are damaged, breached, attacked, interrupted or otherwise cease to function properly, we may have to make a significant investment to repair or replace them, and may experience loss or corruption of data as well as suffer interruptions in our business operations in the interim. Any interruption to the availability of our information systems or corruption of our data may have a material adverse effect on our business or results of operations. In addition, the cost of securing our systems against failure or attack is considerable, and increases in these costs, particularly in the wake of a breach or failure, could be significant.

In addition, we frequently update our information technology hardware, software, processes and systems. The risk of system disruption is increased when significant system changes are undertaken. If we fail to timely or successfully integrate and update our information systems and processes, system disruptions may occur and we may fail to realize the cost savings or operational benefits anticipated to be derived from these initiatives and our business, results of operations, financial condition and cash flows could be negatively impacted.

If the technology-based systems that give our customers the ability to shop with us online and enable us to deliver products and services do not function effectively, or keep pace with similar offerings of our competitors, our operating results, as well as our ability to grow our omnichannel business globally, could be materially adversely affected.

As noted above, customers are using digital means, including websites, captive and third-party digital applications, social media, and emerging agentic platforms to shop with us and our competitors and to do comparison shopping, and we use these digital means along with digital advertising, text messages and email to interact with our customers and enhance their shopping experience. As a part of our omnichannel sales strategy, we offer various pickup, delivery and shipping programs including options where many products available for purchase online can be picked up by the customer or member at a local Walmart store or Sam's Club, which provides additional customer traffic at such stores and clubs. Omnichannel retailing is a rapidly evolving part of the retail industry and of our operations around the world, and we continue to make investments in supply chain automation and enhancements to support our omnichannel strategy. We must anticipate and meet our customers' changing expectations while adjusting for technology investments and developments in our competitors' operations through focusing on the building and delivery of a seamless shopping experience across all channels by each operating segment, and structuring these offerings in a manner that allows us to maintain a direct relationship with our customers. We continue to invest in AI to enhance our customers' shopping experience and our associate work experience and to improve efficiencies of our supply chain, operations, management functions and talent recruitment and development; however, these are evolving technologies, there are

inherent operational and legal complexities associated with implementation of these technologies within our business, and there can be no assurance that these investments will deliver the anticipated benefits, or that we will be able to adopt and leverage these technologies as quickly or effectively as our competitors. When integrating and introducing AI technologies into our platforms, processes and systems, we may be exposed to new or expanded liabilities and risks due to elevated governmental scrutiny and monitoring, litigation, data privacy risks and compliance issues in a disparate and at times conflicting regulatory environment, all of which could negatively affect our financial performance and business reputation.

Some of the various technology systems and services on which we rely are provided and managed by an increasing number of third-party service providers. To the extent either our or such other third-party systems and services do not perform or function as anticipated, whether because of an inherent flaw in the technology, faulty implementation or a cybersecurity incident, such failure can significantly interfere with our ability to meet our customers' changing expectations. Any disruption or failure on our part to provide attractive, user-friendly and secure digital platforms that offer a wide assortment of merchandise and services at competitive prices and with low cost and rapid delivery options and that continually meet the changing expectations of online shoppers and developments in online, digital, and agentic merchandising and related technology in a cost-efficient manner could place us at a competitive disadvantage, result in the loss of eCommerce and other sales, harm our reputation with customers, have a material adverse impact on the growth of our eCommerce business globally and have a material adverse impact on our business and results of operations.

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

Like most retailers, we process in our information systems personal information and/or payment information about our customers and members, and we also process information concerning our associates and vendors. In addition, our health and wellness business operations and third-party service providers who handle information on our behalf store and maintain protected health information. We also collect certain consumer data, which is stored digitally and used to conduct and facilitate our businesses. We utilize third-party service providers for a variety of reasons, including, without limitation, for digital storage technology, compute capacity, medical record documentation, content delivery to customers and members, back-office support and other functions. Such providers may have access to information we hold about our customers, members, associates, business partners or vendors. In addition, our eCommerce operations depend upon the secure transmission of confidential information over public networks, including information permitting cashless payments.

Cyber threats are rapidly evolving and those threats and the means for disrupting or obtaining access to information systems or information stored in digital and other storage media are becoming increasingly sophisticated and frequent, and in some cases, they may lead to successful attacks. Unauthorized activities directed against information systems and devices, whether our own or those of our third-party service providers and vendors, have resulted in cybersecurity incidents, including malware, ransomware, denial of service attacks or phishing incidents. We expect that our information systems and those of our third-party service providers, vendors and suppliers will continue to experience such attacks in the future, which could include disruptions to our supply chain system. Cyberattacks and threat actors can be sponsored by particular nation-states, or be the work of sophisticated criminal organizations, insiders (including our associates or contractors) or third parties, each with a wide range of motives and expertise. We and the businesses with which we interact have experienced and continue to experience incidents and threats to data and information systems. These incidents and threats have included and are likely to continue to include both random and targeted cyberattacks, computer viruses, phishing incidents, worms, bot attacks, ransomware or other destructive or disruptive software and attempts to misappropriate customer information, including credit card and payment information, and cause system failures and disruptions. The use of remote work infrastructure in recent years has also increased the possible attack surfaces to be exploited. Our logging capabilities, or the logging capabilities of third parties, are also not always complete or sufficiently detailed, affecting our ability to fully investigate and understand the scope of security events. Continued advancements and increased use of AI have intensified existing cybersecurity risks by enabling faster and more automated attack techniques, lowering the barrier to creating sophisticated threats, and further compressing the time in which we must detect and respond to potential threats. Advances in AI are also creating novel categories of cyber threats in which attackers use AI systems to autonomously conduct reconnaissance, generate and tailor exploit code, harvest credentials, craft highly convincing social-engineering content, and execute large-scale intrusion or extortion campaigns with minimal human involvement. As noted above, some of our information systems and those of our third-party service providers have experienced cybersecurity incidents or breaches, including during fiscal 2026, and, although to date they have not had a material adverse effect on our operating results or business, there can be no assurance of a similar result in the future.

Our digital platforms, which are increasingly important to our business and continue to grow in complexity and scope, and the systems on which they run, including those applications and systems used in legacy operations and acquired eCommerce, technology or other businesses, are regularly subject to cyberattacks. Those attacks involve attempts to impede the operations of our system or gain unauthorized access to our eCommerce websites (including marketplace platforms) or mobile commerce applications to obtain and misuse customers' or members' information including personal information and/or payment information, and related risks discussed in this [Item 1A](#). Such attacks, if successful, may result in potential data and personal

information misuse and/or loss and may create denials of service or otherwise disable, degrade or sabotage the information systems that enable or support one or more of our digital platforms or otherwise significantly disrupt our customers' and members' shopping experience, our supply chain integrity and continuity and our ability to efficiently operate our business. If we are unable to maintain the security of the information systems that enable or support our digital platforms and keep them operating within acceptable parameters, we could be subject to regulatory fines, suffer loss of sales, reductions in transactions, reputational damage and deterioration of our competitive position and incur liability for any damage to customers, members or others whose personal or confidential information is unlawfully obtained and misused, any of which events could have a material adverse impact on our business and results of operations and impede the execution of our strategy for the growth of our business.

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

Any compromise of our information systems or of those of businesses with which we interact, which results in regulated data or confidential information being accessed, obtained, damaged, disclosed, destroyed, modified, lost or used by unauthorized persons could harm our reputation and expose us to regulatory actions (including, with respect to health information, liability under the Health Insurance Portability and Accountability Act of 1996, as amended by the American Recovery and Reinvestment Act of 2009, collectively known as "HIPAA" and with respect to personal information, liability under international and state data breach notification laws), customer attrition, remediation expenses and claims from customers, members, associates, vendors, financial institutions, payment card networks and other persons, any of which could materially and adversely affect our business operations, reputation, financial position and results of operations.

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

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

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

Our reputation with our customers and members is important to the success of our enterprise strategy, which combines traditional retail, membership models, marketplaces, financial services, health and wellness and other customer and business services into a series of interconnected assets to make it seamless for customers to interact with us. Security-related events could be widely publicized and could materially adversely affect our reputation with our customers, members, associates, vendors and shareholders, could harm our competitive position particularly with respect to our eCommerce operations, and

could result in a material reduction in our net sales in our eCommerce operations, as well as in our stores, thereby materially adversely affecting our operations, net sales, growth rates, operating income, results of operations, financial position, cash flows and liquidity. Such events could also result in the release to the public of confidential information about our operations and financial position and performance and could result in litigation or other legal actions against us or the imposition of penalties, fines, fees or liabilities, which may not be covered by our insurance policies. Moreover, a security compromise or operationally impactful malware event, such as ransomware, could require us to devote significant management resources to address the problems created by the issue and to expend significant additional resources to upgrade further the security measures we employ to guard personal and confidential information against cyberattacks and other attempts to access or otherwise compromise such information and could result in a disruption of our operations, particularly our digital operations.

We accept payments using a variety of methods, including cash, checks, credit and debit cards, electronic benefits transfer (EBT) cards, mobile payments and our private label credit cards and gift cards, and we may offer new payment options over time, which may have information security risk implications. As a retailer accepting debit and credit cards for payment, we are subject to various industry data protection standards and protocols, such as payment network security operating guidelines and the Payment Card Industry Data Security Standard. We cannot be certain that the security measures we or our third-party suppliers maintain are able to detect, prevent or contain cyberattacks, cyberterrorism, security incidents, breaches or other compromises from malware, ransomware or other threats that are known or may be developed in the future. In certain circumstances, our contracts with payment card processors and payment card networks (such as Visa, Mastercard, American Express and Discover) generally require us to adhere to payment card network rules which could make us liable to payment card issuers and others if information in connection with payment cards and payment card transactions that we process is compromised, which liabilities could be substantial.

We also have compliance obligations associated with privacy laws enacted to protect and regulate the collection, use, retention, disclosure and transfer of personal information, which include liability for security and privacy breaches. A growing patchwork of AI laws and targeted privacy and consumer protection statutes may also create varying obligations around notice, customer rights and appeals, data minimization, restrictions on sensitive data, targeted advertising and certain forms of profiling, and these requirements continue to evolve. Among other obligations, breaches may trigger obligations under U.S. federal and state laws and laws in certain other countries to notify affected individuals, government agencies and the media. Consequently, cybersecurity incidents that result in a data breach or our failure to comply with such laws could subject us to fines, sanctions and other legal liability and harm our reputation.

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

We have retail pharmacy operations in our Walmart U.S. and Sam's Club U.S. segments across the U.S. and in various of our international markets such as Canada and Mexico.

A large majority of our retail pharmacy net sales are generated by filling prescriptions for which we receive payment through established contractual relationships with third-party payers and payment administrators, such as private insurers, governmental agencies and pharmacy benefit managers ("PBMs"). Our retail pharmacy operations are subject to numerous risks, including: reductions in the third-party reimbursement rates for drugs; changes in our payer mix (i.e., shifts in the relative distribution of our pharmacy customers across drug insurance plans and programs toward plans and programs with less favorable reimbursement terms); changes in third-party payer drug formularies (i.e., the schedule of prescription drugs approved for reimbursement or which otherwise receive preferential coverage treatment); growth in, and our participation in or exclusion from, pharmacy payer network arrangements, including exclusive and preferred pharmacy network arrangements operated by PBMs and/or any insurance plan or program; increases in the prices we pay for brand name and generic prescription drugs we sell; increases in the administrative burdens associated with seeking third-party reimbursement; changes in the frequency with which new brand name pharmaceuticals become available to consumers; introduction of lower cost generic drugs as substitutes for existing brand name drugs for which there was no prior generic drug competition; changes in drug mix (i.e., the relative distribution of drugs customers purchase at our pharmacies between brands and generics); changes in the health insurance market generally; increased governmental focus on reducing drug prices including most favored nation pricing policies, maximum fair price negotiations, and direct-to-consumer pharmacy delivery models; changes in the scope of or the elimination of Medicare Part D or Medicaid drug programs; increased competition from other retail pharmacy operations including competitors offering online retail pharmacy options and/or home delivery options; further consolidation and strategic alliances among third-party payers, PBMs or purchasers of drugs; overall economic conditions and the ability of our pharmacy customers to pay for drugs prescribed for them to the extent the costs are not reimbursed by a third-party; failure to meet any performance or incentive thresholds to which our level of third-party reimbursement may be subject; changes in laws or regulations or the practices of third-party payers and PBMs related to the use of third-party financial assistance to assist our pharmacy customers with paying for drugs prescribed for them; and any additional changes in the state or federal regulatory environment for the retail pharmacy industry and the pharmaceutical industry, including as a result of health reform efforts and other changes to or novel interpretations of existing state or federal laws, rules and regulations that affect our retail pharmacy business.

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

One or a combination of the factors above may adversely affect the volumes of brand name and generic pharmaceuticals we sell, our cost of sales associated with our retail pharmacy operations, the net sales and gross margin of those operations or result in the loss of cross-store or cross-club selling opportunities. In addition, these and other factors may adversely affect the type, volume and mix of services we provide and the reimbursement we receive for health and wellness services rendered. Any of these developments could, in turn, adversely affect our overall net sales, other results of operations, cash flows and liquidity.

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

Our ability to continue to conduct and expand our operations depends on our ability to attract and retain a large and growing number of qualified associates globally. Our ability to meet our labor needs, including our ability to find qualified personnel to fill positions that become vacant at our existing stores, clubs, distribution and fulfillment centers and corporate offices, while controlling our associate wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the work force of the markets in which we operate, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. Additionally, our ability to successfully execute organizational changes, including our enterprise strategy and management transitions within our senior leadership, and to effectively motivate and retain associates are critical to our business success. We compete for talent with other retail and non-retail businesses, including, for example, technology, health and wellness and fintech businesses, and invest significant resources in training and motivating our associates. Increased competition among potential employers at all levels, including senior management and executive levels, could result in increased associate costs or make it more difficult to recruit and retain associates. If we are unable to locate, attract or retain qualified personnel, or manage leadership transition successfully, the quality of service we provide to our customers may decrease and our financial performance may be adversely affected.

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

Illegal or inappropriate activity of our independent contractors or third-party service providers could expose us to liability and adversely affect our business, reputation and financial performance.

We are subject to risks related to our engagement of independent contractors or other third-party service providers. The qualification processes and background checks we utilize when engaging independent contractors may not reveal all potentially relevant information, including accurate worker authorization information and criminal history. If these independent contractors engage in misconduct, consumers may not consider our goods and services safe, and we may receive negative press coverage. Further, we have in the past incurred, and may in the future incur, losses from various types of fraud with respect to unauthorized uses of another person's identity and use of fraudulent identification documents. Any physical injury, loss of life, fraud, property and/or financial damage caused by our independent contractors or third-party service providers could adversely affect our business reputation, which could negatively affect demand for our goods and services, lead to increased regulatory or litigation exposure and adversely affect our financial performance.

Financial Risks

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

We believe that the price of our stock generally reflects high market expectations for our future operating results. Any failure to meet or delay in meeting these expectations, including our consolidated net sales, consolidated operating income, growth rates, eCommerce growth rates, advertising and other higher-margin initiatives (which are expected to help drive our operating income growth at a rate faster than net sales over the long term), capital expenditures, comparable store and club sales growth rates or earnings and adjusted earnings per share could cause the market price of our stock to decline, as could changes in our dividend or stock repurchase programs or policies, changes in our effective tax rates, changes in our financial estimates and recommendations by securities analysts or, failure of our performance to compare favorably to that of other retailers may have a negative effect on the price of our stock.

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

Our operations in countries other than the U.S. are conducted primarily in the local currencies of those countries. Our Consolidated Financial Statements are denominated in U.S. dollars, and to prepare those financial statements we must translate the amounts of the assets, liabilities, net sales, other revenues and expenses of our operations outside of the U.S. from local

currencies into U.S. dollars using exchange rates for the current period. In recent years, fluctuations in currency exchange rates that were unfavorable have had adverse effects on our reported results of operations.

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

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

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

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

In addition to our U.S. operations, we operate retail and eCommerce businesses in Africa, Canada, Central America, Chile, China, India and Mexico.

During fiscal 2026, our Walmart International operations generated approximately 19% of our consolidated net sales. Walmart International's operations in various countries also source goods and services from other countries. Our future operating results in these countries could be negatively affected by a variety of factors, most of which are beyond our control. These factors include political conditions, including political instability, local and global economic conditions; legal and regulatory constraints, such as regulation of product and service offerings including regulatory restrictions (such as foreign ownership restrictions) on eCommerce and retail operations in international markets, such as in India; restrictive governmental actions, such as trade protection measures or nationalization; antitrust and competition law regulatory matters, such as those underway in Canada, Mexico and India (relating to our Flipkart subsidiary); local product safety and environmental laws; tax regulations; local labor laws; anti-money laundering laws and regulations; trade policies; foreign exchange or currency regulations; laws and regulations regarding consumer and data protection; and other matters in any of the countries or regions in which we operate, now or in the future.

Changing our operations in accordance with new or changed restrictions on international trade or newly imposed sanctions can be expensive, time-consuming and disruptive to our operations. Such restrictions can be announced with little or no advance notice and we may not be able to effectively mitigate all adverse impacts from such measures. In addition, tensions between nation-state governments and conflicts of laws may lead to challenges for our operations. If disputes and conflicts further escalate in the future, actions by governments in response, or consumer boycotts in certain regions, could be significantly more severe and restrictive and could adversely affect our business or financial performance and our reputation. Political uncertainty surrounding trade and other international disputes could also have a negative effect on consumer confidence and spending, which could also adversely affect our business or financial performance and our reputation. The economies of some of the countries in which we have operations have in the past suffered from high rates of inflation and currency devaluations, which, if they recur, could adversely affect our financial performance. Other factors which may impact our international operations include foreign trade, monetary and fiscal policies of the U.S. and other countries, laws, regulations and other activities of foreign governments, agencies and similar organizations, and risks associated with having numerous facilities located in countries that have historically been less stable than the U.S. Additional risks inherent in our international operations generally include, among others, the costs and difficulties of managing international operations, adverse tax consequences and greater difficulty in enforcing intellectual property rights in countries other than the U.S. The various risks inherent in doing business in the U.S. generally also exist when doing business outside of the U.S., and may be exaggerated by the difficulty of doing business in numerous sovereign jurisdictions due to differences in culture, geopolitical tensions or events, laws and regulations.

In foreign countries in which we have operations, a risk exists that our associates, contractors or agents could, in contravention of our policies, engage in business practices prohibited by U.S. laws and regulations applicable to us, such as the Foreign Corrupt Practices Act or U.S. sanctions laws and regulations or the laws and regulations of other countries. Our global policies designed to regulate such business practices and our global compliance programs designed to ensure compliance with these laws and regulations may not be adequate to prevent the risk that one or more of our associates, contractors or agents, including those based in or from countries where practices that violate such U.S. laws and regulations or the laws and regulations of other countries may be customary, will engage in business practices that are appropriately regulated by our policies, circumvent our compliance programs and, by doing so, violate such laws and regulations. Any such violations, even if prohibited by our

internal policies, could subject us to fines and penalties and adversely affect our business or financial performance and our reputation.

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

In fiscal 2026, our Walmart U.S. and Sam's Club U.S. operating segments generated approximately 82% of our consolidated net sales. A significant portion of the general merchandise we sell in our U.S. stores and clubs is manufactured in other countries. Significant changes in tax and trade policies, including tariffs, trade barriers, other restrictions on the exportation and importation of goods and government regulations affecting trade between the U.S. and other countries where we source many of the products we sell can impact, and have impacted, our business and profit margins, including through increases in the costs at which we purchase merchandise and the prices at which we sell such merchandise to our customers, and the costs we incur in pursuing our strategic initiatives, including those set forth under the headings Strategic Risks and Operational Risks above in this Item 1A. If we are unable to successfully manage the various impacts that changes in these tax and trade policies have on our business, our results of operations and financial performance could be impacted. We experienced the impacts noted above during fiscal 2026 as a result of incremental import tariffs. We expect the dynamic tariff environment to continue, including in fiscal 2027, and cannot predict with certainty the future impact that this environment will have on our results of operations or financial performance, which could be material.

We are subject to income taxes, other taxes and tax collection and reporting obligations in both the U.S. and the foreign jurisdictions in which we currently operate or have historically operated. The determination of our worldwide provision for income taxes and current and deferred tax assets and liabilities requires judgment and estimation. Our taxes could be materially adversely affected by earnings being lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, by changes in the valuation of our deferred tax assets and liabilities, or by changes in worldwide tax laws, tax rates, regulations or accounting principles and the interpretations of those rules. In addition, we also may not have sufficient notice to enable us to build systems and adopt processes to properly comply with new reporting or collection obligations by the effective date of those obligations.

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

In addition, legislatures and taxing authorities in many jurisdictions in which we operate may enact changes to, or seek to enforce novel interpretations of, existing tax laws, including both temporary and permanent measures. For example, the Organization for Economic Cooperation and Development (the "OECD") and other countries (including countries in which we operate) have committed to enacting substantial changes to numerous long-standing tax principles impacting taxation of large multinational enterprises. In particular, the OECD's Global Minimum Tax (Pillar Two) has become effective in many jurisdictions where we operate and continues to evolve through ongoing legislative and administrative guidance. These rules are complex, and may require significant data, systems and process changes to comply. The impact of these developments, as well as other changes in domestic and international tax laws and regulations could have a material effect on our cash taxes, affect our effective tax rate and increase our compliance, audit and controversy costs, any of which could materially adversely affect our financial performance.

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

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

We operate in complex regulated environments in the U.S. and other countries in which we operate and could be materially adversely affected by changes to existing legal requirements, including the related interpretations and enforcement practices, new legal requirements and/or any failure to comply with applicable regulations. In addition, the degree of regulatory, political, and media scrutiny we face increases the likelihood that our efforts to adhere to our practices and procedures to comply with

these laws and legal requirements may be subject to frequent or increasing challenges. If we fail to prevent independent contractors or third-party service providers from violating our policies or applicable laws or committing any fraudulent acts against us or our customers, it could harm our business or damage our reputation, and we could face liability for unlawful activities by such third parties.

Our health and wellness operations in the U.S. are subject to numerous federal, state and local laws and regulations including, but not limited to, those related to: licensing; reimbursement arrangements and other requirements and restrictions; registration and regulation of pharmacies; dispensing and sale of controlled substances and products containing pseudoephedrine; governmental (including Medicare and Medicaid) and commercial reimbursement; data privacy and security and the sharing and interoperability of data, including obligations and restrictions related to health information (such as those imposed under HIPAA); protection of consumer health data; billing and coding for healthcare services and properly handling overpayments; debt collection; necessity and adequacy of healthcare services; relationships with referral sources and referral recipients and other fraud and abuse issues, such as those addressed by anti-kickback and false claims laws and patient inducement regulations; qualification of healthcare practitioners; quality and standards of medical services and equipment; and the practice of the professions of pharmacy and optometry.

Health-related legislation at the federal and state level may have an adverse effect on our business or require us to modify certain aspects of our operations. For example, in the U.S., the Drug Enforcement Administration ("DEA") and various other regulatory authorities regulate the purchase, distribution, maintenance and dispensing of pharmaceuticals and controlled substances. We are required to hold valid DEA and state-level licenses, meet various security and operating standards and comply with the federal and various state-controlled substance acts and related regulations governing the sale, dispensing, disposal and holding of controlled substances. The DEA, the U.S. Food and Drug Administration and state regulatory authorities have broad enforcement powers, including the ability to seize or recall products and impose significant criminal, civil and administrative sanctions for violations of these laws and regulations. In addition, there has been recent heightened governmental and public scrutiny of pharmaceutical product pricing, which has resulted in federal and state legislation and regulations, executive orders and other initiatives and proposals designed to increase transparency in pharmaceutical product pricing and reform government program reimbursement methodologies (for example, the Inflation Reduction Act, which includes, among other matters, policies designed to impact drug prices and reduce drug spending by the federal government). Other health reform efforts at the federal and state levels may also impact our business or require us to modify certain aspects of our operations. States may enact conflicting laws, mandating changes in operations that negatively impact our ability to execute uniformly and achieve economies of scale across states. We may not be able to predict the nature or success of reform initiatives, and the resulting uncertainties may have an adverse effect on our business.

Additionally, through various financial service partners and our OnePay fintech venture, we offer various services such as money transfers, digital payment platforms, bill payment, money orders, check cashing, prepaid access, co-branded credit cards, limited access to cryptocurrency and equity investment products, installment lending and earned wage access. These products and services require us to comply with legal and regulatory requirements, including those intended to help detect and prevent fraud and other illicit activity, the sale and custody of equity and cryptocurrency products, privacy, information security, anti-money laundering and sanctions regimes and consumer protection under U.S. state and federal laws and regulations, as well as those of certain other countries. Failure to comply with these laws and regulations could result in fines, sanctions, penalties and harm to our reputation. Increased U.S. regulation of non-bank financial institutions may also result in additional requirements and scrutiny of certain financial services we offer.

We are also governed by foreign, national and state laws and regulations of general applicability, including laws and regulations related to competition and antitrust matters; protection of the environment and health and safety matters, including exposure to, and the management and disposal of, hazardous substances; food and drug safety, including drug supply chain security requirements; consumer protection, and safety, including the availability, sale, price label accuracy, membership subscription and cancellation; advertisement and promotion of products we sell and the financial services we offer (including through our digital channels, stores and clubs, as well as our OnePay fintech venture); anti-money laundering prohibitions; consumer financial protection laws; economic, trade and other sanctions matters; licensure, including supply chain logistics licensure, certification and enrollment with government programs; cross border data transfer; data privacy, cybersecurity, sharing and interoperability of data and use of AI technology; working conditions, workplace health and safety, equal employment opportunity, worker classification, employee benefit and other labor and employment matters; and health and wellness related regulations for our pharmacy and optometry operations. Failure to meet these requirements could affect the profitability of our business activities; limit our ability to pursue business opportunities or conduct business in certain jurisdictions; require changes to business practices or governance or alter our relationships with our customers, partners and other third parties, including our ability to continue certain relationships in Mexico, India or other international jurisdictions; result in increased costs related to regulatory oversight and compliance, litigation-related settlements, judgments or expenses, restitution to customers or the imposition of fines or monetary penalties.

Governmental and societal attention to social and environmental matters, including expanding mandatory and voluntary reporting diligence, and disclosure topics such as climate change, sustainability (including with respect to our supply chain),

natural resources, waste reduction, energy, human capital and risk oversight could change the nature, scope and complexity of matters that we are required to control, assess and report.

Data privacy and protection laws or customer expectations relating to the collection, use, retention, disclosure, transfer and processing of personal information continue to undergo a rapid transformation in the U.S. and non-U.S. jurisdictions. State laws, such as the California Consumer Privacy Act ("CCPA"), in a number of states that have become effective, or will soon be effective, have created a substantially more complex regulatory regime associated with data-handling practices. Moreover, other laws and regulations related to data-handling and privacy that apply to our business, such as the Illinois Biometric Information Privacy Act, the European Union's General Data Protection Regulation ("GDPR"), the United Kingdom's General Data Protection Regulation (which implements the GDPR into U.K. law), China's Personal Information Protection Act ("PIPL"), and similar legislation in Quebec, Canada further increase the compliance obligations of our business. Certain of these laws have required us to modify our data processing practices and policies and to incur substantial costs and expenses to comply, which we anticipate will continue in the future. These and other privacy and cybersecurity laws may carry significant potential damages and civil penalties for noncompliance. These administrative fines are discretionary and based, in each case, on a multi-factored approach. Further, PIPL raises the requirements for processing personal information and requires our China business to undergo a cybersecurity assessment and obtain approval from the Cyberspace Administration of China ("CAC") as well as consent from the personal information owner before personal information collected in China may be transferred to, or accessed from, outside of China. We obtained CAC approval in September 2023 and are required to reapply by August 2026. We have made changes, and we may in the future make additional adjustments to our business practices, to comply with the personal information protection laws and regulations in China as they evolve. Residents in jurisdictions with comprehensive privacy laws generally have rights to access, correct and require deletion of their personal information, opt out of certain personal information sharing and selling, receive detailed information about how their personal information is used and may have a private right of action for data breaches. Furthermore, our marketing and customer engagement activities are subject to communications privacy laws such as the Telephone Consumer Protection Act. We may be subject to penalties and other consequences for noncompliance, including being required to change some portions of our business. Even an unsuccessful challenge by customer or regulatory authorities of our activities could result in adverse publicity, impact our reputation and could require a costly response from and defense by us.

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

VIZIO Holding Corp. and its subsidiaries (collectively "VIZIO") are subject to a stipulated order with the Federal Trade Commission and the New Jersey Attorney General until 2037 that requires VIZIO to comply with specified obligations related to VIZIO's collection and use of certain consumer data and information collected from a VIZIO internet-connected device. These requirements apply to certain VIZIO entities and all other persons in active concert or participation with them. If we fail to comply with the terms of the order, we may face additional regulatory action, penalties or monetary fines, any of which could have a substantial negative impact on our business, operations and financial performance.

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

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

We operate globally in a highly regulated and litigious environment. We are or may be involved in legal proceedings, including litigation, arbitration and other claims, investigations, inspections, audits, claims, inquiries and similar actions by pharmacy, healthcare, tax, consumer protection, employment, environmental and other governmental authorities as well as private individuals. We may also be involved in legal proceedings brought by regulatory authorities, organizations and individuals relating to products, product claims or product packaging, including that such products or packaging are made of plastic, do not meet required safety standards, contain PFAS or other chemicals, are not appropriately disposed, contain incorrect weight or measurement, or contain misrepresentations about country of origin or assembly, recyclability, compostability, biodegradability or reusability. We may also have indemnification obligations for legal commitments of certain business customers we contract with and businesses we have divested. Legal proceedings, in general, and securities, derivative actions, class and representative actions and multi-district litigation, in particular, can be expensive and disruptive. Some of these suits may purport or may be determined to be class actions and/or involve parties seeking large and/or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years. For example, we are increasingly named as a defendant in cases that allege novel theories of personal injury or economic loss from consumer products, including multidistrict litigation relating to acetaminophen and baby food. We are a defendant in a number of cases containing class, representative or collective action allegations in which the plaintiffs have brought claims under federal, state and local wage and hour and employment laws, as well as a number of cases containing class-action allegations in which the plaintiffs have brought claims under federal and state competition and consumer protection laws. We cannot provide any assurance as to the scope and outcome of these matters and no assurance that our business, financial position, results of operations or cash flows will not be materially adversely affected.

We are increasingly named as a defendant in cases that involve allegations relating to the retail prices charged to customers and costs we negotiate with suppliers. These cases include purported class actions under federal and state antitrust and competition, consumer protection and related laws brought by customers, retailers and others, including cases related to our wholesale purchase and retail sale of batteries and soft drinks. We cannot provide any assurance as to the scope and outcome of these matters and no assurance that our business, financial position, results of operations or cash flows will not be materially adversely affected.

Claims for insurance-related liabilities, such as workers' compensation, general liability, auto liability, product liability and certain employee-related healthcare benefits, are funded predominantly through self-insurance. Insurance coverage is maintained for certain risks to limit exposures arising from significant losses. The types and amounts of insurance may vary from time to time based on our risk-management strategy, risk tolerance, regulatory requirements, market conditions and other factors. Significant claims or events, regulatory changes, a substantial rise in costs of health care or costs to maintain our insurance or the failure to maintain adequate insurance coverage could have an adverse impact on our financial condition and results of operations. Although we maintain specific coverages for catastrophic property losses, we still bear a significant portion of the risk of losses incurred as a result of any physical damage to, or the destruction of, any stores, warehouses, depots, manufacturing or home office facilities, loss or spoilage of inventory, and business interruption. Such losses could materially impact our cash flows and results of operations.

For specific details and information on certain claims and litigation matters to which we are party and that could impact our business, financial position, results of operations or cash flows, see the disclosures set forth below under the caption "[Item 3. Legal Proceedings](#)" and in [Note 9](#) in the "Notes to our Consolidated Financial Statements," which are part of this Annual Report on Form 10-K.

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

Our amended and restated bylaws designate the Delaware Court of Chancery as the exclusive forum for certain shareholder claims, including derivative claims alleging a violation of duty by a current or former director, officer, associate or shareholder, unless we agree otherwise in writing. This exclusive forum provision may increase the cost for shareholders to bring claims or limit their ability to choose a favorable forum, potentially discouraging lawsuits. Alternatively, if a court finds this provision unenforceable, we may face higher costs resolving such matters in other jurisdictions, which could negatively impact our business and financial results. However, this provision does not affect the exclusive or concurrent jurisdiction of federal courts over actions brought under the federal securities laws, including the Exchange Act, as amended, the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Not satisfying stakeholder expectations with respect to our social and environmental efforts could adversely affect our reputation or subject us to regulatory or litigation risk.

We strive to deliver shared value through our business, although stakeholder expectations continue to evolve and are not uniform, and our diverse stakeholders expect us to make significant progress in certain areas. We have established, and may continue to establish, various goals and initiatives on certain matters, including with respect to climate change, waste, packaging, plastic usage and other topics. We periodically publish information about our shared value priorities, strategies, progress and challenges through our online social and environmental reporting, which is not incorporated by reference into and does not form any part of this Annual Report on Form 10-K. Achievement of these aspirations and goals is subject to risks and uncertainties, many of which are outside of our control, and we cannot guarantee that we will achieve our goals or that our initiatives will achieve their desired results. Consequently, it is possible that we may fail, or be perceived to have failed, in the achievement of our social and environmental goals and certain customers, associates, shareholders, investors, suppliers, business partners, government agencies and non-governmental organizations might not be satisfied with our progress. Furthermore, federal, state and local regulatory authorities, private organizations and individuals may challenge our approach to social and environmental issues, including allegations that we failed in our efforts, should not have undertaken such efforts or that we improperly engaged with other entities in our approach to social and environmental issues. These challenges could involve administrative proceedings or litigation, including as class or mass actions. A failure or perceived failure to meet our goals or to otherwise meet evolving and diverse stakeholder expectations could adversely affect public perception of our business, associate morale or customer or shareholder support.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

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

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

Board of Directors' oversight of risks from cybersecurity threats

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

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

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

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

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

Risk Management and Strategy

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

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

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

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

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

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

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

ITEM 2. PROPERTIES

As of January 31, 2026⁽¹⁾, information on our retail units for Walmart U.S., Sam's Club U.S. and Walmart International is summarized as follows:

	Total Retail Unit Count	Square Feet			
		Total ⁽²⁾	Minimum	Maximum	Average
Walmart U.S.					
Supercenters	3,566	633,724	69,000	260,000	178,000
Discount Stores	351	36,609	30,000	206,000	104,000
Neighborhood Markets and other small formats ⁽³⁾	694	28,375	28,000	65,000	42,000
Walmart U.S. Total	4,611	698,708			
Sam's Club U.S.	601	80,502	94,000	168,000	134,000
U.S. Total	5,212	779,210			
Walmart International⁽⁴⁾					
Retail	5,398	236,214	1,400	186,000	29,000
Wholesale	345	41,405	25,000	202,000	86,000
Walmart International Total	5,743	277,619			
Total Company	10,955	1,056,829			

⁽¹⁾ Walmart International unit counts, with the exception of Canada, are as of December 31, 2025, to correspond with the balance sheet date of the related geographic market. Canada unit counts are as of January 31, 2026.

⁽²⁾ Total square feet reported in thousands.

⁽³⁾ Square feet for other small formats is excluded from the presentation of the minimum, maximum and average for Walmart U.S.

⁽⁴⁾ Total square feet represents gross square feet, while the minimum, maximum and average square feet amounts represent retail unit selling area.

Owned and Leased Properties

The following table provides further details of our retail units and distribution facilities, including eCommerce fulfillment centers and return facilities, as of January 31, 2026⁽¹⁾:

Retail Units	Owned	Leased ⁽²⁾	Total
Walmart U.S. retail units	3,728	883	4,611
Sam's Club U.S. retail units	464	137	601
Walmart International retail units	1,486	4,257	5,743
Total retail units	5,678	5,277	10,955
Distribution Facilities			
U.S. distribution facilities ⁽³⁾	125	67	192
International distribution facilities	24	155	179
Total distribution facilities	149	222	371

⁽¹⁾ Walmart International properties, with the exception of Canada, are as of December 31, 2025, to correspond with the balance sheet date of the related geographic market. Canada unit counts are as of January 31, 2026.

⁽²⁾ Includes distribution facilities which are third-party owned and operated.

⁽³⁾ U.S. distribution facilities are utilized by both the Walmart U.S. and Sam's Club U.S. segments.

We own office facilities in Bentonville, Arkansas, that serve as our principal office and own and lease office facilities throughout the U.S. and internationally for operations as well as for field and market management. The land on which our stores are located is either owned or leased by the Company. Owned retail units on leased land are reflected as leased locations in the table above. We use independent contractors to construct our buildings. All store leases provide for annual rentals, some of which escalate during the original lease or provide for additional rent based on sales volume. Substantially all of the Company's store and club leases have renewal options, some of which include rent escalation clauses. For further information on our distribution network, see the caption "Distribution" under "[Item 1. Business](#)."

ITEM 3. LEGAL PROCEEDINGS

I. SUPPLEMENTAL INFORMATION: The Company is involved in legal proceedings arising in the normal course of its business, including litigation, arbitration and other claims, and investigations, subpoenas, audits, claims, inquiries and similar actions by governmental authorities. We discuss certain legal proceedings in [Note 9](#) to our Consolidated Financial Statements included in "[Item 8. Financial Statements and Supplementary Data](#)," which is captioned "Contingencies," under the sub-caption "Legal Proceedings." We refer you to that discussion for important information concerning those legal proceedings, including the basis for such actions and, where known, the relief sought. We provide the following additional information concerning those legal proceedings, including the name of the lawsuit, the court in which the lawsuit is pending, and the date on which the petition commencing the lawsuit or appeal was filed, in addition to disclosure of certain other legal matters.

Opioid-Related Litigation: *In re National Prescription Opiate Litigation (MDL No. 2804)* (the "MDL") is pending in the U.S. District Court for the Northern District of Ohio and includes approximately 230 cases with claims against the Company as of March 6, 2026. In addition, the following 13 other opioid-related cases against the Company and its subsidiaries were pending in U.S. state and federal courts and Canadian courts as of March 6, 2026: *Baby Doe 1, et al. v. Allergan Finances, LLC, et al.*, U.S. Dist. Ct., E.D. Tenn., 4/29/25; *Marshall Cty. Bd. of Educ., et al. v. Cephalon, Inc., et al.*, U.S. Dist. Ct., N.D. W. Va., 10/28/24; *Reiner v. CVS Pharm., Inc., et al.*, Nev. 5th Jud. Dist. Ct., Nye Cty., 2/26/24; *Chaney v. CVS Pharm., Inc., et al.*, Ky. Cir. Ct., Perry Cty., 12/11/23; *City of Grande Prairie, et al. v. Apotex Inc., et al.*, Alta. King's Bench Ct., Calgary Jud. Ctr., 4/27/23; *Lac La Ronge Indian Band, et al. v. Apotex Inc., et al.*, Sask. King's Bench Ct., Prince Albert Jud. Ctr., 3/17/23; *Commonwealth of Pennsylvania ex rel. Allegheny Cty. Dist. Att'y Stephen A. Zappala, Jr. v. CVS Ind., LLC, et al.*, Pa. Ct. Com. Pl., Delaware Cty., 8/8/22; *Baby Doe, et al., ex rel. Their Guardian Ad Litem v. Endo Health Sols., Inc., et al.*, U.S. Dist. Ct., M.D. Tenn., 8/3/22; *Paynter ex rel. Minor Child(ren) Z.N.B. v. McKesson Corp., et al.*, W. Va. Cir. Ct., Kanawha Cty., 3/28/22; *Blankenship ex rel. Minor Child Z.D.B. v. McKesson Corp., et al.*, W. Va. Cir. Ct., Kanawha Cty., 1/14/22; *Miss. Baptist Med. Ctr. Inc., et al. v. Amneal Pharm., LLC, et al.*, Miss. 1st Jud. Dist., Hinds Cty. Cir. Ct., 5/15/20; *Dallas Cty. Hosp. Dist. d/b/a Parkland Health & Hosp. Sys., et al., v. Amneal Pharm., LLC, et al.*, Tex. Dist. Ct., 152nd Jud. Dist., Harris Cty., 11/20/19; *Fla. Health Scis. Ctr., Inc., et al. v. Sackler, et al.*, Fla. Cir. Ct., 17th Jud. Cir., Broward Cty., 9/16/19.

DOJ Opioid Civil Litigation: *United States of America v. Walmart Inc., et al.*, USDC, Dist. of DE, 12/22/20.

Settlement of Certain Opioid-Related Matters: As described in more detail in [Note 9](#) to our Consolidated Financial Statements, the Company accrued a liability of approximately \$3.3 billion in fiscal year 2023 for certain opioid-related settlements. As of January 31, 2025, all of the accrued liability has been paid.

False Claims Act Litigation: *United States of America ex rel. James Marcilla and Isela Chavez*, USDC, Dist. of N.M., 8/23/19, transferred to USDC Dist. of DE 7/25/24.

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

Federal Trade Commission and State Attorneys General Driver Platform Litigation: *Federal Trade Commission, et al. v. Walmart Inc.*, USDC, N.D. Cal., 2/26/26.

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

India Antitrust Matter: Competition Commission of India, Case No. 40 of 2019, order initiating investigation 1/13/20.

II. ENVIRONMENTAL MATTERS: Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed \$1 million.

In October 2023, the Company received a Finding of Violation from the U.S. Environmental Protection Agency (the "EPA") alleging violations of the Clean Air Act in connection with the Company's refrigeration leak detection and repair program at certain of its facilities. The Company is cooperating with the EPA in its investigation. The EPA may seek to impose monetary and non-monetary penalties for the alleged violations of the Clean Air Act. The Company is unable to predict the final outcome of this matter, but the EPA could seek penalties in excess of \$1 million. Although the Company does not believe this matter will have a material adverse effect on its business, financial position, results of operations, or cash flows, the Company can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Market for Common Stock

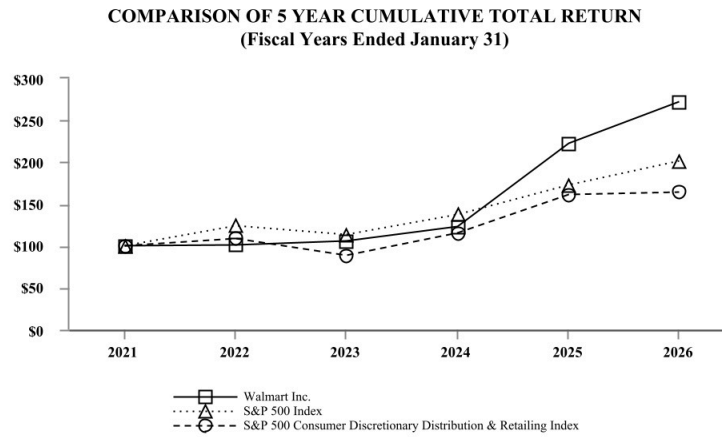
Effective December 9, 2025, the principal market on which Walmart's common stock is listed has been the Nasdaq Global Select Market. Prior to December 9, 2025, Walmart's common stock was listed on the New York Stock Exchange. The common stock trades under the symbol "WMT."

Holders of Record of Common Stock

As of March 11, 2026, there were 185,190 holders of record of Walmart's common stock, although there is a much larger number of beneficial owners.

Stock Performance Chart

This graph compares the cumulative total shareholder return on Walmart's common stock during the five fiscal years ended through fiscal 2026 to the cumulative total returns on the S&P 500 Consumer Discretionary Distribution & Retailing Index and the S&P 500 Index. The comparison assumes \$100 was invested on February 1, 2021 in shares of our common stock and in each of the indices shown and assumes all dividends were reinvested.



	Fiscal Years Ended January 31,					
	2021	2022	2023	2024	2025	2026
Walmart Inc.	\$ 100.00	\$ 101.10	\$ 105.67	\$ 123.22	\$ 222.20	\$ 272.28
S&P 500 Index	100.00	123.29	113.16	136.72	172.78	201.03
S&P 500 Consumer Discretionary Distribution & Retailing Index	100.00	108.64	88.85	114.73	161.20	164.12

Issuer Repurchases of Equity Securities

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. Any repurchased shares are constructively retired and returned to an unissued status. All repurchases during fiscal 2026 were made under the \$20.0 billion share repurchase program approved in November 2022, of which authorization for \$4.0 billion of share repurchases remained as of January 31, 2026. In February 2026, the Board of Directors approved a new \$30.0 billion share repurchase authorization, which has no expiration date or other restrictions limiting the period over which the Company can make repurchases, and beginning February 23, 2026, replaced the remaining capacity under the prior authorization.

Share repurchase activity under our share repurchase programs, on a trade date basis, for each month in the quarter ended January 31, 2026, was as follows:

Fiscal Period	Total Number of Shares Repurchased	Average Price Paid per Share (in dollars)	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Repurchased Under the Plans or Programs ⁽¹⁾ (in billions)
November 1-30, 2025	3,187,083	\$ 104.48	3,187,083	\$ 4.7
December 1-31, 2025	3,472,099	113.61	3,472,099	4.3
January 1-31, 2026	3,073,037	116.69	3,073,037	4.0
Total	<u>9,732,219</u>		<u>9,732,219</u>	

⁽¹⁾ Represents the approximate dollar value of shares that could have been repurchased under the current plan at the end of the month.

ITEM 6. RESERVED

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

Overview

This discussion, which presents our results for the fiscal years ended January 31, 2026 ("fiscal 2026"), January 31, 2025 ("fiscal 2025") and January 31, 2024 ("fiscal 2024"), should be read in conjunction with our Consolidated Financial Statements and the accompanying notes. We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from period to period and the primary factors that accounted for those changes. We also discuss certain performance metrics that management uses to assess the Company's performance. Additionally, the discussion provides information about the financial results of each of the three segments of our business to provide a better understanding of how each of those segments and its results of operations affect the financial condition and results of operations of the Company as a whole.

Throughout this Item 7, we discuss segment operating income, comparable store and club sales and other measures. Management measures the results of the Company's segments using each segment's operating income, including certain corporate overhead allocations, as well as other measures. From time to time, we revise the measurement of each segment's operating income and other measures as determined by the information regularly reviewed by our chief operating decision maker.

In discussing our operating results, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for countries where the functional currency is not the U.S. dollar into U.S. dollars. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior year period's currency exchange rates. Additionally, no currency exchange rate fluctuations are calculated for non-USD acquisitions until owned for 12 months. Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations.

Recent Developments, Macroeconomic Conditions and Potential Impacts

We expect continued uncertainty in our business and the global economy due to the following factors: tariffs and trade restrictions; inflationary trends; fluctuations in global currencies; swings in macroeconomic conditions and their effect on consumer confidence; changes in employment trends; volatility in fuel prices; and supply chain pressures, any of which may impact our results. While we operate in a highly dynamic tariff environment, less than one third of what we sell in the U.S. is imported, with most of our imports coming from China, Mexico, Vietnam, India and Canada. Information on certain risks, factors, and uncertainties that can affect our operating results and an investment in our securities can be found herein under "[Item 1A. Risk Factors.](#)"

Our net sales and gross profit margin are influenced in part by our pricing and merchandising strategies in response to cost increases. Those pricing strategies include, but are not limited to: absorbing cost increases instead of passing those cost increases on to our customers and members; reducing prices in certain merchandise categories; focusing on opening price points for certain food categories; and when necessary, passing cost increases on to our customers and members. Merchandising strategies include, but are not limited to: working with our suppliers to reduce product costs and share in absorbing cost increases; focusing on private label brands and smaller pack sizes; earlier-than-usual purchasing and in greater volumes or moderating purchasing in certain categories; and securing ocean carrier and container capacity. These strategies have and may continue to impact gross profit as a percentage of net sales.

In July 2025, the One Big Beautiful Bill Act (the "OBBA Act") was enacted, introducing a series of corporate tax changes in the U.S., including 100% bonus depreciation on qualified property and full expensing for research and development expenditures. The impacts of the OBBA Act were not material to our income tax expense or effective tax rate. Certain provisions decreased cash taxes paid in fiscal 2026 and may change the timing of cash tax payments in future periods.

For a detailed discussion on results of operations by reportable segment, refer to "[Results of Operations](#)" below.

Company Performance Metrics

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

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

Growth

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

Comparable sales is a metric that indicates the performance of our existing stores and clubs by measuring the change in sales for such stores and clubs, including eCommerce sales, for a particular period over the corresponding period in the previous year. Walmart's definition of comparable sales includes sales from stores and clubs open for the previous 12 months, including remodels, relocations, expansions and conversions, as well as eCommerce sales. We measure the eCommerce sales impact by including all sales initiated digitally, including omnichannel transactions which are fulfilled through our stores and clubs as well as certain other business offerings that are part of our ecosystem, such as our advertising net sales. Comparable sales are also referred to as "same-store" sales by others within the retail industry. The method of calculating comparable sales varies across the retail industry. As a result, our calculation of comparable sales is not necessarily comparable to similarly titled measures reported by other companies.

Our discussion of our comparable sales below refers to our calendar comparable sales calculated using our fiscal calendar, which may result in differences when compared to comparable sales using the retail calendar (also known as the 4-5-4 calendar) as provided in our quarterly earnings releases. We report on comparable sales in the U.S. as we believe it is a meaningful metric within the context of the U.S. retail market where there is a single currency, one inflationary market and generally consistent store and club formats from year to year.

Calendar comparable sales, as well as the impact of fuel, for fiscal 2026 and 2025, were as follows:

	Fiscal Years Ended January 31,			
	2026	2025	2026	2025
	With Fuel		Fuel Impact	
Walmart U.S.	4.3%	4.8%	0.0%	(0.1)%
Sam's Club U.S.	2.9%	4.7%	(1.9)%	(1.5)%

Walmart U.S. comparable sales increased 4.3% and 4.8% in fiscal 2026 and 2025, respectively. Comparable sales in fiscal 2026 were driven by growth in average ticket and transactions, and also reflected growth in unit volumes and strength in all merchandise categories. Comparable sales in fiscal 2025 were driven by growth in transactions and unit volumes, with strong sales in grocery and health and wellness. Walmart U.S. eCommerce sales positively contributed approximately 4.3% and 2.9% to comparable sales for fiscal 2026 and 2025, respectively. This growth reflects continued strength in customer and Walmart+ member engagement with omnichannel offerings, and was primarily driven by store-fulfilled pickup and delivery.

Sam's Club U.S. comparable sales increased 2.9% and 4.7% in fiscal 2026 and 2025, respectively. For fiscal 2026, comparable sales were driven by growth in unit volumes and transactions, reflecting strong sales in grocery, health and wellness and general merchandise. For fiscal 2025, comparable sales were driven by growth in transactions and unit volumes, with strong sales in grocery and health and wellness. Additionally, fiscal 2026 and 2025 growth was partially offset by lower fuel sales, negatively impacting comparable sales by 1.9% and 1.5%, respectively, primarily due to lower fuel prices. Sam's Club U.S. eCommerce sales positively contributed approximately 3.3% and 2.3% to comparable sales for fiscal 2026 and 2025, respectively, which reflects continued strength in member engagement with omnichannel offerings.

Margin

Our objective of prioritizing margin focuses on growth with a focus on incremental margin accretion through a combination of productivity improvements as well as category and business mix. We invest in technology and process improvements to increase productivity, manage inventory and reduce costs and we operate with discipline by managing expenses and optimizing the efficiency of how we work. We measure operating discipline through expense leverage, which we define as net sales growing at a faster rate than operating, selling, general and administrative ("operating") expenses. Additionally, we focus on our mix of businesses, including expanding our ecosystem in higher margin areas, such as digital advertising. Our objective is to achieve operating income leverage, which we define as growing operating income at a faster rate than net sales.

<i>(Amounts in millions, except unit counts)</i>	Fiscal Years Ended January 31,	
	2026	2025
Net sales	\$ 706,413	\$ 674,538
Percentage change from comparable period	4.7 %	5.0 %
Gross profit ⁽¹⁾ as a percentage of net sales	24.2 %	24.1 %
Operating expenses as a percentage of net sales	20.9 %	20.7 %
Operating income	\$ 29,825	\$ 29,348
Operating income as a percentage of net sales	4.2 %	4.4 %

⁽¹⁾ Gross profit defined as net sales less cost of sales.

Gross profit as a percentage of net sales ("gross profit rate") increased 8 and 40 basis points for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increase in fiscal 2026 was primarily driven by the Walmart U.S. segment, due to disciplined inventory management, as well as growth in higher margin businesses globally. The increase in fiscal 2025 was primarily driven by the Walmart U.S. segment, due to managing prices aligned to our competitive historic price gaps, as well as growth in higher margin businesses globally. In both years, the increases were partially offset by mix shifts into lower margin merchandise categories across segments, as well as ongoing channel and format mix shifts in the Walmart International segment.

Operating expenses as a percentage of net sales increased 20 and 36 basis points for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increase for fiscal 2026 was primarily due to higher self-insured general liability claims expense in the U.S. of approximately \$0.9 billion, influenced by rising costs to resolve claims across retail and related industries, a charge of \$0.7 billion related to modification of certain share-based compensation arrangements for our PhonePe subsidiary and increased depreciation related to our capital investments. The increase for fiscal 2025 was primarily due to higher variable pay as a result of exceeding planned performance, increased marketing and higher depreciation expenses.

Operating income as a percentage of net sales decreased 13 basis points for fiscal 2026 and increased 15 basis points for fiscal 2025, respectively, primarily due to the factors described above and strong growth in membership income globally.

Returns

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

Return on Assets and Return on Investment

We include Return on Assets ("ROA") and Return on Investment ("ROI") as metrics to assess our return on capital. ROA is the most directly comparable measure based on our financial statements presented in accordance with generally accepted accounting principles in the U.S. ("GAAP") while ROI is considered a non-GAAP financial measure. Management believes ROI is a meaningful metric to share with investors because it helps investors assess how effectively Walmart is deploying its assets. Trends in ROI can fluctuate over time as management balances long-term strategic initiatives with possible short-term impacts.

Our calculation of ROI is considered a non-GAAP financial measure because it uses financial measures that differ from those used in ROA, the most directly comparable GAAP financial measure. ROA is consolidated net income for the period divided by average total assets for the period. We define ROI as operating income plus interest income, depreciation and amortization, and rent expense for the trailing 12 months divided by average invested capital during the period. We consider average invested capital to be the average of our beginning and ending total assets, plus average accumulated depreciation and amortization, less average accounts payable and average accrued liabilities for that period. Although ROI is a standard financial measure, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI.

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

	Fiscal Years Ended January 31,	
	2026	2025
<i>(Amounts in millions)</i>		
CALCULATION OF RETURN ON ASSETS		
Numerator		
Consolidated net income	\$ 22,270	\$ 20,157
Denominator		
Average total assets ⁽¹⁾	\$ 272,746	\$ 256,611
Return on assets (ROA)	8.2 %	7.9 %
CALCULATION OF RETURN ON INVESTMENT		
Numerator		
Operating income	\$ 29,825	\$ 29,348
+ Interest income	368	483
+ Depreciation and amortization	14,203	12,973
+ Rent	2,434	2,347
= ROI operating income	\$ 46,830	\$ 45,151
Denominator		
Average total assets ⁽¹⁾	\$ 272,746	\$ 256,611
+ Average accumulated depreciation and amortization ⁽¹⁾	129,117	121,624
- Average accounts payable ⁽¹⁾	60,864	57,739
- Average accrued liabilities ⁽¹⁾	30,266	29,052
= Average invested capital	\$ 310,733	\$ 291,444
Return on investment (ROI)	15.1 %	15.5 %

⁽¹⁾ The average is calculated using the account balance at the end of the current and prior comparative periods.

	As of January 31,		
	2026	2025	2024
Certain Balance Sheet Data			
Total assets	\$ 284,668	\$ 260,823	\$ 252,399
Accumulated depreciation and amortization	134,587	123,646	119,602
Accounts payable	63,061	58,666	56,812
Accrued liabilities	31,187	29,345	28,759

ROA was 8.2% and 7.9% for fiscal 2026 and 2025, respectively. The increase in ROA was primarily due to an increase in net income as a result of net increases in the fair value of our equity and other investments combined with higher operating income, offset by an increase in average total assets due to higher purchases of property and equipment. ROI was 15.1% and 15.5% for fiscal 2026 and 2025, respectively. The decrease in ROI was primarily due to an increase in average invested capital due to higher purchases of property and equipment. ROI benefited from increased operating income due to improved business performance, which was partially offset by the incremental non-cash share-based compensation charge at PhonePe as well as certain legal matters and other business restructuring charges.

Capital Allocation

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

	Fiscal Years Ended January 31,	
	2026	2025
<i>(Amounts in millions)</i>		
Allocation of Capital Expenditures		
Supply chain, customer-facing initiatives, technology and other	\$ 16,468	\$ 14,603
Store and club remodels	5,571	5,552
New stores and clubs, including expansions and relocations	1,406	450
Total U.S.	\$ 23,445	\$ 20,605
Walmart International	3,197	3,178
Total Capital Expenditures	\$ 26,642	\$ 23,783

Free Cash Flow

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

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

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

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

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Net cash provided by operating activities	\$ 41,565	\$ 36,443	\$ 35,726
Payments for property and equipment	(26,642)	(23,783)	(20,606)
Free cash flow	\$ 14,923	\$ 12,660	\$ 15,120
Net cash used in investing activities ⁽¹⁾	\$ (26,350)	\$ (21,379)	\$ (21,287)
Net cash used in financing activities	(13,553)	(14,822)	(13,414)

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

The increase in net cash provided by operating activities in fiscal 2026 is primarily due to an increase in cash provided by operating income, lower cash tax payments and the timing of certain payments. Free cash flow for fiscal 2026 increased when compared to fiscal 2025 due to an increase in cash provided by operating income, lower cash tax payments and timing of certain payments, partially offset by an increase of \$2.9 billion in capital expenditures to support our omnichannel growth strategy. Net cash provided by operating activities for fiscal 2025 increased when compared to fiscal 2024 primarily due to an increase in cash provided by operating income and lapping the payment of accrued opioid legal charges in the prior year, partially offset by increased inventory purchases. Free cash flow for fiscal 2025 decreased when compared to fiscal 2024 due to an increase of \$3.2 billion in capital expenditures to support our omnichannel growth strategy, partially offset by the increase in net cash provided by operating activities described above.

Results of Operations

Consolidated Results of Operations

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Dollar amounts and retail square feet in millions)</i>			
Net sales	\$ 706,413	\$ 674,538	\$ 642,637
Percentage change from comparable period	4.7 %	5.0 %	6.1 %
Membership and other income ⁽¹⁾	6,750	6,447	5,488
Total revenues	713,163	680,985	648,125
Percentage change from comparable period	4.7 %	5.1 %	6.0 %
Gross profit ⁽²⁾	171,018	162,785	152,495
Operating expenses ⁽²⁾	147,943	139,884	130,971
Operating income	29,825	29,348	27,012
Other (gains) and losses	(2,075)	794	3,027
Consolidated net income	\$ 22,270	\$ 20,157	\$ 16,270
Percentage of net sales			
Gross profit	24.2 %	24.1 %	23.7 %
Operating expenses	20.9 %	20.7 %	20.4 %
Operating income	4.2 %	4.4 %	4.2 %
Retail unit counts at period end	10,955	10,771	10,616
Retail square feet at period end	1,057	1,053	1,053

⁽¹⁾ Membership and other income includes membership fees and other items such as rental and tenant income, recycling income, gift card breakage income, as well as other income from corporate campus facilities.

⁽²⁾ Gross profit is defined as net sales less cost of sales. Operating expenses refers to operating, selling, general and administrative expenses.

Our total revenues increased \$32.2 billion or 4.7% and \$32.9 billion or 5.1% for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. These increases in revenues were primarily due to increases in net sales, which increased \$31.9 billion or 4.7% and \$31.9 billion or 5.0% for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increases were primarily due to strong positive comparable sales across our U.S. segments and international markets. In fiscal 2026, growth was primarily driven by increases in average ticket and transactions, and also reflected growth in unit volumes, while fiscal 2025 growth was primarily driven by higher transactions and unit volumes. Both years include strength in eCommerce as well as strong sales in grocery and health and wellness, with fiscal 2026 also benefiting from improved sales in general merchandise. Net sales were negatively impacted by \$2.8 billion and \$3.2 billion of fluctuations in currency exchange rates during fiscal 2026 and 2025, respectively.

Membership and other income increased \$0.3 billion and \$1.0 billion for fiscal 2026 and 2025, respectively, primarily driven by growth in membership fee revenue globally, partially offset by decreases in certain other income items, including a reduction in recycling income in fiscal 2026.

Our gross profit rate increased 8 and 40 basis points for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increase in fiscal 2026 was primarily driven by the Walmart U.S. segment, due to disciplined inventory management, as well as growth in higher margin businesses globally. The increase in fiscal 2025 was primarily driven by the Walmart U.S. segment, due to managing prices aligned to our competitive historic price gaps, as well as growth in higher margin businesses globally. In both years, the increases were partially offset by mix shifts into lower margin merchandise categories across segments, as well as ongoing channel and format mix shifts in the Walmart International segment.

Our operating expenses as a percentage of net sales increased 20 and 36 basis points for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increase for fiscal 2026 was primarily due to higher self-insured general liability claims expense in the U.S. of approximately \$0.9 billion, influenced by rising costs to resolve claims across retail and related industries, a charge of \$0.7 billion related to modification of certain share-based compensation arrangements for our PhonePe subsidiary and increased depreciation related to our capital investments. The increase for fiscal 2025 was primarily due to higher variable pay as a result of exceeding planned performance, increased marketing and higher depreciation expenses.

Other gains and losses consist of certain non-operating items, such as changes in the fair value of our investments, which by their nature can fluctuate from period to period. Other gains and losses resulted in a net gain of \$2.1 billion and a net loss of \$0.8 billion in fiscal 2026 and 2025, respectively, primarily driven by changes in the fair value of our equity and other investments due to fluctuations in their underlying stock prices.

Our effective income tax rate was 24.4%, 23.4%, and 25.5% for fiscal 2026, 2025 and 2024, respectively. The increase in effective income tax rate in fiscal 2026 compared to fiscal 2025 is primarily due to the share-based compensation charge recorded at the Company's PhonePe subsidiary, which provided no tax benefit. The decrease in effective tax rate in fiscal 2025 compared to fiscal 2024 is primarily due to the tax impact on changes in fair value of our investments. Our effective income tax rate may also fluctuate as a result of various factors, including changes in our assessment of unrecognized tax benefits, valuation allowances, business operations, acquisitions, investments, entry into new businesses and geographies, intercompany transactions, changes in tax law, changes in the administrative practices, principles, and interpretations related to tax, and the mix and size of earnings among our U.S. operations and international operations, which are subject to statutory rates that are generally higher than the U.S. statutory rate. The reconciliation from the U.S. statutory rate to the effective income tax rates for fiscal 2026, 2025 and 2024 is provided in [Note 8](#).

As a result of the factors discussed above, we reported \$22.3 billion and \$20.2 billion of consolidated net income for fiscal 2026 and 2025, respectively, which represent increases of \$2.1 billion and \$3.9 billion for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. Diluted net income per common share attributable to Walmart ("EPS") was \$2.73, \$2.41 and \$1.91 for fiscal 2026, 2025 and 2024, respectively.

Walmart U.S. Segment

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Dollar amounts and retail square feet in millions)</i>			
Net sales	\$ 482,975	\$ 462,415	\$ 441,817
Net sales percentage change from comparable period	4.4 %	4.7 %	5.1 %
Calendar comparable sales increase	4.3 %	4.8 %	5.5 %
Membership and other income	2,624	2,594	1,985
Gross profit	132,615	125,964	118,254
Operating expenses	110,081	104,676	98,085
Operating income	\$ 25,158	\$ 23,882	\$ 22,154
Percentage of net sales			
Gross profit	27.5 %	27.2 %	26.8 %
Operating expenses	22.8 %	22.6 %	22.2 %
Operating income	5.2 %	5.2 %	5.0 %
Retail unit counts at period end	4,611	4,605	4,615
Retail square feet at period end	699	698	699

Net sales for the Walmart U.S. segment increased \$20.6 billion or 4.4% and \$20.6 billion or 4.7% for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increases in net sales were primarily due to increases in comparable sales of 4.3% and 4.8% for fiscal 2026 and 2025, respectively. Comparable sales in fiscal 2026 were driven by growth in average ticket and transactions, and also reflected growth in unit volumes and strength in all merchandise categories. Comparable sales in fiscal 2025 were driven by growth in transactions and unit volumes, with strong sales in grocery and health and wellness. Walmart U.S. eCommerce sales positively contributed approximately 4.3% and 2.9% to comparable sales for fiscal 2026 and 2025, respectively. This growth reflects continued strength in customer and Walmart+ member engagement with omnichannel offerings, and was primarily driven by store-fulfilled pickup and delivery.

Membership and other income increased slightly for fiscal 2026 and increased \$0.6 billion for fiscal 2025. In both years, the increases were primarily driven by double-digit growth in membership fee revenue from Walmart+. For fiscal 2026, the increase was partially offset by decreases in certain other income items, including a reduction in recycling income. Fiscal 2025 also benefited from higher recycling income compared to the previous fiscal year.

Gross profit rate increased 22 and 47 basis points for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increase for fiscal 2026 was primarily driven by disciplined inventory management and growth in higher margin businesses, partially offset by mix shifts into lower margin merchandise categories. The increase for fiscal 2025 was primarily due to managing prices aligned to our competitive historic price gaps and growth in higher margin businesses, partially offset by product mix shifts into lower margin categories.

Operating expenses as a percentage of segment net sales increased 15 and 44 basis points for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increase for fiscal 2026 was primarily due to higher self-insured general liability claims expense and increased depreciation related to our capital investments. For fiscal 2025, the increase was primarily due to increased marketing expenses, higher variable pay as a result of exceeding planned performance and increased depreciation expenses.

As a result of the factors discussed above, segment operating income increased \$1.3 billion and \$1.7 billion for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year.

Walmart International Segment

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Dollar amounts and retail square feet in millions)</i>			
Net sales	\$ 130,423	\$ 121,885	\$ 114,641
Percentage change from comparable period	7.0 %	6.3 %	13.5 %
Membership and other income	1,565	1,478	1,408
Gross profit	27,847	26,618	24,810
Operating expenses	24,309	22,595	21,309
Operating income	\$ 5,103	\$ 5,501	\$ 4,909
Percentage of net sales			
Gross profit	21.4 %	21.8 %	21.6 %
Operating expenses	18.6 %	18.5 %	18.6 %
Operating income	3.9 %	4.5 %	4.3 %
Retail unit counts at period end	5,743	5,566	5,402
Retail square feet at period end	278	274	274

Net sales for the Walmart International segment increased \$8.5 billion or 7.0% and \$7.2 billion or 6.3% for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. Net sales growth was primarily due to positive comparable sales growth across our international markets, which includes strong eCommerce growth of \$6.3 billion and \$4.7 billion for fiscal 2026 and 2025, respectively. The increases were partially offset by negative fluctuations in currency exchange rates of \$2.8 billion and \$3.2 billion for fiscal 2026 and 2025, respectively.

Gross profit rate decreased 49 basis points for fiscal 2026 and increased 20 basis points for fiscal 2025, when compared to the previous fiscal year. For fiscal 2026, the decrease was primarily due to ongoing channel and format mix shifts, as well as strategic growth investments in price and delivery capabilities, partially offset by growth in higher margin businesses. The increase in fiscal 2025 was primarily due to improved eCommerce margin and business mix changes, partially offset by ongoing channel and format mix changes.

Operating expenses as a percentage of segment net sales increased 10 basis points for fiscal 2026 and decreased 5 basis points for fiscal 2025, when compared to the previous fiscal year. The increase for fiscal 2026 was primarily due to a charge of \$0.7 billion related to PhonePe's modification of certain share-based payment arrangements in contemplation of a potential public offering (refer to [Note 3](#)), partially offset by strong sales as well as format mix shifts. The decrease for fiscal 2025 was primarily due to increased sales driving expense leverage, partially offset by planned investments in associate wages and strategic priorities in Mexico and Central America.

As a result of the factors discussed above, segment operating income decreased \$0.4 billion and increased \$0.6 billion for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year.

Sam's Club U.S. Segment

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Dollar amounts and retail square feet in millions)</i>			
Including Fuel			
Net sales	\$ 93,015	\$ 90,238	\$ 86,179
Percentage change from comparable period	3.1 %	4.7 %	2.2 %
Calendar comparable sales increase	2.9 %	4.7 %	2.3 %
Membership and other income	2,525	2,323	2,051
Gross profit	10,556	10,203	9,431
Operating expenses	10,639	10,122	9,290
Operating income	\$ 2,442	\$ 2,404	\$ 2,192
Percentage of net sales			
Gross profit	11.3 %	11.3 %	10.9 %
Operating expenses	11.4 %	11.2 %	10.8 %
Operating income	2.6 %	2.7 %	2.5 %
Retail unit counts at period end	601	600	599
Retail square feet at period end	81	80	80
Excluding Fuel ⁽¹⁾			
Net sales	\$ 83,744	\$ 79,777	\$ 75,057
Percentage change from comparable period	5.0 %	6.3 %	4.7 %
Operating income	\$ 1,822	\$ 1,785	\$ 1,659
Operating income as a percentage of net sales	2.2 %	2.2 %	2.2 %

⁽¹⁾ We believe the "Excluding Fuel" information is useful to investors because it permits investors to understand the effect of the Sam's Club U.S. segment's fuel sales on its results of operations, which are impacted by the volatility of fuel prices. Volatility in fuel prices may continue to impact the operating results of the Sam's Club U.S. segment in the future.

Net sales for the Sam's Club U.S. segment increased \$2.8 billion or 3.1% and \$4.1 billion or 4.7% for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increases in net sales were primarily due to increases in comparable sales, including fuel, of 2.9% and 4.7% for fiscal 2026 and 2025, respectively. Comparable sales in fiscal 2026 were driven by growth in unit volumes and transactions, reflecting strong sales in grocery, health and wellness and general merchandise. Comparable sales in fiscal 2025 were driven by growth in transactions and unit volumes, with strong sales in grocery and health and wellness. Additionally, fiscal 2026 and 2025 growth was partially offset by lower fuel sales, negatively impacting comparable sales by 1.9% and 1.5%, respectively, primarily due to lower fuel prices. Sam's Club U.S. eCommerce sales positively contributed approximately 3.3% and 2.3% to comparable sales for fiscal 2026 and 2025, respectively, which reflects continued strength in member engagement with omnichannel offerings.

Membership and other income increased 8.7% and 13.3% for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. For fiscal 2026 and 2025, the increases were primarily due to growth in the membership base and Plus penetration. Fiscal 2026 was also positively impacted by additional breakage income related to unredeemed Sam's Cash rewards, while fiscal 2025 was positively impacted by the expiration of a promotional offering offsetting membership fee increases during the fourth quarter of fiscal 2024.

Gross profit rate increased 4 and 37 basis points for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increase for fiscal 2026 was primarily due to operational efficiencies and higher margins in fuel, partially offset by higher eCommerce fulfillment costs and the impact of reorganization charges related to strategic supply chain decisions. The increase for fiscal 2025 was primarily due to improved operational efficiencies related to merchandise flow and increased margins in fuel, partially offset by higher eCommerce fulfillment costs and product mix shifts into lower margin categories.

Operating expenses as a percentage of segment net sales increased 22 and 44 basis points for fiscal 2026 and 2025, respectively, when compared to the previous fiscal year. The increase for fiscal 2026 was primarily due to lower fuel sales and higher self-insured general liability claims expense. The increase for fiscal 2025 was primarily due to increased compensation related expenses, including associate wage investments and higher variable pay as a result of exceeding our planned performance, as well as elevated technology spend.

As a result of the factors discussed above, segment operating income increased slightly for fiscal 2026 and increased \$0.2 billion for fiscal 2025, when compared to the previous fiscal year.

Liquidity and Capital Resources

Liquidity

The strength and stability of our operations have historically supplied us with a significant source of liquidity. Our cash flows provided by operating activities, supplemented with our long-term debt and short-term borrowings, have been sufficient to fund our operations while allowing us to invest in activities that support the long-term growth of our operations. Generally, some or all of the remaining available cash flow has been used to fund dividends on our common stock and share repurchases. We believe our sources of liquidity will continue to be sufficient to fund operations, finance our investment activities, pay dividends and fund our share repurchases for at least the next 12 months and for the foreseeable future.

Net Cash Provided by Operating Activities

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Net cash provided by operating activities	\$ 41,565	\$ 36,443	\$ 35,726

Net cash provided by operating activities increased \$5.1 billion for fiscal 2026 when compared to the previous fiscal year. The increase is primarily due to an increase in cash provided by operating income, lower cash tax payments and timing of certain payments. The increase in net cash provided by operating activities for fiscal 2025, when compared to the previous fiscal year, was primarily due to an increase in cash provided by operating income and lapping the payment of accrued opioid legal charges in the prior year, partially offset by increased inventory purchases.

Cash Equivalents and Working Capital Deficit

Cash and cash equivalents were \$10.7 billion and \$9.0 billion as of January 31, 2026 and 2025, respectively. Our working capital deficit, defined as total current assets less total current liabilities, was \$22.6 billion and \$17.1 billion as of January 31, 2026 and 2025, respectively. The increase in our working capital deficit was primarily driven by timing of certain payments combined with an increase in short-term borrowings for general corporate purposes, partially offset by increased inventories and receivables related to higher sales growth as well as higher cash balances. We generally operate with a working capital deficit due to our efficient use of cash in funding operations, consistent access to the capital markets and returns provided to our shareholders in the form of payments of cash dividends and share repurchases.

We use intercompany financing arrangements in an effort to ensure cash can be made available in the country in which it is needed with the minimum cost possible. Additionally, from time-to-time, we repatriate earnings and related cash from jurisdictions outside of the U.S. Under current law, repatriations of foreign earnings will generally be free of U.S. federal tax, but may incur other taxes such as withholding or state taxes. We do not expect current local laws, or other existing limitations on anticipated future repatriations of cash amounts held outside the U.S. to have a material effect on our overall liquidity, financial position or results of operations.

As of January 31, 2026 and 2025, cash and cash equivalents of \$3.9 billion and \$3.3 billion, respectively, may not be freely transferable to the U.S. due to local laws or other restrictions or are subject to the approval of the noncontrolling interest shareholders.

Net Cash Used in Investing Activities

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Net cash used in investing activities	\$ (26,350)	\$ (21,379)	\$ (21,287)

Net cash used in investing activities generally consisted of capital expenditures. Net cash used in investing activities increased \$5.0 billion for fiscal 2026 when compared to the previous fiscal year. The increase is primarily due to the change in net proceeds received from the sale of certain strategic investments as well as increased payments for property and equipment, partially offset by the acquisition of VIZIO for net consideration of \$1.9 billion in the prior year. Net cash used in investing activities increased \$0.1 billion for fiscal 2025, when compared to the previous fiscal year, primarily due to increased payments for property and equipment as well as the acquisition of VIZIO for net consideration of \$1.9 billion, partially offset by net proceeds received from sales of certain strategic investments, including \$3.6 billion related to the sale of our JD.com investment.

Capital expenditures

Refer to the "[Capital Allocation](#)" section in our [Company Performance Metrics](#) for capital expenditure detail for fiscal 2026 and 2025. For the fiscal year ending January 31, 2027 ("fiscal 2027"), we project capital expenditures will be approximately \$25 billion to \$27 billion, with a focus on technology, supply chain and customer-facing initiatives.

Net Cash Used in Financing Activities

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Net cash used in financing activities	\$ (13,553)	\$ (14,822)	\$ (13,414)

Net cash used in financing activities generally consisted of debt transactions, dividends paid, repurchases of Company stock and transactions with noncontrolling interest shareholders. Fiscal 2026 net cash used in financing activities decreased \$1.3 billion when compared to the previous fiscal year. The decrease is primarily due to proceeds from new long-term debt issued, higher short-term borrowings in the current fiscal year and lower debt repayments, partially offset by increased share repurchases and higher dividends paid. Fiscal 2025 net cash used in financing activities increased \$1.4 billion when compared to the previous fiscal year. The increase was primarily due to lapping debt issuances in the prior fiscal year and increased share repurchases, partially offset by the purchase of certain noncontrolling interests in the prior fiscal year and higher short-term borrowings.

Purchase and Sale of Subsidiary Stock

During fiscal 2024, we paid \$3.5 billion to acquire shares from certain Flipkart noncontrolling interest holders and settle a \$0.9 billion liability to former noncontrolling interest holders of PhonePe in connection with the separation from Flipkart in fiscal 2023. Additionally, we received \$0.7 billion related to new rounds of equity funding for the Company's majority owned PhonePe subsidiary.

Short-term Borrowings

We generally utilize the liquidity provided by short-term borrowings to provide funding for our operations, dividend payments, share repurchases, capital expenditures and other cash requirements. The following table includes additional information related to our short-term borrowings for fiscal 2026, 2025 and 2024:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Maximum amount outstanding at any month-end	\$ 10,241	\$ 7,232	\$ 9,942
Average daily short-term borrowings	7,031	4,157	4,295
Annual weighted-average interest rate	4.5 %	5.1 %	5.1 %

Short-term borrowings as of January 31, 2026 and 2025 were \$6.6 billion and \$3.1 billion, respectively, with weighted-average interest rates of 4.0% and 5.3%, respectively. We also have \$15.0 billion of various undrawn committed lines of credit in the U.S. as of January 31, 2026 that provide additional liquidity, if needed. Additionally, we maintain access to various credit facilities outside of the U.S. to further support our Walmart International segment operations, as needed.

As of January 31, 2026, we have \$2.0 billion of syndicated and fronted letters of credit available, of which \$1.7 billion was issued and represents an unrecorded current obligation.

Long-term Debt

The following table provides the changes in our long-term debt for fiscal 2026:

(Amounts in millions)	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2025	\$ 2,598	\$ 33,401	\$ 35,999
Proceeds from issuance of long-term debt	—	3,983	3,983
Repayments of long-term debt	(2,625)	—	(2,625)
Reclassifications of long-term debt	3,569	(3,569)	—
Currency and other adjustments	—	809	809
Balances as of January 31, 2026	\$ 3,542	\$ 34,624	\$ 38,166

Our total outstanding long-term debt increased \$2.2 billion during fiscal 2026, primarily due to issuances of long-term debt. Refer to [Note 5](#) to our Consolidated Financial Statements for details on the issuances of long-term debt.

Estimated contractual interest payments associated with our long-term debt amount to \$17.3 billion, with approximately \$1.7 billion expected to be paid in fiscal 2027. Estimated interest payments are based on our principal amounts and expected maturities of all debt outstanding as of January 31, 2026, and assumes interest rates remain at current levels for our variable rate instruments.

Dividends

Our total dividend payments were \$7.5 billion, \$6.7 billion and \$6.1 billion for fiscal 2026, 2025 and 2024, respectively. Effective February 19, 2026, the Company approved the fiscal 2027 annual dividend of \$0.99 per share, an increase over the fiscal 2026 annual dividend of \$0.94 per share. For fiscal 2027, the annual dividend will be paid in four quarterly installments of \$0.2475 per share, according to the following record and payable dates:

Record Date	Payable Date
March 20, 2026	April 6, 2026
May 8, 2026	May 26, 2026
August 21, 2026	September 8, 2026
December 11, 2026	January 4, 2027

Company Share Repurchase Program

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. Any repurchased shares are constructively retired and returned to an unissued status. All repurchases during fiscal 2026 were made under the \$20.0 billion share repurchase program approved in November 2022, of which authorization for \$4.0 billion of share repurchases remained as of January 31, 2026. In February 2026, the Board of Directors approved a new \$30.0 billion share repurchase authorization, which has no expiration date or other restrictions limiting the period over which the Company can make repurchases, and beginning February 23, 2026, replaced the remaining capacity under the prior authorization.

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

The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total amount paid for share repurchases for fiscal 2026, 2025 and 2024:

(Amounts in millions, except per share data)	Fiscal Years Ended January 31,		
	2026	2025	2024
Total number of shares repurchased	85.0	61.9	54.6
Average price paid per share	\$ 95.13	\$ 72.72	\$ 50.87
Total amount paid for share repurchases	\$ 8,088	\$ 4,494	\$ 2,779

During fiscal 2026, the Company repurchased \$8.1 billion in shares of its common stock, an increase of \$3.6 billion as compared to the same period in the previous fiscal year. The increase was primarily driven by opportunistic prices during the first quarter of fiscal 2026 as part of the Company's long-term strategy.

Material Cash Requirements

Material cash requirements from operating activities primarily consist of inventory purchases, employee related costs, taxes, interest and other general operating expenses, which we expect to be primarily satisfied by our cash from operations. Other material cash requirements from known contractual and other obligations include short-term borrowings, long-term debt and related interest payments, leases and purchase obligations. See [Note 4](#), [Note 5](#) and [Note 6](#) to our Consolidated Financial Statements for information regarding accrued liabilities, outstanding short-term borrowings and long-term debt, and leases, respectively.

As of January 31, 2026, the Company has \$41.4 billion of unrecorded purchase obligations outstanding, of which \$18.3 billion is due within one year. Purchase obligations include legally binding contracts, such as firm commitments for inventory and utility purchases, as well as commitments to make capital expenditures, software acquisition and license commitments and legally binding service contracts. Contractual obligations for the purchase of goods or services are defined as agreements that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Contracts that specify the Company will purchase all or a portion of its requirements of a specific product or service from a supplier, but do not include a fixed or minimum quantity, are excluded from the obligations quantified above. Accordingly, purchase orders for inventory are also excluded as purchase orders represent authorizations to purchase rather than binding agreements. Our purchase orders are based on our current inventory needs and are fulfilled by our suppliers within short time periods. We also enter into contracts for outsourced services; however, the obligations under these contracts are not significant and the contracts generally contain clauses allowing for cancellation without significant penalty. Timing of payments and actual amounts paid may be different depending on the timing of receipt of goods or services or changes to agreed-upon amounts for some obligations.

Capital Resources

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

We have strong commercial paper and long-term debt ratings that have enabled and should continue to enable us to refinance our debt as it becomes due at favorable rates in capital markets. As of January 31, 2026, the ratings assigned to our commercial paper and rated series of our outstanding long-term debt were as follows:

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

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

Other Matters

In [Note 9](#) to our Consolidated Financial Statements, which is captioned "Contingencies" and appears in [Part II](#) of this Annual Report on Form 10-K under the caption "[Item 8. Financial Statements and Supplementary Data](#)," we discuss, under the sub-captions "*Settlement of Certain Opioid-Related Matters*," and "*Ongoing Opioid-Related Litigation*," certain opioid-related matters, as well as the Prescription Opiate Litigation, and other matters, including certain risks arising therefrom. In that [Note 9](#), we discuss "*Asda Equal Value Claims*" the Company's indemnification obligation for the Asda Equal Value Claims matter, "*Money Transfer Agent Services Matter*," a government investigation by the U.S. Attorney's Office for the Middle District of Pennsylvania into the Company's consumer fraud prevention and anti-money laundering compliance related to the Company's money transfer agent services, as well as matters related to independent contractor drivers on the driver platform under "*Driver Platform Matters*." In [Note 9](#), under "*Mexico Antitrust Matter*," we also discuss a quasi-judicial administrative process initiated by COFECE against Walmex and Walmex's related constitutional challenge. In [Note 9](#), we also discuss a show cause notice and requests issued by the Directorate of Enforcement to Flipkart regarding Foreign Direct Investment rules and regulations in India and an India Antitrust Matter. We reference various legal proceedings related to the Prescription Opiate Litigation, the DOJ Opioid Civil Litigation, Opioids-Related Securities Class Actions and False Claims Act Litigation; Asda Equal Value Claims; Money Transfer Agent Services Matter; Federal Trade Commission and State Attorneys General Driver Platform Litigation; Mexico Antitrust Matter and an India Antitrust Matter in [Part I](#) of this Annual Report on Form 10-K under the caption "[Item 3. Legal Proceedings](#)," under the sub-caption "[I. Supplemental Information](#)." We also discuss an environmental matter with the U.S. Environmental Protection Agency in Part I of this Annual Report on Form 10-K under the caption "[Item 3. Legal Proceedings](#)," under the sub caption "[II. Environmental Matters](#)." The foregoing matters and other matters described elsewhere in this Annual Report on Form 10-K represent contingent liabilities of the Company that may or may not result in the incurrence of a material liability by the Company upon their final resolution.

Summary of Critical Accounting Estimates

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

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

Contingencies

We are involved in a number of legal proceedings and certain regulatory matters. We record a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. We also perform an assessment of the materiality of loss contingencies where a loss is either reasonably possible or it is reasonably possible that a loss could be incurred in excess of amounts accrued. If a loss or an additional loss has at least a reasonable possibility of occurring and the impact on the financial statements would be material, we provide disclosure of the loss contingency in the footnotes to our financial statements. We review all contingencies at least quarterly to determine whether the likelihood of loss has changed and to assess whether a reasonable estimate of the loss or the range of the loss can be made. Although we are not able to predict the outcome or reasonably estimate a range of possible losses in certain matters described in [Note 9](#) to our Consolidated Financial Statements and have not recorded an associated accrual related to these matters, an adverse judgment or negotiated resolution in any of these matters could have a material adverse effect on our business, reputation, financial position, results of operations or cash flows.

Uncertain Tax Positions

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Our tax returns are routinely audited and settlements of issues raised in these audits sometimes affect our tax provisions. The benefits of uncertain tax positions are recorded in our financial statements only after determining a more likely than not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities. When facts and circumstances change, we reassess these probabilities and record any changes in the financial statements as appropriate. We account for uncertain tax positions by determining the minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements. Accordingly, the determination of our uncertain tax positions requires judgment, the use of estimates in certain cases and the interpretation and application of complex tax laws.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

In addition to the risks inherent in our operations, we are exposed to certain market risks, including changes in interest rates, currency exchange rates and the fair values of certain equity and equity method investments measured on a recurring basis.

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

Interest Rate Risk

We are exposed to changes in interest rates as a result of our short-term borrowings and long-term debt. We hedge a portion of our interest rate risk by managing the mix of fixed and variable rate debt and by entering into interest rate swaps. For fiscal 2026, the net fair value of our interest rate swaps increased \$0.2 billion primarily due to fluctuations in market interest rates.

The table below provides information about our financial instruments that are sensitive to changes in interest rates. For long-term debt, the table represents the principal cash flows and related weighted-average interest rates by expected maturity dates. For interest rate swaps, the table represents the contractual cash flows and weighted-average interest rates by the contractual maturity date, unless otherwise noted. The notional amounts are used to calculate contractual cash flows to be exchanged under the contracts. The weighted-average variable rates are based upon prevailing market rates as of January 31, 2026.

(Amounts in millions)	Expected Maturity Date							Total
	Fiscal 2027	Fiscal 2028	Fiscal 2029	Fiscal 2030	Fiscal 2031	Thereafter		
Liabilities								
Short-term borrowings:								
Variable rate	\$ 6,596	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,596
Weighted-average interest rate	4.0 %	— %	— %	— %	— %	— %	— %	4.0 %
Long-term debt⁽¹⁾:								
Fixed rate	\$ 3,542	\$ 2,487	\$ 3,389	\$ 2,143	\$ 2,600	\$ 23,255	\$ —	\$ 37,416
Weighted-average interest rate	2.5 %	3.8 %	3.0 %	4.2 %	5.3 %	4.4 %	— %	4.1 %
Variable rate	\$ —	\$ 750	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 750
Weighted-average interest rate	— %	4.1 %	— %	— %	— %	— %	— %	4.1 %
Interest rate derivatives								
Interest rate swaps:								
Fixed to variable	\$ —	\$ —	\$ 1,250	\$ 1,052	\$ 469	\$ 2,000	\$ —	\$ 4,771
Weighted-average pay rate	— %	— %	4.0 %	5.4 %	9.8 %	4.1 %	— %	4.9 %
Weighted-average receive rate	— %	— %	1.5 %	3.0 %	7.6 %	1.8 %	— %	2.5 %

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

As of January 31, 2026, our variable rate borrowings, including the effect of our commercial paper and interest rate swaps, represented 27% of our total short-term and long-term debt. Based on January 31, 2026 debt levels, a 100 basis point change in prevailing market rates would cause our annual interest costs to change by approximately \$0.1 billion.

Foreign Currency Risk

We are exposed to fluctuations in currency exchange rates as a result of our investments and operations in countries other than the U.S., as well as our foreign-currency-denominated long-term debt. For fiscal 2026, movements in currency exchange rates and the related impact on the translation of the balance sheets resulted in the \$0.8 billion net gain in the currency translation and other category of accumulated other comprehensive loss.

We hedge a portion of our foreign currency risk by entering into currency swaps. The aggregate fair value of these swaps was in a liability position of \$0.9 billion and \$1.4 billion as of January 31, 2026 and January 31, 2025, respectively. The change in the fair value of these swaps was due to fluctuations in currency exchange rates, primarily due to the strengthening of certain currencies relative to the U.S. dollar in fiscal 2026. The hypothetical result of a uniform 10% weakening in the value of the U.S. dollar relative to other currencies underlying these swaps would have resulted in a change in the value of the swaps of \$0.7 billion. A hypothetical 10% change in interest rates underlying these swaps from the market rates in effect as of January 31, 2026 would have resulted in a change in the value of the swaps of \$0.1 billion.

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

Investment Risk

We are exposed to investment risk primarily related to changes in the fair value of certain equity investments, including certain immaterial equity method investments where we have elected the fair value option, measured on a recurring basis. As of January 31, 2026, the fair value of these investments was \$4.5 billion. Refer to [Note 7](#) for details. As of January 31, 2026, a hypothetical 10% change in the stock price of such investments would have changed the fair value of such investments by approximately \$0.4 billion.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**Consolidated Financial Statements of Walmart Inc.
For the Fiscal Year Ended January 31, 2026**

Table of Contents

	Page
Reports of Independent Registered Public Accounting Firm (PCAOB ID: 42)	49
Consolidated Statements of Income	52
Consolidated Statements of Comprehensive Income	53
Consolidated Balance Sheets	54
Consolidated Statements of Shareholders' Equity	55
Consolidated Statements of Cash Flows	56
Notes to Consolidated Financial Statements	57

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Walmart Inc. (the Company) as of January 31, 2026 and 2025, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2026, and the related notes (collectively referred to as the "Consolidated Financial Statements"). In our opinion, the Consolidated Financial Statements present fairly, in all material respects, the financial position of the Company at January 31, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2026, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 31, 2026, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 13, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matter

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

Contingencies

Description of the Matter

As described in Note 9 to the Consolidated Financial Statements, at January 31, 2026, the Company is involved in a number of legal proceedings and certain regulatory matters. The Company records a liability for those legal proceedings and regulatory matters when management determines it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses when it is reasonably possible that a material loss may be incurred. In assessing the probability of occurrence and whether an estimate of loss can be reasonably estimated for a particular legal proceeding, management exercises judgment on matters relevant to each proceeding. Auditing management's accounting for, and disclosure of, loss contingencies was complex and highly judgmental as it involved our assessment of the significant judgments made by management when assessing the probability of loss for contingencies or when determining whether an estimate of the loss or range of loss could be made.

*How We Addressed the
Matter in Our Audit*

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

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

/s/ Ernst & Young LLP

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

Rogers, Arkansas
March 13, 2026

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control Over Financial Reporting

We have audited Walmart Inc.'s internal control over financial reporting as of January 31, 2026, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Walmart Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of January 31, 2026, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of January 31, 2026 and 2025, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2026, and the related notes and our report dated March 13, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

Rogers, Arkansas
March 13, 2026

Walmart Inc.
Consolidated Statements of Income

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Amounts in millions, except per share data)</i>			
Revenues:			
Net sales	\$ 706,413	\$ 674,538	\$ 642,637
Membership and other income	6,750	6,447	5,488
Total revenues	713,163	680,985	648,125
Costs and expenses:			
Cost of sales	535,395	511,753	490,142
Operating, selling, general and administrative expenses	147,943	139,884	130,971
Operating income	29,825	29,348	27,012
Interest:			
Debt	2,318	2,249	2,259
Finance lease	481	479	424
Interest income	(368)	(483)	(546)
Interest, net	2,431	2,245	2,137
Other (gains) and losses	(2,075)	794	3,027
Income before income taxes	29,469	26,309	21,848
Provision for income taxes	7,199	6,152	5,578
Consolidated net income	22,270	20,157	16,270
Consolidated net income attributable to noncontrolling interest	(377)	(721)	(759)
Consolidated net income attributable to Walmart	\$ 21,893	\$ 19,436	\$ 15,511
Net income per common share:			
Basic net income per common share attributable to Walmart	\$ 2.74	\$ 2.42	\$ 1.92
Diluted net income per common share attributable to Walmart	2.73	2.41	1.91
Weighted-average common shares outstanding:			
Basic	7,983	8,041	8,077
Diluted	8,022	8,081	8,108
Dividends declared per common share	\$ 0.94	\$ 0.83	\$ 0.76

See accompanying notes.

Walmart Inc.
Consolidated Statements of Comprehensive Income

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2026	2025	2024
Consolidated net income	\$ 22,270	\$ 20,157	\$ 16,270
Consolidated net income attributable to noncontrolling interest	(377)	(721)	(759)
Consolidated net income attributable to Walmart	21,893	19,436	15,511
Other comprehensive income (loss), net of income taxes	1,009	(2,859)	944
Other comprehensive (income) loss attributable to noncontrolling interest	(174)	556	(566)
Other comprehensive income (loss) attributable to Walmart	835	(2,303)	378
Comprehensive income, net of income taxes	23,279	17,298	17,214
Comprehensive income attributable to noncontrolling interest	(551)	(165)	(1,325)
Comprehensive income attributable to Walmart	\$ 22,728	\$ 17,133	\$ 15,889

See accompanying notes.

Walmart Inc.
Consolidated Balance Sheets

<i>(Amounts in millions)</i>	As of January 31,	
	2026	2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,727	\$ 9,037
Receivables, net	11,172	9,975
Inventories	58,851	56,435
Prepaid expenses and other	4,124	4,011
Total current assets	84,874	79,458
Property and equipment, net	136,083	119,993
Operating lease right-of-use assets	14,750	13,599
Finance lease right-of-use assets, net	6,123	6,112
Goodwill	28,735	28,792
Other long-term assets	14,103	12,869
Total assets	\$ 284,668	\$ 260,823
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	\$ 6,596	\$ 3,068
Accounts payable	63,061	58,666
Accrued liabilities	31,187	29,345
Accrued income taxes	596	608
Long-term debt due within one year	3,542	2,598
Operating lease obligations due within one year	1,631	1,499
Finance lease obligations due within one year	856	800
Total current liabilities	107,469	96,584
Long-term debt	34,624	33,401
Long-term operating lease obligations	13,941	12,825
Long-term finance lease obligations	5,905	5,923
Deferred income taxes and other	16,549	14,398
Commitments and contingencies		
Redeemable noncontrolling interest	293	271
Shareholders' equity:		
Common stock	797	802
Capital in excess of par value	6,816	5,503
Retained earnings	104,774	98,313
Accumulated other comprehensive loss	(12,770)	(13,605)
Total Walmart shareholders' equity	99,617	91,013
Nonredeemable noncontrolling interest	6,270	6,408
Total shareholders' equity	105,887	97,421
Total liabilities, redeemable noncontrolling interest, and shareholders' equity	\$ 284,668	\$ 260,823

See accompanying notes.

Walmart Inc.
Consolidated Statements of Shareholders' Equity

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Walmart Shareholders' Equity	Nonredeemable Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount						
<i>(Amounts in millions)</i>								
Balances as of February 1, 2023	8,080	\$ 808	\$ 4,430	\$ 83,135	\$ (11,680)	\$ 76,693	\$ 7,061	\$ 83,754
Consolidated net income	—	—	—	15,511	—	15,511	774	16,285
Other comprehensive income, net of immaterial income taxes								
Currency translation and other before reclassifications, net	—	—	—	—	314	314	566	880
Reclassifications to income, net	—	—	—	—	64	64	—	64
Cash dividends declared (\$0.76 per share)	—	—	—	(6,140)	—	(6,140)	—	(6,140)
Purchase of Company stock	(55)	(6)	(150)	(2,635)	—	(2,791)	—	(2,791)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(776)	(776)
Purchase of noncontrolling interest	—	—	(1,076)	—	—	(1,076)	(1,367)	(2,443)
Sale of subsidiary stock	—	—	562	—	—	562	154	716
Other	29	3	778	(57)	—	724	76	800
Balances as of January 31, 2024	8,054	805	4,544	89,814	(11,302)	83,861	6,488	90,349
Consolidated net income	—	—	—	19,436	—	19,436	766	20,202
Other comprehensive loss, net of immaterial income taxes								
Currency translation and other before reclassifications, net	—	—	—	—	(2,359)	(2,359)	(556)	(2,915)
Reclassifications to income, net	—	—	—	—	56	56	—	56
Cash dividends declared (\$0.83 per share)	—	—	—	(6,688)	—	(6,688)	—	(6,688)
Purchase of Company stock	(61)	(6)	(230)	(4,241)	—	(4,477)	—	(4,477)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(648)	(648)
Sale of subsidiary stock	—	—	169	—	—	169	193	362
Other	31	3	1,020	(8)	—	1,015	165	1,180
Balances as of January 31, 2025	8,024	802	5,503	98,313	(13,605)	91,013	6,408	97,421
Consolidated net income	—	—	—	21,893	—	21,893	426	22,319
Other comprehensive income, net of immaterial income taxes								
Currency translation and other before reclassifications, net	—	—	—	—	978	978	174	1,152
Reclassifications to income, net	—	—	—	—	(143)	(143)	—	(143)
Cash dividends declared (\$0.94 per share)	—	—	—	(7,507)	—	(7,507)	—	(7,507)
Purchase of Company stock	(85)	(8)	(453)	(7,619)	—	(8,080)	—	(8,080)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(418)	(418)
Sale of subsidiary stock	—	—	58	—	—	58	11	69
Other	30	3	1,708	(306)	—	1,405	(331)	1,074
Balances as of January 31, 2026	7,969	797	6,816	104,774	(12,770)	99,617	6,270	105,887

See accompanying notes.

Walmart Inc.
Consolidated Statements of Cash Flows

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2026	2025	2024
Cash flows from operating activities:			
Consolidated net income	\$ 22,270	\$ 20,157	\$ 16,270
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation and amortization	14,203	12,973	11,853
Investment (gains) and losses, net	(2,016)	878	3,193
Deferred income taxes	2,277	(635)	(175)
Other operating activities	4,079	2,889	2,642
Changes in certain assets and liabilities, net of effects of acquisitions and dispositions:			
Receivables, net	(1,136)	(1,106)	(797)
Inventories	(1,443)	(2,755)	2,017
Accounts payable	1,611	3,228	2,515
Accrued liabilities	1,607	379	(1,324)
Accrued income taxes	113	435	(468)
Net cash provided by operating activities	41,565	36,443	35,726
Cash flows from investing activities:			
Payments for property and equipment	(26,642)	(23,783)	(20,606)
Proceeds from the disposal of property and equipment	106	432	250
Proceeds from disposal of certain strategic investments	927	4,080	—
Payments for business acquisitions, net of cash acquired	(53)	(1,896)	(9)
Other investing activities	(688)	(212)	(922)
Net cash used in investing activities	(26,350)	(21,379)	(21,287)
Cash flows from financing activities:			
Net change in short-term borrowings	3,523	2,212	512
Proceeds from issuance of long-term debt	3,983	—	4,967
Repayments of long-term debt	(2,625)	(3,468)	(4,217)
Dividends paid	(7,507)	(6,688)	(6,140)
Purchase of Company stock	(8,088)	(4,494)	(2,779)
Dividends paid to noncontrolling interest	(439)	(576)	(763)
Purchase of noncontrolling interest	—	—	(3,462)
Sale of subsidiary stock	111	362	716
Other financing activities	(2,511)	(2,170)	(2,248)
Net cash used in financing activities	(13,553)	(14,822)	(13,414)
Effect of exchange rates on cash, cash equivalents and restricted cash	123	(641)	69
Net increase (decrease) in cash, cash equivalents and restricted cash	1,785	(399)	1,094
Cash, cash equivalents and restricted cash at beginning of year	9,536	9,935	8,841
Cash, cash equivalents and restricted cash at end of year	\$ 11,321	\$ 9,536	\$ 9,935
Supplemental disclosure of cash flow information:			
Income taxes paid	\$ 5,364	\$ 5,884	\$ 5,879
Interest paid	2,793	2,739	2,519

See accompanying notes.

Walmart Inc.
Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

General

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

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

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Walmart and its subsidiaries as of and for the fiscal years ended January 31, 2026 ("fiscal 2026"), January 31, 2025 ("fiscal 2025") and January 31, 2024 ("fiscal 2024"). Intercompany accounts and transactions have been eliminated in consolidation. The Company consolidates variable interest entities where it has been determined that the Company is the primary beneficiary of those entities' operations. Investments in common stock or in-substance common stock for which the Company exercises significant influence but does not have control are accounted for under the equity method. These variable interest entities and equity method investments are immaterial to the Company's Consolidated Financial Statements.

The Company's Consolidated Financial Statements are based on a fiscal year ending on January 31 for the United States ("U.S.") and Canadian operations. The Company consolidates all other operations generally using a one-month lag and based on a calendar year. There were no significant intervening events during the month of January 2026 related to the operations consolidated using a lag that materially affected the Consolidated Financial Statements.

Use of Estimates

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

Currency Translation

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

Cash and Cash Equivalents

The Company considers investments with a maturity when purchased of three months or less to be cash equivalents. All credit card, debit card and electronic transfer transactions that process in less than seven days are classified as cash and cash equivalents. The amounts due from banks for these transactions classified as cash and cash equivalents totaled \$4.4 billion and \$2.3 billion as of January 31, 2026 and 2025, respectively.

The Company's cash balances are held in various locations around the world. Of the Company's \$10.7 billion and \$9.0 billion in cash and cash equivalents as of January 31, 2026 and January 31, 2025, approximately 56% and 62% were held outside of the U.S., respectively. Cash and cash equivalents held outside of the U.S. are generally utilized to support liquidity needs in the Company's non-U.S. operations.

The Company uses intercompany financing arrangements in an effort to ensure cash can be made available in the country in which it is needed with the minimum cost possible.

As of January 31, 2026 and 2025, cash and cash equivalents of approximately \$3.9 billion and \$3.3 billion, respectively, may not be freely transferable to the U.S. due to local laws, other restrictions or are subject to the approval of the noncontrolling interest shareholders.

Receivables

Receivables are stated at their carrying values, net of a reserve for credit losses, and are primarily due from the following: customers, which includes pharmacy insurance companies, advertisers, and banks for customer credit, debit cards and electronic transfer transactions that take in excess of seven days to process; suppliers for marketing or incentive programs; governments for income taxes; and real estate transactions. Net receivables from transactions with customers were \$4.9 billion and \$4.4 billion as of January 31, 2026 and January 31, 2025, respectively.

Inventories

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

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

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

Property and Equipment

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

(Dollars in millions)	Estimated Useful Lives	As of January 31,	
	(in Years)	2026	2025
Land	N/A	\$ 20,754	\$ 19,342
Buildings and improvements	3 - 40	128,472	117,973
Fixtures and equipment	2 - 30	85,539	76,226
Transportation equipment	3 - 15	2,928	2,673
Construction in progress	N/A	18,728	15,403
Property and equipment		256,421	231,617
Accumulated depreciation		(120,338)	(111,624)
Property and equipment, net		\$ 136,083	\$ 119,993

Leasehold improvements are depreciated or amortized over the shorter of the estimated useful life of the asset or the remaining expected lease term. Total depreciation and amortization expense for property and equipment, property under finance leases and intangible assets was \$14.2 billion, \$13.0 billion and \$11.9 billion for fiscal 2026, 2025 and 2024, respectively.

Leases

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

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

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

Impairment of Long-Lived Assets

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

Goodwill and Other Acquired Intangible Assets

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

Goodwill is typically assigned to the reporting unit which consolidates the acquisition. Components within the same reportable segment are aggregated and deemed a single reporting unit if the components have similar economic characteristics. Goodwill and other indefinite-lived acquired intangible assets are evaluated for impairment using either a qualitative or quantitative approach for each of the Company's reporting units. Generally, a qualitative assessment is first performed to determine whether a quantitative goodwill impairment test is necessary. If management determines, after performing an assessment based on the qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, or that a fair value of the reporting unit substantially in excess of the carrying amount cannot be assured, then a quantitative goodwill impairment test would be required. The quantitative test for goodwill impairment is performed by determining the fair value of the related reporting units. Fair value is measured based on the discounted cash flow method and relative market-based approaches. Management has performed its evaluation and determined the fair value of each reporting unit is significantly greater than the carrying amount and, accordingly, the Company has not recorded any impairment charges related to goodwill during fiscal 2026, fiscal 2025 or fiscal 2024.

The following table reflects goodwill activity, by reportable segment, for fiscal 2026 and 2025:

<i>(Amounts in millions)</i>	Walmart U.S.	Walmart International	Sam's Club U.S.	Total
Balances as of February 1, 2024	\$ 3,364	\$ 24,428	\$ 321	\$ 28,113
Changes in currency translation and other	—	(696)	—	(696)
Acquisitions ⁽¹⁾	1,375	—	—	1,375
Balances as of January 31, 2025	4,739	23,732	321	28,792
Changes in currency translation and other	53	(119)	—	(66)
Acquisitions	—	9	—	9
Balances as of January 31, 2026	\$ 4,792	\$ 23,622	\$ 321	\$ 28,735

⁽¹⁾ Goodwill recorded in fiscal 2025 relates to the acquisition of VIZIO Holding Corp. in December 2024 within the Walmart U.S. segment.

Intangible assets are recorded in other long-term assets in the Company's Consolidated Balance Sheets. As of January 31, 2026 and 2025, the Company had \$4.3 billion and \$4.5 billion, respectively, in indefinite-lived intangible assets which primarily consists of acquired trade names. There were no significant impairment charges related to intangible assets for fiscal 2026, 2025 or 2024.

Fair Value Measurement

The Company records and discloses certain financial and non-financial assets and liabilities at fair value. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. The fair value of a liability is the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor. Refer to [Note 7](#) for more information.

Investments

Investments in equity securities are recorded in other long-term assets in the Consolidated Balance Sheets. Changes in the fair value of certain equity securities, as well as certain immaterial equity method investments where the Company has elected the fair value option, are measured on a recurring basis (generally using Level 1 and Level 2 inputs in the fair value hierarchy) and recognized within other gains and losses in the Consolidated Statements of Income. Measurement of equity investments using Level 2 inputs is primarily based on quoted prices for similar securities in active markets. Equity investments without readily

determinable fair values are carried at cost and adjusted for any observable price changes or impairments within other gains and losses in the Consolidated Statements of Income. Investments in debt securities classified as trading are reported at fair value and included in other long-term assets in the Consolidated Balance Sheets, and adjustments in fair value are recorded within other gains and losses in the Consolidated Statements of Income. The Company's debt investments are immaterial and primarily relate to its retained investment in Asda, the Company's former retail operations in the U.K., the majority of which is mandatorily redeemable in fiscal 2029. The fair value is measured using Level 3 inputs and is primarily estimated by discounting the future cash flows over the remaining period until the mandatory redemption date at an appropriate discount rate reflecting Asda's credit risk. Refer to [Note 7](#) for details.

Indemnification Liabilities

The Company has provided certain indemnifications in connection with previous divestitures and has recorded indemnification liabilities equal to the estimated fair value of the obligations. As of January 31, 2026 and January 31, 2025, the Company had \$0.7 billion and \$0.6 billion, respectively, of certain legal indemnification liabilities recorded within deferred income taxes and other in the Consolidated Balance Sheets. Maximum potential future payments under these indemnities was \$3.4 billion, based on exchange rates as of January 31, 2026.

Supplier Financing Program Obligations

The Company has supplier financing programs with financial institutions, in which the Company agrees to pay the financial institution the stated amount of confirmed invoices on the invoice due date for participating suppliers. Participation in these programs is optional and solely up to the supplier, who negotiates the terms of the arrangement directly with the financial institution and may allow early payment. Supplier participation in these programs has no bearing on the Company's amounts due. The payment terms that the Company has with participating suppliers under these programs generally range between 30 and 90 days. The Company does not have an economic interest in a supplier's participation in the program or a direct financial relationship with the financial institution funding the program. The Company is responsible for ensuring that participating financial institutions are paid according to the terms negotiated with the supplier, regardless of whether the supplier elects to receive early payment from the financial institution. The rollforward of the Company's outstanding payment obligations to financial institutions under these programs is as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,			
	2026		2025	
Confirmed obligations outstanding at the beginning of the year	\$	5,725	\$	5,271
Invoices confirmed during the year		40,342		41,335
Confirmed invoices paid during the year		(40,062)		(40,810)
Translation and other		(16)		(71)
Confirmed obligations outstanding at the end of the year	\$	5,989	\$	5,725

These obligations are generally classified as accounts payable within the Consolidated Balance Sheets. The activity related to these programs is classified as an operating activity within the Consolidated Statements of Cash Flows.

Self-Insurance Reserves

The Company self-insures a number of risks, including, but not limited to, general liability, workers' compensation, auto liability, product liability and certain employee-related healthcare benefits. Standard actuarial procedures and data analysis are used to estimate the liabilities associated with these risks on an undiscounted basis. The recorded liabilities reflect the ultimate cost for claims incurred but not paid and any estimable administrative run-out expenses related to the processing of these outstanding claim payments. On a regular basis, the liabilities are evaluated for appropriateness with claims reserve valuations. To limit exposure to some risks, the Company maintains insurance coverage with varying limits and retentions, including stop-loss insurance coverage for general liability, workers' compensation and auto liability. Refer to [Note 4](#) for the self-insurance reserves which are recorded in accrued liabilities in the Company's Consolidated Balance Sheets.

Derivatives

The Company uses derivatives for hedging purposes to manage its exposure to changes in interest and currency exchange rates, as well as to maintain an appropriate mix of fixed- and variable-rate debt. Use of derivatives in hedging programs subjects the Company to certain risks, such as market and credit risks. The Company may be exposed to credit-related losses in the event of nonperformance by its counterparties to derivatives. Credit risk is monitored through established approval procedures, including setting concentration limits by counterparty, reviewing credit ratings and requiring collateral from the counterparty. The Company enters into derivatives with counterparties rated generally "A-" or better by nationally recognized credit rating agencies. The Company is subject to master netting arrangements which provides set-off and close-out netting of exposures with counterparties, but the Company does not offset derivative assets and liabilities in its Consolidated Balance Sheets. The Company's collateral arrangements require the counterparty in a net liability position in excess of pre-determined thresholds, after considering the effects of netting arrangements, to pledge cash collateral. Cash collateral received from counterparties and cash collateral provided to counterparties under these arrangements was not significant as of January 31, 2026 and 2025.

In order to qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge. If a derivative is recorded using hedge accounting, depending on the nature of the hedge, derivative gains and losses are recorded through the same financial statement line item in earnings or are recognized in accumulated other comprehensive loss until the hedged item is recognized in earnings. Derivatives that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are recorded at fair value with unrealized gains or losses reported in earnings. Derivatives with an unrealized gain are recorded in the Company's Consolidated Balance Sheets as either current or non-current assets, based on maturity date, and derivatives with an unrealized loss are recorded as either current or non-current liabilities, based on maturity date. Refer to [Note 7](#) for the presentation of the Company's derivative assets and liabilities.

Fair Value Hedges

The Company is a party to receive fixed-rate, pay variable-rate interest rate swaps that the Company uses to hedge the fair value of fixed-rate debt. All interest rate swaps designated as fair value hedges of the related long-term debt meet the shortcut method requirements under GAAP. Accordingly, changes in the fair values of these interest rate swaps are considered to exactly offset changes in the fair value of the underlying long-term debt. These derivatives will mature on dates ranging from September 2028 to September 2031.

Cash Flow Hedges

The Company is a party to receive fixed-rate, pay fixed-rate cross currency interest rate swaps used to hedge the currency exposure associated with the forecasted payments of principal and interest of certain non-U.S. denominated debt. The Company records changes in the fair value of these swaps in accumulated other comprehensive loss which is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. These derivatives will mature on dates ranging from April 2026 to January 2039.

Income Taxes

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

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

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

The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company records interest and penalties related to unrecognized tax benefits in interest expense and operating, selling, general and administrative expenses, respectively, in the Company's Consolidated Statements of Income. Refer to [Note 8](#) for additional income tax disclosures.

Redeemable Noncontrolling Interest

The Company has a redeemable noncontrolling interest in a subsidiary within the Walmart U.S. segment. The minority interest owner holds a put option which, if exercised, would require the Company to purchase the underlying shares at fair value beginning in December 2027, with annual options thereafter. Redeemable noncontrolling interests are initially recorded at fair value and adjusted each reporting period for income, loss and any distributions made, and are then generally remeasured to the greater of the redemption value or the carrying value of the noncontrolling interest. Remeasurements to the redemption value of the redeemable noncontrolling interest are recognized in capital in excess of par.

Revenue Recognition

Net Sales

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

Financial, Advertising and Other Services

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

Membership and Other Income

Membership and other income primarily includes membership fee revenue associated with the Company's various membership offerings for customers and members across each reportable segment. Membership fee revenue is recognized over the term of the membership, which are generally one year, although certain offerings are month-to-month. Membership fee revenue was \$4.4 billion, \$3.8 billion and \$3.1 billion for fiscal 2026, 2025 and 2024, respectively. Deferred membership fee revenue is included in accrued liabilities in the Company's Consolidated Balance Sheets. Additionally, membership and other income includes items such as rental and tenant income, recycling income, and gift card breakage income.

Gift Cards

Customer purchases of gift cards are not recognized as sales until the card is redeemed and the customer purchases merchandise using the gift card, thus a liability for deferred gift card revenue is recorded within accrued liabilities in the Consolidated Balance Sheets. Refer to [Note 4](#). Gift cards in the U.S. and some countries do not carry an expiration date; therefore, customers and members can redeem their gift cards for merchandise and services indefinitely. Gift cards in some countries where the Company does business have expiration dates. While gift cards are generally redeemed within 12 months, a certain number of gift cards, both with and without expiration dates, will not be fully redeemed. Management estimates unredeemed balances and recognizes gift card breakage income for these amounts in membership and other income in the Company's Consolidated Statements of Income over the expected redemption period.

Cost of Sales

Cost of sales includes costs of merchandise sold and services performed; costs of transporting merchandise to the Company's distribution facilities, stores, clubs, and customers; and also includes warehousing costs for the Sam's Club U.S. segment and import distribution centers. Cost of sales is reduced by supplier payments, except in certain situations as described below.

Payments from Suppliers

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

Operating, Selling, General and Administrative Expenses

Operating, selling, general and administrative expenses include all operating costs of the Company (except cost of sales, as described above), which comprise substantially all labor-related, depreciation and amortization, maintenance and repairs, utilities, and other general operating costs incurred in stores, clubs and other facilities. The majority of the cost of warehousing and occupancy for the Walmart U.S. and Walmart International segments' distribution facilities is included in operating, selling, general and administrative expenses. Because the Company only includes a portion of the cost of its Walmart U.S. and Walmart International segments' distribution facilities in cost of sales, its gross profit and gross profit as a percentage of net sales may not be comparable to those of other retailers that may include all costs related to their distribution facilities in cost of sales and in the calculation of gross profit.

As a result, the Company's cost of sales and operating, selling, general and administrative expenses for each of its reportable segments may not be comparable to those of other retailers.

Advertising Costs

Advertising costs are expensed as incurred, and consist primarily of digital, television and print advertisements that are recorded in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. Advertising costs were \$5.4 billion, \$5.1 billion and \$4.4 billion for fiscal 2026, 2025 and 2024, respectively.

Other Comprehensive Income

Other comprehensive income or loss is recorded in accumulated other comprehensive loss as a component of shareholders' equity and primarily consists of foreign currency translation adjustments from foreign subsidiaries where the functional currency is not the U.S. dollar, as well as unrealized gains and losses on cash flow hedges which are not significant. Amounts reclassified from accumulated other comprehensive loss into earnings primarily relate to cross-currency swaps to hedge the changes in cash flows of certain foreign currency denominated debt and are recorded against the hedged item in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. Certain amounts are also reclassified from accumulated other comprehensive loss into earnings and are recorded against the hedged item in interest, net in the Company's Consolidated Statements of Income.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which expands the requirements for income tax disclosures in order to provide greater transparency. The amendments are effective for fiscal years beginning after December 15, 2024. The amendments should be applied prospectively, although optional retrospective application is permitted. Management has adopted the amendments prospectively for the fiscal year ending January 31, 2026. See [Note 8](#) for the expanded disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires incremental disclosures about specific expense categories, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization and selling expenses. The amendments are effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and the amendments may be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company's disclosures. The amendments only impact disclosures and are not expected to have an impact on the Company's financial condition and results of operations.

Note 2. Net Income Per Common Share

Basic net income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period. Diluted net income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of share-based awards as determined under the treasury stock method. The Company did not have significant share-based awards outstanding that were antidilutive and not included in the calculation of diluted net income per common share attributable to Walmart for fiscal 2026, 2025 and 2024.

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

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Amounts in millions, except per share data)</i>			
Numerator			
Consolidated net income	\$ 22,270	\$ 20,157	\$ 16,270
Consolidated net income attributable to noncontrolling interest	(377)	(721)	(759)
Consolidated net income attributable to Walmart	\$ 21,893	\$ 19,436	\$ 15,511
Denominator			
Weighted-average common shares outstanding, basic	7,983	8,041	8,077
Dilutive impact of share-based awards	39	40	31
Weighted-average common shares outstanding, diluted	8,022	8,081	8,108
Net income per common share attributable to Walmart			
Basic	\$ 2.74	\$ 2.42	\$ 1.92
Diluted	2.73	2.41	1.91

Note 3. Shareholders' Equity

The total authorized shares of \$0.10 par value common stock is 33.0 billion, of which 8.0 billion were issued and outstanding as of January 31, 2026 and 2025. The total authorized shares of \$0.10 par value preferred stock is 0.1 billion; none of which were issued or outstanding for any period presented.

Noncontrolling Interest

During fiscal 2026, the Company's PhonePe subsidiary modified certain of its share-based payment arrangements in contemplation of a potential initial public offering. Upon modification, the Company recorded a non-cash charge of \$0.7 billion (a portion of which was based on grant-date fair value) in operating, selling, general and administrative expenses within the Walmart International segment, primarily related to previously unrecognized share-based compensation expense under these arrangements. Following the modification, certain PhonePe employee-held options were vested and exercised (including certain previously vested awards), which decreased the Company's ownership in PhonePe from approximately 84% as of January 31, 2025 to approximately 73% as of January 31, 2026.

During fiscal 2024, the Company paid \$3.5 billion to acquire shares from certain Flipkart noncontrolling interest holders and settle a \$0.9 billion liability to former noncontrolling interest holders of PhonePe in connection with the separation from Flipkart in fiscal 2023. The Company's ownership of Flipkart increased from approximately 75% as of January 31, 2023 to approximately 85% as of January 31, 2024.

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

Share-Based Compensation

The Company has awarded share-based compensation to associates and nonemployee directors of the Company. The compensation expense recognized for all stock incentive plans, including expense associated with plans of the Company's consolidated subsidiaries granted in the subsidiaries' respective stock, was \$3.6 billion, \$2.8 billion and \$2.1 billion for fiscal 2026, 2025 and 2024, respectively. Share-based compensation expense is generally included in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. The total income tax benefit recognized for share-based compensation was \$0.9 billion, \$0.7 billion and \$0.5 billion for fiscal 2026, 2025 and 2024, respectively. The following table summarizes the Company's share-based compensation expense by award type for all plans:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Restricted stock units	\$ 2,028	\$ 1,909	\$ 1,258
Restricted stock and performance-based restricted stock units	587	632	609
Other	988	228	226
Share-based compensation expense	\$ 3,603	\$ 2,769	\$ 2,093

The Walmart Inc. Stock Incentive Plan of 2025 (the "Plan") was approved by the Company's shareholders in June 2025, which amended and restated the Company's Stock Incentive Plan of 2015. The Plan provides for the issuance of stock options, restricted (non-vested) stock, restricted stock units, performance share units and other equity compensation awards for which 215 million shares of Walmart common stock issued or to be issued under the Plan have been registered under the Securities Act of 1933. The Company believes that such awards serve to align the interests of its associates with those of its shareholders.

The Plan's award types are summarized as follows:

- **Restricted Stock Units.** Restricted stock units provide rights to Company stock after a specified service period. Beginning in fiscal 2023, restricted stock units generally vest at a rate of approximately 8% each quarter over a three year period from the date of grant. For grants made from fiscal 2020 through fiscal 2022, restricted stock units generally vest at a rate of 25% each year over a four year period from the date of the grant. The fair value of each restricted stock unit is determined on the date of grant using the stock price discounted for the expected dividend yield through the vesting period and is recognized ratably over the vesting period. The expected dividend yield is based on the anticipated dividends over the vesting period. The weighted-average discount for the dividend yield used to determine the fair value of restricted stock units granted in fiscal 2026, 2025 and 2024 was 1.5%, 2.0% and 2.2%, respectively.

- **Restricted Stock and Performance-based Restricted Stock Units.** Restricted stock awards are for shares that vest based on the passage of time and include restrictions related to employment. Performance-based restricted stock units generally vest based on a one-year performance period followed by a two-year vesting period based on the passage of time. Vesting conditions during the performance period are based on achieving pre-established financial goals for metrics related to growth and returns and generally range from 0% to 150% of the original award amount. Vesting periods for restricted stock are generally between one month and three years. Vesting periods for performance-based restricted stock units are generally between one and three years. Restricted stock and performance-based restricted stock units may be settled or, in certain circumstances, deferred and are accounted for as equity in the Company's Consolidated Balance Sheets. The fair value of restricted stock awards is determined on the date of grant and is expensed ratably over the vesting period. The fair value of performance-based restricted stock units is determined on the date of grant using the Company's stock price discounted for the expected dividend yield through the vesting period and is recognized over the vesting period if it is probable that performance conditions will be achieved. The weighted-average discount for the dividend yield used to determine the fair value of performance-based restricted stock units in fiscal 2026, 2025 and 2024 was 2.4%, 3.2% and 3.3%, respectively.

In addition to the Plan, certain of the Company's subsidiaries have share-based compensation plans for associates under which options to acquire their own common shares are issued. Share-based compensation expense associated with these plans is reflected in the Other line in the table above, which also includes the \$0.7 billion impact related to the modification of certain PhonePe share-based payment arrangements described above.

The following table shows the activity for restricted stock units and restricted stock and performance-based restricted stock units during fiscal 2026:

	Restricted Stock Units		Restricted Stock and Performance-based Restricted Stock Units	
	Shares	Weighted-Average Grant-Date Fair Value Per Share	Shares	Weighted-Average Grant-Date Fair Value Per Share
<i>(Shares in thousands)</i>				
Outstanding as of February 1, 2025	51,758	\$ 55.72	20,960	\$ 54.88
Granted	27,741	87.95	7,271	94.84
Adjustment for performance achievement ⁽¹⁾	—	—	2,580	60.54
Vested/exercised	(35,426)	59.93	(12,165)	53.56
Forfeited	(6,917)	65.46	(2,556)	57.05
Outstanding as of January 31, 2026	37,156	\$ 73.96	16,090	\$ 74.50

⁽¹⁾ Represents the adjustment to previously granted performance share units for performance achievement.

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

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Amounts in millions, except years)</i>			
Fair value of restricted stock units vested	\$ 2,111	\$ 1,848	\$ 1,345
Fair value of restricted stock and performance-based restricted stock units vested	652	602	477
Unrecognized compensation cost for restricted stock units	2,239	2,243	1,686
Unrecognized compensation cost for restricted stock and performance-based restricted stock units	670	669	656
Weighted average remaining period to expense for restricted stock units (years)	0.8	0.9	0.9
Weighted average remaining period to expense for restricted stock and performance-based restricted stock units (years)	1.3	1.3	1.3

As of January 31, 2026, the Company also has approximately \$3 billion in unrecognized compensation cost (based on grant-date fair value) primarily associated with share-based compensation plans of certain subsidiaries which contain performance or other conditions including vesting upon an initial public offering. If such conditions are ultimately satisfied, unrecognized compensation cost would be recognized in the applicable reporting period.

Share Repurchase Program

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases during fiscal 2026 were made under the current \$20.0 billion share repurchase program approved in November 2022, which had no expiration date or other restrictions limiting the period over which the Company can make repurchases. As of January 31, 2026 authorization for \$4.0 billion of share repurchases remained under the share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status. In February 2026, the Board of Directors approved a new \$30.0 billion share repurchase authorization, which has no expiration date or other restrictions limiting the period over which the Company can make repurchases, and beginning February 23, 2026, replaced the remaining capacity under the prior authorization.

The Company regularly reviews share repurchase activity and considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings, results of operations and the market price of the Company's common stock. The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total amount paid for share repurchases for fiscal 2026, 2025 and 2024:

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Amounts in millions, except per share data)</i>			
Total number of shares repurchased	85.0	61.9	54.6
Average price paid per share	\$ 95.13	\$ 72.72	\$ 50.87
Total cash paid for share repurchases	\$ 8,088	\$ 4,494	\$ 2,779

Note 4. Accrued Liabilities

The Company's accrued liabilities consist of the following as of January 31, 2026 and 2025:

	January 31,	
	2026	2025
<i>(Amounts in millions)</i>		
Accrued wages and benefits ⁽¹⁾	\$ 7,878	\$ 7,897
Self-insurance ⁽²⁾	5,525	4,976
Accrued non-income taxes ⁽³⁾	4,110	3,503
Deferred gift card revenue	2,941	2,755
Other ⁽⁴⁾	10,733	10,214
Total accrued liabilities	\$ 31,187	\$ 29,345

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

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

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

⁽⁴⁾ Other accrued liabilities includes items such as deferred membership revenue, interest, supply chain, advertising, and maintenance and utilities.

Note 5. Short-term Borrowings and Long-term Debt

Short-term borrowings consist of commercial paper and lines of credit. Short-term borrowings as of January 31, 2026 and 2025 were \$6.6 billion and \$3.1 billion, respectively, with weighted-average interest rates of 4.0% and 5.3%, respectively.

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

	January 31, 2026			January 31, 2025		
	Available	Drawn	Undrawn	Available	Drawn	Undrawn
<i>(Amounts in millions)</i>						
Five-year credit facility ⁽¹⁾	\$ 5,000	\$ —	\$ 5,000	\$ 5,000	\$ —	\$ 5,000
364-day revolving credit facility ⁽¹⁾	10,000	—	10,000	10,000	—	10,000
Total	\$ 15,000	\$ —	\$ 15,000	\$ 15,000	\$ —	\$ 15,000

⁽¹⁾ In April 2025, the Company renewed and extended its existing 364-day revolving credit facility as well as its five year credit facility.

The committed lines of credit in the table above mature in April 2026 and April 2030, carry interest rates of the Secured Overnight Financing Rate plus 45 basis points, and incur commitment fees ranging between 1.5 and 4.0 basis points. In conjunction with the committed lines of credit listed in the table above, the Company has agreed to observe certain covenants, the most restrictive of which relates to the maximum amount of secured debt. Additionally, the Company has syndicated and fronted letters of credit available which totaled \$2.0 billion and \$2.1 billion as of January 31, 2026 and 2025, respectively, of which \$1.7 billion and \$1.5 billion was issued as of January 31, 2026 and 2025, respectively.

The Company's long-term debt, which includes the fair value instruments further discussed in [Note 7](#), consists of the following as of January 31, 2026 and 2025:

(Amounts in millions)	January 31, 2026			January 31, 2025	
	Maturity Dates By Fiscal Year	Amount	Average Rate ⁽¹⁾	Amount	Average Rate ⁽¹⁾
Unsecured debt					
Fixed	2027 - 2054	\$ 32,032	3.9%	\$ 31,406	3.8%
Variable	2028	750	4.1%	—	—%
Total U.S. dollar denominated		32,782		31,406	
Euro denominated	2027 - 2030	1,955	4.0%	1,715	4.0%
Sterling denominated	2031 - 2039	3,677	5.4%	3,336	5.4%
Yen denominated	2028	388	0.5%	389	0.5%
Total unsecured debt		38,802		36,846	
Total other⁽²⁾		(636)		(847)	
Total debt		38,166		35,999	
Less amounts due within one year		(3,542)		(2,598)	
Long-term debt		\$ 34,624		\$ 33,401	

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

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

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

(Amounts in millions)	Annual Maturities
Fiscal Year	
2027	\$ 3,542
2028	3,237
2029	3,389
2030	2,143
2031	2,600
Thereafter	23,255
Total	\$ 38,166

Debt Issuances

Information on significant issuances of long-term debt during fiscal 2026, for general corporate purposes, is as follows:

(Amounts in millions)	Principal Amount	Maturity Date	Interest Rate	Net Proceeds
Issue Date				
April 28, 2025	\$750	April 28, 2027	Floating	\$ 749
April 28, 2025	\$750	April 28, 2027	4.100%	748
April 28, 2025	\$1,000	April 28, 2030	4.350%	993
April 28, 2025	\$1,500	April 28, 2035	4.900%	1,493
Total				\$ 3,983

These issuances are senior, unsecured notes which rank equally with all other senior, unsecured debt obligations of the Company, and are not convertible or exchangeable. These issuances do not contain any financial covenants which restrict the Company's ability to pay dividends or repurchase Company stock.

Maturities

The following tables provide details of significant long-term debt maturities during fiscal 2026 and 2025, respectively:

(Amounts in millions)	Principal Amount	Interest Rate	Repayment
Maturity Date			
June 26, 2025	\$875	3.550%	\$ 875
September 9, 2025	\$1,750	3.900%	1,750
Total			\$ 2,625

(Amounts in millions)

Maturity Date	Principal Amount	Interest Rate	Repayment
April 22, 2024	\$1,500	3.300%	\$ 1,500
July 8, 2024	\$990	2.850%	990
July 18, 2024	¥40,000	0.298%	253
December 15, 2024	\$630	2.650%	630
Total			\$ 3,373

Note 6. Leases

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

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Operating lease cost	\$ 2,434	\$ 2,347	\$ 2,277
Finance lease cost:			
Amortization of right-of-use assets	888	891	755
Interest on lease obligations	383	381	326
Variable lease cost	1,180	1,145	1,082

Other lease information is as follows:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Cash paid for amounts included in measurement of lease obligations:			
Operating cash flows from operating leases	\$ 2,315	\$ 2,390	\$ 2,273
Operating cash flows from finance leases	377	375	315
Financing cash flows from finance leases	891	908	1,055
Assets obtained in exchange for operating lease obligations	2,303	1,974	1,514
Assets obtained in exchange for finance lease obligations	703	1,455	1,572

	As of January 31,	
	2026	2025
Weighted-average remaining lease term - operating leases	11.3 years	11.3 years
Weighted-average remaining lease term - finance leases	11.5 years	11.7 years
Weighted-average discount rate - operating leases	6.7%	6.5%
Weighted-average discount rate - finance leases	7.0%	6.7%

The aggregate annual lease obligations at January 31, 2026, are as follows:

(Amounts in millions)	Operating Leases		Finance Leases	
Fiscal Year				
2027	\$ 2,453	\$ 1,228		
2028	2,361	1,132		
2029	2,214	955		
2030	2,008	805		
2031	1,796	692		
Thereafter	11,792	6,003		
Total undiscounted lease obligations	22,624	10,815		
Less imputed interest	(7,052)	(4,054)		
Net lease obligations	\$ 15,572	\$ 6,761		

Note 7. Fair Value Measurements

Assets and liabilities recorded at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are:

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

As described in [Note 1](#), the Company measures the fair value of certain equity investments, including certain immaterial equity method investments where the Company has elected the fair value option, as well as debt investments classified as trading on a recurring basis primarily within other long-term assets in the accompanying Consolidated Balance Sheets. The associated gains and losses from fair value changes for these investments are recognized within other gains and losses in the Consolidated Statements of Income. Other gains and losses included a gain of \$2.1 billion and losses of \$0.8 billion and \$3.0 billion for fiscal 2026, 2025, and 2024, respectively, driven primarily by fair value changes on these investments, as well as other immaterial activity. The fair value of these investments is as follows:

<i>(Amounts in millions)</i>	Fair Value as of January 31, 2026	Fair Value as of January 31, 2025
Equity investments measured using Level 1 inputs	\$ 1,037	\$ 959
Equity investments measured using Level 2 inputs	3,462	2,082
Debt investments measured using Level 3 inputs	1,176	1,181
Total	\$ 5,675	\$ 4,222

The fair value of these investments increased \$1.5 billion during fiscal 2026, primarily due to gains and losses resulting from net changes in the underlying stock prices of the equity investments and certain other immaterial investment activity, partially offset by the sale of certain investments. The fair value of investments decreased \$4.2 billion during fiscal 2025 primarily due to the sale of the Company's investment in JD.com, as well as gains and losses resulting from net changes in the underlying stock prices of the equity investments, along with certain other immaterial investment activity.

Sale of Investment

In August 2024, the Company sold its investment in JD.com for net proceeds of approximately \$3.6 billion and recorded a realized loss of \$0.3 billion within other gains and losses.

Derivatives

The Company also has derivatives recorded at fair value. Derivative fair values are the estimated amounts the Company would receive or pay upon termination of the related derivative agreements as of the reporting dates. The fair values have been measured using the income approach and Level 2 inputs, which include the relevant interest rate and foreign currency forward curves. As of January 31, 2026 and January 31, 2025, the notional amounts and fair values of these derivatives were as follows:

<i>(Amounts in millions)</i>	January 31, 2026		January 31, 2025	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges	\$ 4,771	\$ (411) ⁽¹⁾	\$ 4,771	\$ (611) ⁽¹⁾
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as cash flow hedges	6,020	(920) ⁽¹⁾	5,452	(1,388) ⁽¹⁾
Total	\$ 10,791	\$ (1,331)	\$ 10,223	\$ (1,999)

⁽¹⁾ Primarily classified in deferred income taxes and other within the Company's Consolidated Balance Sheets.

Nonrecurring Fair Value Measurements

In addition to assets and liabilities recorded at fair value on a recurring basis, the Company's assets and liabilities are also subject to nonrecurring fair value measurements. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges.

The Company did not have any material assets or liabilities resulting in nonrecurring fair value measurements as of January 31, 2026 and January 31, 2025.

Other Fair Value Disclosures

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

The Company's long-term debt is also recorded at cost. The fair value is estimated using Level 2 inputs based on observable prices of identical instruments in less active markets. The carrying value and fair value of the Company's long-term debt as of January 31, 2026 and 2025, are as follows:

<i>(Amounts in millions)</i>	January 31, 2026		January 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including amounts due within one year	\$ 38,166	\$ 36,777	\$ 35,999	\$ 33,790

Note 8. Taxes

The components of income before income taxes are as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2026	2025	2024
U.S.	\$ 23,272	\$ 18,571	\$ 20,092
Non-U.S.	6,197	7,738	1,756
Total income before income taxes	\$ 29,469	\$ 26,309	\$ 21,848

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

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2026	2025	2024
Current:			
U.S. federal	\$ 2,128	\$ 3,478	\$ 3,215
U.S. state and local	678	886	762
Non-U.S.	2,116	2,451	1,772
Total current tax provision	4,922	6,815	5,749
Deferred:			
U.S. federal	2,010	(214)	(438)
U.S. state and local	294	30	141
Non-U.S.	(27)	(479)	126
Total deferred tax expense (benefit)	2,277	(663)	(171)
Total provision for income taxes	\$ 7,199	\$ 6,152	\$ 5,578

A summary of the cash paid for income taxes is as follows:

<i>(Amounts in millions)</i>	Fiscal Year Ended January 31,
	2026
Cash taxes paid in total	\$ 5,364
U.S. federal	1,743
U.S. state and local	895
Non-U.S.	2,726
Cash taxes paid by jurisdiction	
U.S. federal	1,743
Mexico	1,285
China	382

Effective Income Tax Rate Reconciliation

A reconciliation of the significant differences between the U.S. statutory tax rate and the effective income tax rate on pre-tax income from continuing operations for fiscal year 2026 is as follows:

	Fiscal Year Ended January 31, 2026	
	Amount	Percent
U.S. federal statutory tax rate	\$ 6,188	21.0 %
State and local income tax, net of federal (national) income tax effect	760	2.6 %
Foreign tax effects		
India		
Changes in valuation allowances	461	1.6 %
Other	(93)	(0.3)%
Luxembourg		
Changes in valuation allowances	(1,811)	(6.1)%
Internal reorganization	1,814	6.2 %
Other	83	0.3 %
Other foreign jurisdictions	498	1.7 %
Effect of cross-border tax laws	400	1.4 %
Tax credits		
Foreign tax credits	(586)	(2.0)%
Research and development tax credits	(323)	(1.1)%
Other	(167)	(0.6)%
Changes in valuation allowances	374	1.3 %
Nontaxable or nondeductible items		
Share based compensation	(373)	(1.3)%
Internal reorganization	(349)	(1.2)%
Other	132	0.4 %
Changes in unrecognized tax benefits	301	1.0 %
Other adjustments	(110)	(0.5)%
Effective income tax rate	\$ 7,199	24.4 %

A reconciliation of the significant differences between the U.S. statutory tax rate and the effective income tax rate on pre-tax income from continuing operations for fiscal years 2025 and 2024 is as follows:

	Fiscal Years Ended January 31,	
	2025	2024
U.S. statutory tax rate	21.0 %	21.0 %
U.S. state income taxes, net of federal income tax benefit	2.8 %	3.0 %
Income taxed outside the U.S.	1.3 %	0.1 %
Valuation allowance	0.4 %	1.2 %
Net impact of repatriated international earnings	(0.6)%	(0.4)%
Federal tax credits	(1.4)%	(1.5)%
Change in unrecognized tax benefits	0.3 %	0.6 %
Other, net	(0.4)%	1.5 %
Effective income tax rate	23.4 %	25.5 %

Deferred Taxes

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

(Amounts in millions)	January 31,	
	2026	2025
Deferred tax assets:		
Loss and tax credit carryforwards	\$ 4,615	\$ 7,539
Accrued liabilities	3,504	3,009
Lease obligations	5,181	4,611
Other	1,239	1,339
Total deferred tax assets	14,539	16,498
Valuation allowances	(4,421)	(7,405)
Deferred tax assets, net of valuation allowances	10,118	9,093
Deferred tax liabilities:		
Property and equipment	6,122	4,303
Acquired intangibles	1,066	1,096
Inventory	3,570	3,336
Lease right of use assets	5,345	4,816
Other	1,373	813
Total deferred tax liabilities	17,476	14,364
Net deferred tax liabilities	\$ 7,358	\$ 5,271

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

(Amounts in millions)	January 31,	
	2026	2025
Balance Sheet classification		
Assets:		
Other long-term assets	\$ 1,891	\$ 1,748
Liabilities:		
Deferred income taxes and other	9,249	7,019
Net deferred tax liabilities	\$ 7,358	\$ 5,271

Net Operating Losses, Tax Credit Carryforwards and Valuation Allowances

As of January 31, 2026, the Company's net operating loss and capital loss carryforwards totaled approximately \$19.6 billion. Of these carryforwards, approximately \$13.1 billion will expire, if not utilized, in various years through 2046. The remaining carryforwards have no expiration.

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

The Company had valuation allowances of approximately \$4.4 billion and \$7.4 billion as of January 31, 2026 and 2025, respectively, on deferred tax assets associated primarily with the net operating loss carryforwards.

Uncertain Tax Positions

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

As of January 31, 2026 and 2025, the amount of gross unrecognized tax benefits related to continuing operations was \$2.4 billion and \$3.8 billion, respectively. The amount of unrecognized tax benefits that would affect the Company's effective income tax rate was \$2.0 billion as of January 31, 2026 and 2025.

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

	Fiscal Years Ended January 31,		
	2026	2025	2024
<i>(Amounts in millions)</i>			
Gross unrecognized tax benefits, beginning of year	\$ 3,757	\$ 3,540	\$ 3,307
Increases related to prior year tax positions	342	445	336
Decreases related to prior year tax positions	(1,360)	(228)	(74)
Increases related to current year tax positions	94	93	102
Settlements during the period	(328)	(77)	(102)
Lapse in statutes of limitations	(65)	(16)	(29)
Gross unrecognized tax benefits, end of year	<u>\$ 2,440</u>	<u>\$ 3,757</u>	<u>\$ 3,540</u>

The Company classifies interest and penalties related to uncertain tax benefits as interest expense and as operating, selling, general and administrative expenses, respectively. Interest expense and penalties related to these positions were immaterial for fiscal 2026, 2025 and 2024.

The Company remains subject to income tax examinations for its U.S. federal income taxes generally for fiscal 2018 through 2025. The Company also remains subject to income tax examinations for international income taxes for fiscal 2015 through 2025, and for U.S. state and local income taxes generally for the fiscal years ended 2018 through 2025. With few exceptions, the Company is no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before fiscal 2015.

Other Taxes

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

Note 9. Contingencies

Legal Proceedings

The Company is involved in a number of legal proceedings and certain regulatory matters. The Company records a liability for those legal proceedings and regulatory matters when it determines it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses when it is reasonably possible that a material loss may be incurred. From time to time, the Company may enter into discussions regarding settlement of these matters, and may enter into settlement agreements, if it believes settlement is in the best interest of the Company and its shareholders.

Unless stated otherwise, the matters discussed below, if decided adversely to or settled by the Company, individually or in the aggregate, may result in a liability material to the Company's financial position, results of operations or cash flows. The Company can provide no assurance as to the scope and outcome of these matters and cannot reasonably estimate any loss or range of loss, beyond the amounts accrued, if any, that may arise from these matters.

Settlement of Certain Opioid-Related Matters

The Company entered into settlement agreements with all 50 states, the District of Columbia, Puerto Rico, three U.S. territories, and the vast majority of eligible political subdivisions and federally recognized Native American tribes to resolve opioid-related claims against the Company. In fiscal year 2023, the Company accrued a liability of approximately \$3.3 billion for these settlements, which included amounts for remediation of alleged harms, attorneys' fees, and costs. As of January 31, 2025, all of the accrued liability had been paid.

Ongoing Opioid-Related Litigation

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

Opioid Multidistrict Litigation; Other Opioid-Related Matters in the U.S. and Canada. In December 2017, the United States Judicial Panel on Multidistrict Litigation consolidated numerous lawsuits filed against a wide array of defendants by various plaintiffs, including counties, cities, healthcare providers, Native American tribes, individuals and third-party payers, asserting claims generally concerning the impacts of widespread opioid abuse. The consolidated multidistrict litigation is entitled *In re National Prescription Opiate Litigation* (MDL No. 2804) (the "MDL") and is pending in the U.S. District Court for the Northern District of Ohio (the "MDL Court"). The Company is named as a defendant in some cases included in the MDL.

Several opioid-related cases against the Company remain pending in the MDL and in state and federal courts. The plaintiffs include healthcare providers, third-party payers, individuals and others and seek compensatory and punitive damages and injunctive relief, including abatement. Four cases brought by third-party payers and one case brought by a hospital system have been selected as bellwether cases to proceed through discovery in the MDL, and the MDL Court may designate additional bellwether cases in the future. The *Florida Health Sciences Center* case pending in state court in Florida asserts claims on behalf of several hospital systems against the Company and other defendants. A jury trial in this matter commenced on September 18, 2025 and ended on December 8, 2025, at which time the Court declared a mistrial. The Court has scheduled retrial to commence on August 27, 2026.

The Company has been responding to subpoenas, information requests, and investigations from governmental entities related to nationwide controlled substance dispensing and distribution practices involving opioids.

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

Department of Justice Opioid Civil Litigation. On December 22, 2020, the U.S. Department of Justice (the "DOJ") filed a civil complaint in the U.S. District Court for the District of Delaware alleging that the Company unlawfully dispensed controlled substances from its pharmacies and unlawfully distributed controlled substances to those pharmacies. The complaint alleges that this conduct resulted in violations of the Controlled Substances Act. The DOJ is seeking civil penalties and injunctive relief. On March 11, 2024, the Court granted in-part Walmart's motion to dismiss by dismissing the entirety of the DOJ's claims related to distribution and dismissing the DOJ's claims arising under one of the DOJ's two dispensing liability theories. The DOJ's claims arising under its other dispensing liability theory remain pending. Trial is scheduled for November 2027.

False Claims Act Litigation. On August 23, 2019, a qui tam action was filed in the U.S. District Court for the District of New Mexico. The action was partially unsealed on April 30, 2024 after the federal government declined to intervene. The DOJ informed the Company of its decision not to intervene on June 20, 2024. On July 25, 2024, the Court transferred the litigation to the U.S. District Court for the District of Delaware. On January 9, 2025, the plaintiffs filed a third amended complaint on behalf of two former pharmacists of the Company as relators that alleges the Company violated the Controlled Substances Act and state pharmacy regulations and that such conduct constitutes violations of the federal False Claims Act. The Company has filed a renewed motion to dismiss that is currently pending with the Court.

Other Legal Proceedings

Asda Equal Value Claims. Asda, formerly a subsidiary of the Company, is a defendant in certain equal value claims that began in 2008 and are proceeding in the United Kingdom before an Employment Tribunal in Manchester and before the High Court. Claims have been brought by approximately 73,000 current and former Asda store employees who allege their work is of equal value to the work done by employees in Asda's distribution centers and that the difference in pay and conditions between the different jobs is not objectively justified. Additional employees may assert claims in the future. The High Court claims are stayed pending the determination of a cohort of claims brought in the Employment Tribunal. The legal proceedings to consider these equal value claims are in three phases, and the first two phases are complete. On January 31, 2025 and February 25, 2026, the Employment Tribunal issued rulings that certain of the claims are permitted to advance to the third phase. The hearing on the third phase is scheduled to begin on November 23, 2026. There are factual and legal defenses to the equal value claims, and the Company intends to vigorously defend them. Subsequent to the divestiture of Asda in February 2021, the Company continues to oversee the conduct of the defense of these claims. While potential liability for these claims remains with Asda, the Company has agreed to provide indemnification with respect to certain of these claims up to a contractually determined amount. The Company cannot predict the number of such claims that may ultimately be filed and cannot reasonably estimate any loss or range of loss that may arise related to these proceedings. Accordingly, the Company can provide no assurance as to the scope and outcome of these matters.

Money Transfer Agent Services Matter. The Company has responded to grand jury subpoenas issued by the United States Attorney's Office for the Middle District of Pennsylvania on behalf of the DOJ seeking documents regarding the Company's consumer fraud prevention program and anti-money laundering compliance related to the Company's money transfer services, where Walmart is an agent. The most recent subpoena was issued in August 2020. Walmart's responses to DOJ's subpoenas have been complete since 2021. While it has cooperated with the DOJ's review, the Company intends to vigorously defend this matter should the DOJ decide to pursue it further. The Company can provide no assurance as to the scope and outcome of this matter and cannot reasonably estimate any loss or range of loss that may arise. Accordingly, the Company can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

Driver Platform Matters. The Company, the Federal Trade Commission ("FTC") and certain states have reached a settlement regarding investigations into payment and operational practices of its Spark Driver platform pursuant to a stipulated order entered on March 3, 2026. Pursuant to the settlement and without admitting liability, the Company agreed to entry of a judgment of \$100 million and to maintain certain programmatic practices and reporting obligations for a period of 10 years. Approximately \$63 million of the judgment was suspended, pursuant to the terms of the stipulated order (reflecting amounts that have already been paid to drivers and other considerations reflected in the settlement), and the Company accrued the remainder of approximately \$37 million as of January 31, 2026. The Company continues discussions regarding these matters with certain other state representatives.

The Company has also been responding to subpoenas, information requests and investigations from governmental entities with respect to the payment of drivers, independent contractor classification of drivers and certain operational issues regarding its Spark Driver platform. The Company is defending putative representative action civil litigation relating to driver classification and defending other civil litigation and arbitration claims in connection with the platform. The Company intends to vigorously defend itself in these matters. However, the Company can provide no assurance as to the scope and outcome of these matters and cannot reasonably estimate any loss or range of loss that may arise. Accordingly, the Company can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

Mexico Antitrust Matter. On October 6, 2023, the Comisión Federal de Competencia Económica de México ("COFECE") notified the main Mexican operating subsidiary of Wal-Mart de México, S.A.B. de C.V. ("Walmex"), a majority owned subsidiary of the Company, that COFECE's Investigatory Authority ("IA") had recommended the initiation of a quasi-judicial administrative process against Walmex's subsidiary for alleged relative monopolistic practices in connection with the supply and wholesale distribution of certain consumer goods, retail marketing practices of such consumer goods and related services. On December 12, 2024, after Walmex provided defenses, produced expert evidence and participated in a hearing, COFECE issued a split decision that Walmex's subsidiary had engaged in a single relative monopolistic practice in relation to the negotiation of two types of contributions with its suppliers. The resolution imposed a monetary penalty on Walmex's subsidiary in the amount of \$93.4 million pesos (approximately \$5 million U.S. dollars) and certain non-structural conduct measures relating to the two prohibited types of supplier contributions (while recognizing that other supplier contributions can continue). On January 6, 2025, Walmex's subsidiary challenged COFECE's resolution through an appeal in the specialized federal courts. Until the appeal is resolved, Walmex's subsidiary will operate in compliance with COFECE's ruling. Payment of the monetary penalty is stayed until the lawsuit is resolved.

Foreign Direct Investment Matters. In July 2021, the Directorate of Enforcement in India issued a show cause notice to Flipkart Private Limited and one of its subsidiaries ("Flipkart"), and to unrelated companies and individuals, including certain current and former shareholders and directors of Flipkart. The notice requests the recipients to show cause as to why further proceedings under India's Foreign Direct Investment rules and regulations (the "Rules") should not be initiated against them based on alleged violations during the period from 2009 to 2015, prior to the Company's acquisition of a majority stake in Flipkart in 2018 (the "Notice"). In addition, there have been more recent requests for information from the Directorate of Enforcement to Flipkart for periods prior and subsequent to April 2016 regarding the Rules, including the most recent request in April 2025 (the "Requests"), to which Flipkart has been responding. The Notice is an initial stage of proceedings under the Rules which could, depending upon the conclusions at the end of the initial stage, lead to a hearing to consider the merits of the allegations described in the Notice. If a hearing on the merits is initiated, whether with respect to the Notice or pursuant to any further proceedings related to the Requests, and if it is determined that violations of the Rules occurred, then the regulatory authority has the authority to impose monetary and/or non-monetary relief, such as share ownership restrictions. Flipkart has been responding to the Notice and, if the matter progresses to a consideration of the merits of the allegations described in the Notice, Flipkart intends to defend against the allegations vigorously. Due to the fact that the process regarding the Notice is in the early stages, the Company is unable to predict whether the Notice will lead to a hearing on the merits or, if it does, the final outcome of the resulting proceedings, as well as whether any further proceedings will arise with respect to the Requests. The Company cannot reasonably estimate any loss or range of loss that may arise from these matters and can provide no assurance as to the scope or outcome of any proceeding that might result from the Notice or the Requests, or the amount of the proceeds the Company may receive in indemnification from individuals and entities that sold shares to the Company under the 2018 agreement for the period prior to the date the Company acquired its majority stake in Flipkart, and further can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

India Antitrust Matter. On January 13, 2020, the Competition Commission of India ("CCI") ordered its Director General (the "DG") to investigate certain matters alleging competition law violations by certain subsidiaries of Flipkart in India and other parties. On September 13, 2024, those subsidiaries received a non-confidential version of the DG's Investigation Report (the "Report"), alleging certain competition law violations. CCI is not bound by the Report, and will conduct its independent analysis of the allegations, including hearing objections from the subsidiaries and other parties before issuing its final order in the matter, which could include monetary and non-monetary relief. CCI's final order would also be subject to appropriate appellate proceedings. The Company can provide no assurance as to the scope and outcome of this matter, cannot reasonably estimate any loss or range of loss that may arise, and can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

Note 10. Retirement-Related Benefits

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

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

The following table summarizes the contribution expense related to the Company's defined contribution plans for fiscal 2026, 2025 and 2024:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2026	2025	2024
Defined contribution plans:			
U.S.	\$ 1,810	\$ 1,751	\$ 1,528
International	86	78	85
Total contribution expense for defined contribution plans	\$ 1,896	\$ 1,829	\$ 1,613

Note 11. Segments and Disaggregated Revenue

Segments

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

The Walmart U.S. segment includes the Company's mass merchandising concept in the U.S., as well as eCommerce, which includes omnichannel initiatives and certain other business offerings such as advertising services. The Walmart International segment consists of the Company's operations outside of the U.S., as well as eCommerce and omnichannel initiatives. The Sam's Club U.S. segment includes the warehouse membership clubs in the U.S., as well as samsclub.com and omnichannel initiatives. Corporate and support consists of corporate overhead and other items not allocated to any of the Company's segments. The operating results of each reportable segment, including the mix of cost of sales and operating, selling, general and administrative expenses, are not directly comparable due to differences in business model, format and channel mix. Additionally, the operating results of each reportable segment may not be comparable to those of other retailers, as discussed in [Note 1](#).

The Company measures the profit or loss of its segments using operating income. The CODM uses operating income to allocate resources across the reportable segments as part of the Company's long-range and annual planning processes, and to evaluate planned versus actual results when assessing segment operating performance. From time to time, the Company may revise the measurement of each segment's operating income, including any corporate overhead allocations, and presentation of significant segment expenses, as determined by the information regularly reviewed by its CODM. Information for the Company's segments, as well as for Corporate and support, including the reconciliation to income before income taxes, is provided as follows:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2026	2025	2024
Walmart U.S.			
Net sales	\$ 482,975	\$ 462,415	\$ 441,817
Membership and other income	2,624	2,594	1,985
Total revenues	485,599	465,009	443,802
Cost of sales	350,360	336,451	323,563
Operating, selling, general and administrative expenses	110,081	104,676	98,085
Operating income	\$ 25,158	\$ 23,882	\$ 22,154
Walmart International			
Net sales	\$ 130,423	\$ 121,885	\$ 114,641
Membership and other income	1,565	1,478	1,408
Total revenues	131,988	123,363	116,049
Cost of sales	102,576	95,267	89,831
Operating, selling, general and administrative expenses	24,309	22,595	21,309
Operating income	\$ 5,103	\$ 5,501	\$ 4,909
Sam's Club U.S.⁽¹⁾			
Net sales	\$ 93,015	\$ 90,238	\$ 86,179
Membership and other income	2,525	2,323	2,051
Total revenues	95,540	92,561	88,230
Cost of sales	82,459	80,035	76,748
Operating, selling, general and administrative expenses	10,639	10,122	9,290
Operating income	\$ 2,442	\$ 2,404	\$ 2,192
Corporate and support			
Membership and other income ⁽²⁾	\$ 36	\$ 52	\$ 44
Operating, selling, general and administrative expenses	2,914	2,491	2,287
Operating loss	\$ (2,878)	\$ (2,439)	\$ (2,243)
Consolidated			
Net sales	\$ 706,413	\$ 674,538	\$ 642,637
Membership and other income	6,750	6,447	5,488
Total revenues	713,163	680,985	648,125
Cost of sales	535,395	511,753	490,142
Operating, selling, general and administrative expenses	147,943	139,884	130,971
Operating income	29,825	29,348	27,012
Interest, net	2,431	2,245	2,137
Other (gains) and losses	(2,075)	794	3,027
Income before income taxes	\$ 29,469	\$ 26,309	\$ 21,848

⁽¹⁾ Total fuel-related expenses for Sam's Club U.S. were \$8.7 billion, \$9.9 billion, and \$10.6 billion in fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

⁽²⁾ Includes other income from corporate campus facilities.

Total assets, depreciation and amortization, and capital expenditures for the Company's segments, as well as for Corporate and support, are as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2026	2025	2024
Walmart U.S.			
Total assets	\$ 165,627	\$ 150,006	\$ 137,782
Depreciation and amortization	9,390	8,549	7,671
Capital expenditures	20,157	16,466	13,877
Walmart International			
Total assets	\$ 86,093	\$ 80,016	\$ 86,136
Depreciation and amortization	2,304	2,260	2,159
Capital expenditures	3,197	3,178	2,911
Sam's Club U.S.			
Total assets	\$ 17,186	\$ 16,862	\$ 15,682
Depreciation and amortization	782	706	642
Capital expenditures	914	1,212	1,041
Corporate and support			
Total assets	\$ 15,762	\$ 13,939	\$ 12,799
Depreciation and amortization	1,727	1,458	1,381
Capital expenditures	2,374	2,927	2,777
Consolidated			
Total assets	\$ 284,668	\$ 260,823	\$ 252,399
Depreciation and amortization	14,203	12,973	11,853
Capital expenditures	26,642	23,783	20,606

Total revenues and long-lived assets, consisting primarily of net property and equipment and lease right-of-use assets, aggregated by the Company's U.S. and non-U.S. operations, are as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2026	2025	2024
Revenues			
U.S. operations	\$ 581,175	\$ 557,622	\$ 532,076
Non-U.S. operations	131,988	123,363	116,049
Total revenues	<u>\$ 713,163</u>	<u>\$ 680,985</u>	<u>\$ 648,125</u>
Long-lived assets			
U.S. operations	\$ 128,366	\$ 115,250	\$ 104,480
Non-U.S. operations	28,590	24,455	25,858
Total long-lived assets	<u>\$ 156,956</u>	<u>\$ 139,705</u>	<u>\$ 130,338</u>

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

Disaggregated Revenues

In the following tables, segment net sales are disaggregated by either merchandise category or market. In addition, net sales related to eCommerce are provided for each segment. Net sales related to eCommerce include omnichannel sales where a customer initiates an order digitally and the order is fulfilled through a store or club, as well as net sales from other business offerings that are part of the Company's ecosystem such as certain advertising arrangements, fulfillment services, and data insights. From time to time, the Company revises the assignment of net sales of a particular item to a merchandise category. When the assignment changes, previous period amounts are reclassified to be comparable to the current period's presentation.

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2026	2025	2024
Walmart U.S. net sales by merchandise category			
Grocery	\$ 285,482	\$ 276,003	\$ 264,210
General merchandise	115,060	113,921	113,985
Health and wellness	69,547	62,092	54,898
Other	12,886	10,399	8,724
Total	<u>\$ 482,975</u>	<u>\$ 462,415</u>	<u>\$ 441,817</u>

Of Walmart U.S.'s total net sales, approximately \$99.6 billion, \$79.3 billion and \$65.4 billion related to eCommerce for fiscal 2026, 2025 and 2024, respectively.

(Amounts in millions)

Walmart International net sales by market	Fiscal Years Ended January 31,		
	2026	2025	2024
Mexico and Central America	\$ 52,492	\$ 51,970	\$ 49,726
China	24,623	19,975	17,011
Canada	23,724	23,035	22,639
Other	29,584	26,905	25,265
Total	\$ 130,423	\$ 121,885	\$ 114,641

Of Walmart International's total net sales, approximately \$35.8 billion, \$29.5 billion and \$24.8 billion related to eCommerce for fiscal 2026, 2025 and 2024, respectively.

(Amounts in millions)

Sam's Club U.S. net sales by merchandise category	Fiscal Years Ended January 31,		
	2026	2025	2024
Grocery	\$ 64,706	\$ 61,253	\$ 57,565
Fuel and other	11,570	12,960	13,707
General merchandise	11,549	11,215	10,947
Health and wellness	5,190	4,810	3,960
Total	\$ 93,015	\$ 90,238	\$ 86,179

Of Sam's Club U.S.'s total net sales, approximately \$15.0 billion, \$12.1 billion and \$9.9 billion related to eCommerce for fiscal 2026, 2025 and 2024, respectively.

Note 12. Subsequent Event

Dividends Declared

The Company approved, effective February 19, 2026, the fiscal 2027 annual dividend of \$0.99 per share, an increase over the fiscal 2026 dividend of \$0.94 per share. For fiscal 2027, the annual dividend will be paid in four quarterly installments of \$0.2475 per share, according to the following record and payable dates:

Record Date	Payable Date
March 20, 2026	April 6, 2026
May 8, 2026	May 26, 2026
August 21, 2026	September 8, 2026
December 11, 2026	January 4, 2027

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

In the ordinary course of business, we review our internal control over financial reporting and make changes to our systems and processes to improve such controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, updating existing systems, automating manual processes, standardizing controls globally, migrating certain processes to our shared services organizations and increasing monitoring controls. We are continuing to upgrade our financial systems globally, and modernize functions across the business which will impact our internal control over financial reporting.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2026 was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

Report on Internal Control Over Financial Reporting

Management has responsibility for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of the Company's internal control over financial reporting as of January 31, 2026. In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission in Internal Control-Integrated Framework (2013). Management concluded that based on its assessment, Walmart's internal control over financial reporting was effective as of January 31, 2026. The Company's internal control over financial reporting as of January 31, 2026, has been audited by Ernst & Young LLP as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting as of January 31, 2026, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Security Trading Plans of Directors and Executive Officers

On December 24, 2025, Chris Nicholas, Executive Vice President, President and Chief Executive Officer, Walmart International, entered into a stock trading plan designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934. Under the terms of the plan, Mr. Nicholas will sell an aggregate 34,800 shares of common stock in trades scheduled from April 2026 through March 2027. The plan will terminate in March 2027.

Disclosure Pursuant to Section 13(r) of the Securities Exchange Act of 1934

Section 13(r) of the Exchange Act, requires an issuer to disclose certain information in its periodic reports if it or any of its affiliates knowingly engaged in certain activities, transactions or dealings with individuals or entities subject to specific U.S. economic sanctions during the reporting period.

The information provided pursuant to Section 13(r) of the Exchange Act in Part II, Item 5 Other Information of the Company's Quarterly Reports on Form 10-Q for the quarters ended [July 31, 2025](#) and [October 31, 2025](#), is incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

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

Information required by this Item 10 with respect to the Company's directors and certain family relationships is incorporated by reference to such information under the caption "Proposal No. 1 – Election of Directors" included in our Proxy Statement relating to our 2026 Annual Meeting of Shareholders (our "Proxy Statement").

No material changes have been made to the procedures by which shareholders of the Company may recommend nominees to our Board of Directors since those procedures were disclosed in our proxy statement relating to our 2025 Annual Shareholders' Meeting as previously filed with the SEC.

The information regarding our Audit Committee, including our audit committee financial experts, our Reporting Protocols for Senior Financial Officers and our Code of Conduct applicable to all of our associates, including our Chief Executive Officer, Chief Financial Officer and our Controller, who is our principal accounting officer, required by this Item 10 is incorporated herein by reference to the information under the captions "Corporate Governance" and "Proposal No. 2: Ratification of Independent Accountants" included in our Proxy Statement. "[Item 1. Business](#)" above contains information relating to the availability of a copy of our Reporting Protocols for Senior Financial Officers and our Code of Conduct and the posting of amendments to and any waivers of the Reporting Protocols for Senior Financial Officers and our Code of Conduct on our website.

The Company has an insider trading policy ("Insider Trading Policy") that governs the purchase, sale and other dispositions of Walmart securities by its directors, officers, associates and the Company itself. The Insider Trading Policy states, among other things, that our directors, officers and associates are prohibited from trading in such securities while in possession of material, nonpublic information. The Company is also prohibited from trading in Walmart securities while in possession of material, nonpublic information related to the Company unless such trading activity complies with all applicable securities laws. The Company believes the Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and any applicable Nasdaq listing standards. The foregoing summary of our Insider Trading Policy does not purport to be complete and is qualified by reference to the Insider Trading Policy filed as Exhibit 19 to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

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

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

The information required by this Item 12 is incorporated herein by reference to the information that appears under the caption "Stock Ownership" included in our Proxy Statement.

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

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

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated herein by reference to the information under the caption "Proposal No. 2 – Ratification of Independent Accountants" included in our Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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

1. Financial Statements: See the Financial Statements in "[Item 8. Financial Statements and Supplementary Data](#)."
2. Financial Statement Schedules:
Certain schedules have been omitted because the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements, including the notes thereto.
3. Exhibits:
See exhibits listed under part (b) below.

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

- 3.1(a) [Restated Certificate of Incorporation of the Company dated February 1, 2018 is incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K filed by the Company on February 1, 2018](#)
- 3.1(b) [Certificate of Amendment to the Restated Certificate of Incorporation of the Company, effective February 23, 2024 is incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K filed by the Company on February 23, 2024](#)
- 3.2 [Amended and Restated Bylaws of the Company dated November 10, 2022 are incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K filed by the Company on November 16, 2022](#)
- 4.1 Indenture dated as of April 1, 1991, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, as successor trustee to The First National Bank of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(a) to Registration Statement on Form S-3 (File Number 33-51344) ^(P)
- 4.2 First Supplemental Indenture dated as of September 9, 1992, to the Indenture dated as of April 1, 1991, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, as successor trustee to The First National Bank of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-51344) ^(P)
- 4.3 [Indenture dated as of December 11, 2002, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, is incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-3 \(File Number 333-101847\)](#)
- 4.4 [Indenture dated as of July 19, 2005, between the Company and J.P. Morgan Trust Company, National Association is incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-3 \(File Number 333-126512\)](#)
- 4.5 [First Supplemental Indenture, dated December 1, 2006, between the Company and The Bank of New York Trust Company, N.A., as successor-in-interest to J.P. Morgan Trust Company, National Association, as Trustee, under the Indenture, dated as of July 19, 2005, between the Company and J.P. Morgan Trust Company, National Association, as Trustee, is incorporated herein by reference to Exhibit 4.6 to Post-Effective Amendment No. 1 to Registration Statement on Form S-3 \(File Number 333-130569\)](#)
- 4.6 [Second Supplemental Indenture, dated December 19, 2014, between the Company and The Bank of New York Trust Company, N.A., as successor-in-interest to J.P. Morgan Trust Company, National Association, as Trustee, under the Indenture, dated as of July 19, 2005, between the Company and J.P. Morgan Trust Company, National Association, as Trustee, is incorporated herein by reference to Exhibit 4.3 to Registration Statement on Form S-3 \(File Number 333-201074\)](#)
- 4.7 [Third Supplemental Indenture, dated June 26, 2018, between the Company and The Bank of New York Trust Company, N.A., as successor-in-interest to J.P. Morgan Trust Company, National Association, as Trustee, under the Indenture, dated as of July 19, 2005, between the Company and J.P. Morgan Trust Company, National Association, as Trustee, is incorporated herein by reference to Exhibit 4\(S\) to Current Report on Form 8-K filed on June 26, 2018](#)
- 4.8* [Description of Registrant's Securities](#)

- 10.1 [Walmart Inc. Deferred Compensation Matching Plan, as amended and restated effective November 8, 2023 is incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2024 filed on March 15, 2024](#) ^(C)
- 10.2 [Walmart Inc. Management Incentive Plan, as amended effective February 1, 2018 is incorporated by reference to Exhibit 10\(b\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2018, filed on March 30, 2018](#) ^(C)
- 10.3* [Walmart Inc. 2016 Associate Stock Purchase Plan, as amended effective February 4, 2026](#) ^(C)
- 10.4 [Walmart Inc. Stock Incentive Plan of 2015, as amended effective February 1, 2018 is incorporated by reference to Exhibit 10\(d\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2018, filed on March 30, 2018](#) ^(C)
- 10.5 [Walmart Inc. Supplemental Executive Retirement Plan, as amended and restated effective February 1, 2023 is incorporated by reference to Exhibit 10.5 to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2023 filed on March 17, 2023](#) ^(C)
- 10.6 [Walmart Inc. Stock Incentive Plan of 2025 is incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-8 filed December 18, 2025](#) ^(C)
- 10.7* [Walmart Inc. Director Compensation Deferral Plan, as amended effective February 1, 2018](#) ^(C)
- 10.8 [Form of Post-Termination Agreement and Covenant Not to Compete with attached Schedule of Executive Officers who have executed a Post-Termination Agreement and Covenant Not to Compete is incorporated by reference to Exhibit 10\(p\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011, filed on March 30, 2011](#) ^(C)
- 10.8(a)* [Amended Schedule of Executive Officers who have executed a Post-Termination Agreement and Covenant Not to Compete in the form filed as Exhibit 10\(p\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011](#) ^(C)
- 10.9 [Form of Walmart Inc. Stock Incentive Plan of 2015 Restricted Stock Notification of Award and Terms and Conditions of Award is incorporated by reference to Exhibit 10.8 to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2022, filed March 18, 2022](#) ^(C)
- 10.10 [Form of Walmart Inc. Stock Incentive Plan of 2015 Global Share-Settled Performance-Based Restricted Stock Unit Notification and Terms and Conditions is incorporated by reference to Exhibit 10.9 to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2022, filed on March 18, 2022](#) ^(C)
- 10.11 [Form of Walmart Inc. Stock Incentive Plan of 2025 Global Restricted Stock Notification of Award and Terms and Conditions of Award is incorporated by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q of the Company for the quarter ended October 31, 2025, filed on December 3, 2025](#) ^(C)
- 10.12 [Form of Walmart Inc. Stock Incentive Plan of 2025 Global Share-Settled Performance Based Restricted Stock Unit Notification and Terms and Conditions is incorporated by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q of the Company for the quarter end October 31, 2025, filed on December 3, 2025](#) ^(C)
- 10.13 [Walmart Inc. Officer Deferred Compensation Plan, as amended and restated effective February 1, 2023 is incorporated by reference to Exhibit 10.10 to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2023 filed on March 17, 2023](#) ^(C)
- 10.14 [Post Termination Agreement and Covenant Not to Compete by and between the Company and Suresh Kumar dated June 6, 2019 is incorporated herein by reference to Exhibit 10.16 to the Annual Report on Form 10-K for the fiscal year ended January 31, 2020 filed on March 20, 2020](#) ^(C)
- 10.15 [Share Issuance and Acquisition Agreement by and between Flipkart Private Limited and Walmart Inc. dated as of May 9, 2018 is incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended July 31, 2018 filed on September 6, 2018 \(portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.\)](#)
- 10.16 [Counterpart Form of Share Purchase Agreement by and among Wal-Mart International Holdings, Inc., the shareholders of Flipkart Private Limited identified on Schedule I thereto, Fortis Advisors LLC and Walmart Inc. dated as of May 9, 2018 is incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended July 31, 2018 filed on September 6, 2018 \(portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.\)](#)

10.17	Retirement Agreement by and between the Company and Judith McKenna dated August 16, 2023 is incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended July 31, 2023 filed on September 1, 2023 ^(C)
10.18	Retirement Agreement by and between the Company and Doug McMillon dated November 13, 2025 is incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended October 31, 2025 filed on December 3, 2025 ^(C)
10.19*	Separation Agreement between the Company and Kathryn McLay dated January 28, 2026 ^(C)
19*	Insider Trading Policy
21*	List of the Company's Significant Subsidiaries
23*	Consent of Independent Registered Public Accounting Firm
31.1*	Chief Executive Officer Section 302 Certification
31.2*	Chief Financial Officer Section 302 Certification
32.1**	Chief Executive Officer Section 906 Certification
32.2**	Chief Financial Officer Section 906 Certification
97.1*	Walmart Executive Compensation Recoupment Policy
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith as an Exhibit.

** Furnished herewith as an Exhibit.

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

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

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

(c) Financial Statement Schedules: None.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

Walmart Inc.

Date: March 13, 2026

By /s/ John R. Furner
John R. Furner
President and Chief Executive Officer

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

Date: March 13, 2026

By /s/ John R. Furner
John R. Furner
President and Chief Executive Officer and Director
(Principal Executive Officer)

Date: March 13, 2026

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

Date: March 13, 2026

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

Date: March 13, 2026

By /s/ Dwayne M. Milum
Dwayne M. Milum
Senior Vice President and Controller
(Principal Accounting Officer)

Signature Page to Walmart Inc.
Form 10-K for the Fiscal Year Ended January 31, 2026

Date: March 13, 2026	By	<u>/s/ Cesar Conde</u> Cesar Conde Director
Date: March 13, 2026	By	<u>/s/ Timothy P. Flynn</u> Timothy P. Flynn Director
Date: March 13, 2026	By	<u>/s/ Sarah Friar</u> Sarah Friar Director
Date: March 13, 2026	By	<u>/s/ Carla A. Harris</u> Carla A. Harris Director
Date: March 13, 2026	By	<u>/s/ Thomas W. Horton</u> Thomas W. Horton Director
Date: March 13, 2026	By	<u>/s/ Marissa A. Mayer</u> Marissa A. Mayer Director
Date: March 13, 2026	By	<u>/s/ C. Douglas McMillon</u> C. Douglas McMillon Director
Date: March 13, 2026	By	<u>/s/ Shishir Mehrotra</u> Shishir Mehrotra Director
Date: March 13, 2026	By	<u>/s/ Robert E. Moritz, Jr.</u> Robert E. Moritz, Jr. Director
Date: March 13, 2026	By	<u>/s/ Brian Niccol</u> Brian Niccol Director
Date: March 13, 2026	By	<u>/s/ Randall L. Stephenson</u> Randall L. Stephenson Director
Date: March 13, 2026	By	<u>/s/ Steuart L. Walton</u> Steuart L. Walton Director

Signature Page to Walmart Inc.
Form 10-K for the Fiscal Year Ended January 31, 2026

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

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

DESCRIPTION OF COMMON STOCK

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

Authorized Capital Stock

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

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

All of the outstanding shares of Common Stock are fully paid and non-assessable. A share of Common Stock is fully paid and non-assessable if such share has been issued for consideration

legally permissible under the DGCL with a value at least equal to the par value per share of Common Stock. Holders of fully paid and non-assessable shares of the Common Stock will not be liable for any obligations or liabilities of the Company that the Company may fail to discharge.

Voting Rights

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

Dividends

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

Liquidation Distributions

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

Preemptive, Conversion, Redemption or Similar Rights

The holders of shares of Common Stock are not entitled to any preemptive or other similar rights to subscribe for or acquire additional shares of Common Stock or any other securities of the Company. The shares of Common Stock are not subject to conversion or redemption by the Company and the holders of shares of Common Stock do not have any right or option to convert such shares into any other security or property of the Company or to cause the Company to

redeem such shares of Common Stock. There are no sinking fund provisions applicable to the Common Stock.

Certificate, Bylaws and DGCL

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

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

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

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

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

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

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

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

Exclusive Forum Provision

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

Listing

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

Transfer Agent and Registrar

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

DESCRIPTION OF DEBT SECURITIES

The Indentures

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

- i.the Indenture, dated as of July 19, 2005, between the Company and The Bank of New York Mellon Trust Company, N.A. (“*BNYM*”), as successor-in-interest to J.P. Morgan Trust Company, National Association (“*JPMTC*”), as trustee, as amended by the First Supplemental Indenture, dated as of December 1, 2006, the Second Supplemental Indenture, dated as of December 19, 2014, and the Third Supplemental Indenture, dated as of June 26, 2018 (the “*2005*”

Indenture”), incorporated by reference to [Exhibit 4.4](#), [Exhibit 4.5](#), [Exhibit 4.6](#) and [Exhibit 4.7](#), respectively, to the Annual Report on Form 10-K of which this Exhibit 4.8 is a part;

ii. the Indenture, dated as of December 11, 2002, between the Company and BNYM, as successor trustee to JPMTC, as successor trustee to Bank One Trust Company, NA (“**Bank One**”), as trustee (the “**2002 Indenture**”), incorporated by reference to [Exhibit 4.3](#) to the Annual Report on Form 10-K of which this Exhibit 4.8 is a part; and

iii. the Indenture, dated as of April 1, 1991, between the Company and BNYM, as successor trustee to JPMTC, as successor trustee to Bank One, as successor trustee to the First National Bank of Chicago, as trustee, as amended by the First Supplemental Indenture, dated as of September 9, 1992 (the “**1991 Indenture**”), incorporated by reference to Exhibit 4.1 and Exhibit 4.2, respectively, to the Annual Report on Form 10-K of which this Exhibit 4.8 is a part.

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

Trustee under the Indentures

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

The 2005 Indenture

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

Covenants

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

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

Consolidation, Merger and Sale of Assets

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

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

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

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

Events of Default

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

- i. we fail to pay interest on any outstanding debt securities of that series when that interest is due and payable and that failure continues for 30 days;
- ii. we fail to pay principal of or premium, if any, on any outstanding debt securities of that series when that principal or premium, if any, is due and payable;

iii. we fail to perform or we breach any covenant or warranty in the 2005 Indenture with respect to any outstanding debt securities of that series and that failure continues for 90 days after we receive written notice of that default;

iv. certain events of bankruptcy, insolvency or reorganization occur with respect to us; or

v. any other event occurs that is designated as an event of default with respect to the particular series of debt securities when that particular series of debt security is established.

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

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

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

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

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

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

i. such holder has previously given written notice to the trustee of a continuing event of default with respect to the debt securities of such series;

ii. the holders of not less than 25% in principal amount of the outstanding debt securities of such series have made a written request to the trustee to institute proceedings in respect of such event of default in its own name as trustee;

iii. such holder or holders have offered to the trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

iv. the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

v. no direction inconsistent with such written request has been given to the trustee during such 60-day period by the holders of a majority in principal amount of the outstanding debt securities of such series;

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

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

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

Modification and Waivers

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

- change the maturity of the principal of, or the stated maturity of any installment of interest or premium, if any, on, any Note, reduce the principal amount of or the premium, if any, or rate of interest on any Note, change any method for determining the rate of interest on any Note, change the obligation to pay any additional amounts with respect to any Note, reduce the amount due and payable on a Note upon the acceleration of its maturity or upon its repurchase or redemption if the amount payable upon acceleration, repurchase or redemption is otherwise less than the stated principal amount of that Note, change the method of calculating interest on a Note, change the currency in which the principal of or the premium, if any, or interest on a Note is payable, reduce the minimum rate of interest on any Note or impair the right to institute suit for the enforcement of any such payment on or with respect to any such holder's 2005 Indenture Notes;

- reduce the percentage in principal amount of outstanding 2005 Indenture Notes described above as being required to consent to entry into a particular supplemental indenture or for the waiver of certain defaults under the 2005 Indenture and their consequences; or

- modify the provisions of the 2005 Indenture relating to modification of the 2005 Indenture, except in certain specified respects.

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

- evidence the succession of another corporation to us and the Successor's assumption to our covenants with respect to the 2005 Indenture Notes and the 2005 Indenture;

- add to our covenants further restrictions or conditions for the benefit of holders of the 2005 Indenture Notes;

- cure ambiguities or correct or supplement any provision contained in the 2005 Indenture or any supplemental indenture that may be inconsistent with another provision;

- add additional events of default with respect to the 2005 Indenture Notes;

- add to, change or eliminate any provision of the Indenture, provided that the addition, change or elimination will not affect any outstanding 2005 Indenture Notes;

- establish new series of debt securities and the form or terms of such series of debt securities and to provide for the issuance of securities of any series so established;

- evidence and provide for the acceptance of appointment of a successor trustee with respect to the 2005 Indenture Notes and to add or change any provision to or of the 2005 Indenture as necessary to have more than one trustee under the 2005 Indenture; and

- comply with the requirements of the SEC in order to maintain the qualification of the 2005 Indenture under the Trust Indenture Act of 1939.

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

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

The 2002 Indenture

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

Conversion or Exchange Rights

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

- the conversion or exchange price or prices or the ratio or ratios or method of determining the conversion or exchange prices or ratios;
- the conversion or exchange period;

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

Events of Default and Waiver

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

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

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

majority in aggregate principal amount of the debt securities of that series may waive any past default under the 2002 Indenture and its consequences except a default in the payment of principal of, premium, if any, or interest on, those debt securities and any covenant or provision of the 2002 Indenture that cannot be waived without the consent of each holder of debt securities of that series. Upon such a waiver, the default and any event of default arising out of the default will be deemed cured for all purposes of the debt securities of that series.

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

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

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

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

Legal Defeasance and Covenant Defeasance

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

- the rights of holders of debt securities to receive payments of principal and interest from the trust referred to below when those payments are due;

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

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

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

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

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

Satisfaction and Discharge

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

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

Modification of the 2002 Indenture

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

- change the maturity of the principal of, or of any installment of interest on, any such debt security, or reduce the principal amount of any such debt security, or change the method of

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

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

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

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

Amalgamation, Consolidation, Merger or Sale of Assets

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

- any successor to us assumes our obligations on the debt securities and under the 2002 Indenture;
- any successor to us must be an entity incorporated or organized under the laws of the United States;

- after giving effect thereto, no event of default, as defined in the 2002 Indenture, shall have occurred and be continuing; and
- certain other conditions under the 2002 Indenture are met.

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

No Limitations on Additional Debt and Liens

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

The 1991 Indenture

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

Covenants

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

- mortgages on any property acquired, constructed or improved by us or any of our subsidiaries after January 31, 1991, created or assumed within 60 months after the acquisition, or construction or improvement is complete, or within six months after completion pursuant to a firm commitment for financing arrangement that we enter into within that 60-month period, to secure or provide for the payment of the purchase price or cost;
- mortgages existing on any property at the time of its acquisition;

- mortgages existing on any property, shares of stock or debt acquired from a corporation merged with or into us or one of our subsidiaries;
- mortgages on property of any corporation existing at the time it becomes our subsidiary;
- mortgages to secure debt of any of our subsidiaries to us or to another of our subsidiaries;
- mortgages in favor of governmental bodies to secure partial progress, advance or other payments pursuant to any contract or statute or to secure indebtedness incurred to finance the purchase price or cost of constructing or improving the property subject to those mortgages; or
- mortgages for extending, renewing or replacing debt secured by any mortgage referred to in the foregoing items or in this item or any mortgages existing on January 31, 1991.

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

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

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

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

- immediately after the merger, consolidation, sale or conveyance, the surviving or acquiring corporation is not in default under the 1991 Indenture;
- the surviving or acquiring corporation is a U.S. corporation; and
- the surviving or acquiring corporation assumes, by a supplemental indenture satisfactory to the trustee, the obligation to pay the principal of and interest and any premium on all of the debt securities and to perform our covenants under the 1991 Indenture.

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

Events of Default, Notice and Waiver

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

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

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

We are required to file annually with the trustee a certificate either stating the absence of any default or specifying any default that exists. The trustee is required, within 90 days after the

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

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

Modification of the 1991 Indenture

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

- extend the fixed maturity of any debt securities or the time of payment of interest, reduce the interest rate, the principal amount or any premium to be paid upon redemption or the amount of principal of an original issue discount security that would be payable upon acceleration of maturity, or impair or affect the right of any debt security holder to institute suit for payment or the right of repayment, if any, at the option of the holder of debt securities, without the consent of the holder of each debt securities so affected; or
- reduce the above percentage of debt securities, the holders of which are required to consent to any supplemental indenture of that kind, without the consent of the holders of all the affected debt securities then outstanding.

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

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

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

Defeasance of Offered Debt Securities in Certain Circumstances

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

Definitions

The 1991 Indenture contains the following defined terms:

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

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

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

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

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

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

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

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

The Notes

The 2.550% 2026 Notes

The 2.550% 2026 Notes were issued under and pursuant to the 2005 Indenture. The 2.550% 2026 Notes were issued in an aggregate principal amount of €650,000,000. The maturity date of

the 2.550% 2026 Notes is April 8, 2026, and interest at a rate of 2.550% per annum is paid annually on April 8 of each year and on the maturity date.

Ranking

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

Payment on the 2.550% 2026 Notes

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

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

Payment of Additional Amounts

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

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

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

from such tax, assessment or other governmental charge, including, without limitation, any withholding required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “*Code*”);

vii.any tax, assessment or other governmental charge imposed on interest received by (A) a 10% shareholder (as defined in Section 871(h)(3)(B) of the Code and the regulations that may be promulgated thereunder) of our Company or (B) a controlled foreign corporation that is related to us within the meaning of Section 864(d)(4) of the Code;

viii.any withholding or deduction that is imposed on a payment to an individual and is required to be made pursuant to that European Union Directive relating to the taxation of savings adopted on June 3, 2003 by the European Union’s Economic and Financial Affairs Council, or any law implementing or complying with, or introduced in order to conform to, such Directive; or

ix.any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii).

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

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

Redemption for Tax Reasons

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

Optional Redemption

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

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

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

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

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

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

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

Discharge, Legal Defeasance and Covenant Defeasance

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

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

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

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

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

- we must irrevocably deposit with the trustee, in trust for the benefit of the holders of the outstanding 2.550% 2026 Notes, moneys in the currency in which the 2.550% 2026 Notes are denominated, securities issued by a government, governmental agency or central bank of the country in whose currency the 2.550% 2026 Notes are denominated or a combination of cash and such securities, in amounts sufficient to pay the principal of and premium, if any, and interest on all of the then outstanding 2.550% 2026 Notes to be affected by the defeasance at their stated maturity;
- no default or event of default exists on the date of such deposit, subject to certain exceptions;
- the trustee must receive an opinion of counsel confirming that the holders of the outstanding 2.550% 2026 Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of that legal defeasance or covenant defeasance and will be subject to U.S. federal

income tax on the same amounts, in the same manner and at the same times as would have been the case if that defeasance had not occurred, which opinion, only in the case of the legal defeasance of the 2.550% 2026 Notes, will be based on a ruling of the Internal Revenue Service or a change in United States federal income tax law to that effect occurring after the date of the 2005 Indenture; and

- the trustee must receive an opinion of counsel to the effect that, after the 91st day following the deposit, the trust funds will not be part of any “estate” formed by the bankruptcy of the party depositing those funds with the trustee or subject to the “automatic stay” under the United States Bankruptcy Code or, in the case of covenant defeasance, will be subject to a first priority lien in favor of the trustee for the benefit of the holders of the outstanding 2.550% 2026 Notes.

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

Book-Entry and Settlement

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

Certificated Notes

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

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

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

The 2026 Notes and 2028 Notes

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

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

Interest Rates on the 2026 Notes and 2028 Notes

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

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

Other Terms of the 2026 and 2028 Notes

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

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

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

The 2026 Notes or 2028 Notes are subject to defeasance.

Optional Redemption

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

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

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

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

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

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

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

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

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

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

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

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

Notices

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

Other Matters

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

Same-Day Settlement and Payment

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

The 2030 Notes

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

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

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

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

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

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

If any interest payment date for the 2030 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any delayed payment. The term "business day" means any

day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in New York City or London.

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

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

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

Optional Redemption

The 2030 Notes will be redeemable as a whole or in part, at our option, at any time after December 19, 2003, at a redemption price equal to the greater of (i) 100% of the principal amount of such 2030 Notes and (ii) as determined by the Calculation Agent, the price at which the yield on the outstanding principal amount of the 2030 Notes on the Reference Date is equal

to the yield on the Benchmark Gilt as of that date as determined by reference to the middle-market price on the Benchmark Gilt at 3:00 p.m., London time, on that date, in either case, plus accrued and unpaid interest on the 2030 Notes up to, but excluding, the date specified as the redemption date.

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

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

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

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

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

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

Payment of Additional Amounts

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

a.any tax, assessment or other governmental charge that would not have been imposed but for (1) the existence of any present or former connection between that holder, or between a fiduciary, settlor, beneficiary of, member or shareholder of, or possessor of a power over, that holder, if that holder is an estate, trust, partnership or corporation, and the United States including, without limitation, that holder, or that fiduciary, settlor, beneficiary, member, shareholder or possessor, being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in trade or business in, or present in, the United States or (2) the presentation of a note for payment on a date more than 30 days after the later of the date on which that payment becomes due and payable and the date on which payment is duly provided for;

b.any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, assessment or other governmental charge;

c.any tax, assessment or other governmental charge imposed by reason of that holder's past or present status as a passive foreign investment company, a controlled foreign corporation, a personal holding company or foreign personal holding company with respect to the United States, or as a corporation which accumulates earnings to avoid United States federal income tax;

d.any tax, assessment or other governmental charge which is payable otherwise than by withholding from payment of the principal of, interest on or any other amounts payable under that note;

e.any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of the principal of, interest on or any other amounts payable under any note if that payment can be made without withholding by any other paying agent;

f.any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of the holder or beneficial owner of that note, if such compliance is required by statute or by regulation of the U.S. Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;

g.any tax, assessment or other governmental charge imposed on interest received by (1) a 10% shareholder (as defined in Section 871(h)(3)(B) of the U.S. Internal Revenue Code of 1986 and the regulations that may be promulgated thereunder) of our company or (2) a controlled foreign corporation with respect to our company within the meaning of the U.S. Internal Revenue Code; or

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

nor will we pay any additional amounts to any holder who is a fiduciary or partnership other than the sole beneficial owner of that note to the extent that a beneficiary or settlor with respect to that

fiduciary, or a member of that partnership or a beneficial owner thereof would not have been entitled to the payment of those additional amounts had that beneficiary, settlor, member or beneficial owner been the holder of that 2030 Note.

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

Redemption Upon Tax Event

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

Prescription

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

Replacement of 2030 Notes

If any mutilated 2030 Note is surrendered to the trustee, we will execute and the trustee will authenticate and deliver in exchange for such mutilated 2030 Note a new note of the same series

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

The 2031 Notes

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

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

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

Interest Rates on the 2031 Notes

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

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

Other Terms of the 2031 Notes

If any interest payment date for the 2031 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day.

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

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

The 2031 Notes are subject to defeasance.

Optional Redemption

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

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

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

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

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

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

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

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

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

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

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

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

Notices

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

Other Matters

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

Same-Day Settlement and Payment

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

The 2029 Notes

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

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

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

The 2029 Notes bear interest from September 21, 2009 at the annual interest rate of 4.875%. Interest on each 2029 Note is payable annually in arrears on September 21 of each year, beginning on September 21, 2010, to the person in whose name the 2029 Note is registered at the close of business on the immediately preceding September 15. Interest is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the 2029 Notes

(or September 21, 2009 if no interest has been paid on the 2029 Notes), to but excluding the next scheduled interest payment date. This payment convention is referred to as Actual/Actual (ICMA) as defined in the rulebook of the International Capital Market Association.

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

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

The 2029 Notes are subject to defeasance.

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

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

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

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

Redemption upon Tax Event

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

Prescription

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

Replacement of the 2029 Notes

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

The 2034 Notes

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

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

The 2034 Notes were issued in an aggregate principal amount of £1,000,000,000. We may, without the consent of the holders of the 2034 Notes, create and issue additional notes ranking equally with and otherwise similar in all respects to the 2034 Notes (except for the public

offering price and the issue date) so that those additional notes will be consolidated and form a single series with the 2034 Notes. No additional 2034 Notes may be issued if an event of default under the 2005 Indenture has occurred and is continuing.

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

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

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

The 2034 Notes are subject to defeasance.

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

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

Notices to holders of the 2034 Notes will be mailed to such holders. Any notice shall be deemed to have been given on the date of mailing and publication or, if published more than once, on the date of first publication. So long as the 2034 Notes are represented by a global security deposited with the Common Depository for Clearstream and Euroclear, notices to holders may be given by delivery to Clearstream and Euroclear, and such notices shall be deemed to be given on the date

of delivery to Clearstream and Euroclear. BNYM will mail notices by first-class mail, postage prepaid, to each registered holder's last known address as it appears in the security register that BNYM maintains. BNYM will only mail these notices to the registered holder of the 2034 Notes. Holders of 2034 Notes will not receive notices regarding the 2034 Notes directly from us unless we reissue the 2034 Notes in fully certificated form.

BNYM will publish any notices regarding the 2034 Notes in a daily newspaper of general circulation in The City of New York and in London. If the 2034 Notes are admitted to the Official List and to trading on its regulated market, BNYM will publish notices regarding the 2034 Notes in a daily newspaper of general circulation in Dublin, Ireland for so long as such publication is required pursuant to the Prospectus Directive or the rules of the applicable stock exchange. We expect that publication will be made in The City of New York in *The Wall Street Journal*, in London in the *Financial Times* and in Dublin, Ireland in the *Irish Times*. If publication in Dublin, Ireland is not practical, BNYM will publish these notices in an English language newspaper of general circulation elsewhere in Europe. Published notices will be deemed to have been given on the date they are published or, if published more than once, on the date of first publication. If publication as described above becomes impossible, BNYM may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

Redemption upon Tax Event

We may redeem the 2034 Notes if certain tax-related events occur. If we redeem the 2034 Notes as a result of a tax event and the 2034 Notes are admitted to the Official List and to trading on its regulated market, we will publish a notice of the redemption in Dublin, Ireland. The redemption price paid for the 2034 Notes upon any such redemption will be paid in pounds sterling or, if the United Kingdom adopts the euro, in euro.

Prescription

Under New York law, any legal action to enforce our payment obligations evidenced by the 2034 Notes must be commenced within six years after payment is due. Thereafter, our payment obligations will generally become unenforceable.

Replacement of the 2034 Notes

If any mutilated 2034 Note is surrendered to BNYM, we will execute and the trustee will authenticate and deliver a new note of the same series and principal amount in exchange for such mutilated 2034 Note. If BNYM and we receive evidence to our satisfaction of the destruction, loss or theft of any 2034 Note and any security or indemnity required by it and us, then we shall execute, and BNYM shall authenticate and deliver, in lieu of such destroyed, lost or stolen note, a new 2034 Note of the same series and principal amount. All expenses associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen 2034 Note.

The 2035 Notes

The 2035 Notes were issued under and pursuant to the 2002 Indenture. The 2035 Notes were issued in registered book-entry form without interest coupons in denominations of £1,000 and integral multiples of £1,000 in excess thereof. The 2035 Notes constitute our senior, unsecured and unsubordinated debt obligations and rank equally among themselves and with all of our existing and future senior, unsecured and unsubordinated debt.

The 2035 Notes will mature on September 28, 2035. Unless previously redeemed or purchased and cancelled, we will repay the 2035 Notes at 100% of their principal amount together with accrued and unpaid interest thereon at maturity. We will pay principal of, interest on and any other amounts payable under the 2035 Notes in pounds sterling or, if the United Kingdom adopts the euro, in euro.

The 2035 Notes were issued in a total principal amount of £1,000,000,000. We may, without the consent of the holders of the 2035 Notes, create and issue additional notes ranking equally with the 2035 Notes and otherwise similar in all respects to the 2035 Notes so that those additional notes will be consolidated and form a single series with the 2035 Notes. No additional 2035 Notes may be issued if an event of default under the 2002 Indenture has occurred.

The 2035 Notes are redeemable at our option, as described below. The 2035 Notes are not subject to a sinking fund. The 2035 Notes are subject to defeasance. The 2035 Notes are not convertible or exchangeable.

The 2035 Notes bear interest from September 29, 2004 at the annual interest rate of 5.250%. Interest is payable semi-annually in arrears on September 28 and March 28 of each year, beginning on March 28, 2005, to the person in whose name the 2035 Note is registered at the close of business on the preceding September 15 or March 15, as the case may be. Interest on the 2035 Notes is computed on the basis of a 360-day year of twelve 30-day months.

The 2035 Notes do not have the covenant restricting the grant of liens and cross-default event of default provisions.

If any interest payment date for the 2035 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any delayed payment. The term “*business day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in The City of New York or London.

If, prior to the maturity of the 2035 Notes, the United Kingdom adopts the euro as its lawful currency in accordance with the Treaty establishing the European Communities, as amended from time to time, the 2035 Notes will be re-denominated into euro, and the regulations of the European Commission relating to the euro shall apply to the 2035 Notes. The circumstances and

consequences described in this paragraph will not entitle us, the trustee under the 2002 Indenture or any holder of the 2035 Notes to redeem early, rescind, or receive notice relating to the 2035 Notes, repudiate the terms of the 2035 Notes or the 2002 Indenture, or raise any defense, request any compensation or make any claim with respect to the 2035 Notes or the 2002 Indenture, nor will these circumstances and consequences affect any of our other obligations under the 2035 Notes or the 2002 Indenture.

While the 2035 Notes are represented by a global note deposited with the trustee, as common depositary for Clearstream and Euroclear with respect to the 2035 Notes, notices to holders may be given by delivery to Clearstream and Euroclear, and such notices shall be deemed to be given on the date of delivery to Clearstream and Euroclear. The trustee will mail notices by first-class mail, postage prepaid, to each registered holder's last known address as it appears in the security register that the trustee maintains. The trustee will only mail these notices to the registered holder of the 2035 Notes. Holders of 2035 Notes will not receive notices regarding the 2035 Notes directly from us unless we reissue the 2035 Notes in fully certificated form.

The trustee will also publish notices regarding the 2035 Notes in a daily newspaper of general circulation in the City of New York and in London. We expect that publication will be made in the City of New York in *The Wall Street Journal*, in London in the *Financial Times* and in Dublin, Ireland in the *Irish Times*. If publication in Dublin, Ireland is not practical, the trustee will publish these notices in an English language newspaper of general circulation elsewhere in Europe. Published notices will be deemed to have been given on the date they are published or, if published more than once, on the date of first publication. If publication as described above becomes impossible, the trustee may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

Optional Redemption

The 2035 Notes are redeemable as a whole or in part, at our option, at any time at a redemption price equal to the greater of (1) 100% of the principal amount of such 2035 Notes and (2) as determined by the Calculation Agent, the price at which the yield on the outstanding principal amount of the 2035 Notes on the Reference Date is equal to the yield on the Benchmark Gilt as of that date as determined by reference to the middle-market price on the Benchmark Gilt at 3:00 p.m., London time, on that date, in either case, plus accrued and unpaid interest on the 2035 Notes up to, but excluding, the date specified as the redemption date.

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

“**Benchmark Gilt**” means the 4.25% Treasury Stock due March 7, 2036 or such other U.K. government stock as the Calculation Agent, with the advice of three brokers and/or U.K. gilt-edged market makers or three other persons operating in the U.K. gilt-edged market that may be

chosen by the Calculation Agent, may determine from time to time to be the most appropriate benchmark U.K. government stock for the notes.

“*Calculation Agent*” means J.P. Morgan Trust Company, National Association or any successor entity.

We will give notice of any redemption between 30 and 60 days preceding the redemption date to each holder of the 2035 Notes to be redeemed as described above.

In the case of any partial redemption, selection of the 2035 Notes for redemption will be made by the trustee under the 2002 Indenture in compliance with the rules and requirements of the principal securities exchange, if any, on which the 2035 Notes are listed or, if the 2035 Notes are not so listed or that exchange prescribes no method of selection, on a pro rata basis, by lot or by any other method as the trustee in its sole discretion deems to be fair and appropriate, although no 2035 Note of £1,000 in original principal amount or less shall be redeemed in part. If any 2035 Note is to be redeemed in part only, the notice of redemption relating to the 2035 Note will state the portion of the principal amount thereof to be redeemed. A new 2035 Note in principal amount equal to the unredeemed portion thereof will be issued and delivered to the trustee, or its nominee, or, in the case of 2035 Notes in definitive form, issued in the name of the holder thereof, in each case upon cancellation of the original 2035 Note.

Unless we default in payment of the redemption price of the 2035 Notes, on and after the redemption date, interest will cease to accrue on the 2035 Notes or the portions of the 2035 Notes called for redemption.

Redemption upon Tax Event

The 2035 Notes may be redeemed at our option in whole, but not in part, on not more than 60 days’ and not less than 30 days’ notice, at a redemption price equal to 100% of their principal amount, if we determine that as a result of any change or amendment to the laws, treaties, regulations or rulings of the United States or any political subdivision or taxing authority thereof, or any proposed change in such laws, treaties, regulations or rulings, or any change in the official application, enforcement or interpretation of those laws, treaties, regulations or rulings, including a holding by a court of competent jurisdiction in the United States, or any other action, other than an action predicated on law generally known on or before September 22, 2004 except for proposals before the Congress before that date, taken by any taxing authority or a court of competent jurisdiction in the United States, or the official proposal of any action, whether or not such action or proposal was taken or made with respect to us, (A) we have or will become obligated to pay additional amounts on any 2035 Note or (B) there is a substantial possibility that we will be required to pay those additional amounts. Prior to the publication of any notice of such a redemption, we will deliver to the trustee (1) an officers’ certificate stating that we are entitled to effect such a redemption and setting forth a statement of facts showing that the

conditions precedent to the right of our company to so redeem have occurred and (2) an opinion of counsel to that effect based on that statement of facts.

Payment of Additional Amounts

We will pay to beneficial owners of 2035 Notes who are non-U.S. persons additional amounts in the event of deduction or withholding of taxes, assessments or other governmental charges imposed by the United States or any taxing authority thereof or therein.

Prescription

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the 2035 Notes must be commenced within six years after payment is due. Thereafter our payment obligations will generally become unenforceable.

Replacement of 2035 Notes

If any mutilated 2035 Note is surrendered to the trustee, we will execute and the trustee will authenticate and deliver a new note of the same series and principal amount in exchange for such mutilated 2035 Note. If the trustee and we receive evidence to our satisfaction of the destruction, loss or theft of any 2035 Note and any security or indemnity required by it and us, then we shall execute, and the trustee shall authenticate and deliver, in lieu of such destroyed, lost or stolen note, a new 2035 Note of the same series and principal amount. All expenses associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen 2035 Note.

The 2039 Notes

The 2039 Notes were issued under and pursuant to the 2005 Indenture. The 2039 Notes were issued in registered book-entry form without interest coupons in denominations of £50,000 and integral multiples of £1,000 in excess thereof. The 2039 Notes constitute our senior unsecured debt obligations and rank equally among themselves and with all of our existing and future senior unsecured debt.

The 2039 Notes will mature on January 19, 2039. Unless previously redeemed or purchased and cancelled, we will repay the 2039 Notes at 100% of their principal amount, together with accrued and unpaid interest thereon at maturity. We will pay principal of and interest on the notes in pounds sterling or, solely if the United Kingdom adopts the euro, in euro.

The 2039 Notes were issued in a total principal amount of £1,000,000,000. We may, without the consent of the holders of the 2039 Notes, create and issue additional notes ranking equally with and otherwise similar in all respects to the 2039 Notes (except for the public offering price and the issue date) so that those additional notes will be consolidated and form a single series with

the 2039 Notes. No additional 2039 Notes may be issued if an event of default under the 2005 Indenture has occurred and is continuing.

The 2039 Notes bear interest from December 19, 2006 at the annual interest rate of 4.875%. Interest on each 2039 Note is payable semi-annually in arrears on January 19 and July 19 of each year, beginning on July 19, 2007, to the person in whose name the 2039 Note is registered at the close of business on the immediately preceding January 15 or July 15, as the case may be. Interest on the 2039 Notes is computed on the basis of a 360-day year consisting of twelve 30-day months.

We will pay to beneficial owners of 2039 Notes who are non-U.S. persons additional amounts in the event of deduction or withholding of taxes, assessments or other governmental charges imposed by the United States or any taxing authority thereof or therein.

The 2039 Notes are redeemable at our option, as described below. The 2039 Notes are not subject to a sinking fund. The 2039 Notes are subject to defeasance. The 2039 Notes are not convertible or exchangeable.

The 2039 Notes do not have a covenant restricting the grant of liens and cross-default event of default provisions.

If any interest payment date for the 2039 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any delayed payment. The term “*business day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in The City of New York or London.

If, prior to the maturity of the 2039 Notes, the United Kingdom adopts the euro as its lawful currency in accordance with the Treaty Establishing the European Communities, as amended from time to time, the 2039 Notes will be re-denominated into euro, and the regulations of the European Commission relating to the euro shall apply to the 2039 Notes. The circumstances and consequences described in this paragraph will not entitle us, BNYM under the 2005 Indenture or any holder of the 2039 Notes to redeem early, rescind or receive notice relating to the 2039 Notes, repudiate the terms of the 2039 Notes or the 2005 Indenture, or raise any defense, request any compensation or make any claim with respect to the 2039 Notes or the 2005 Indenture, nor will these circumstances and consequences affect any of our other obligations under the 2039 Notes or the 2005 Indenture.

Notices to holders of the 2039 Notes will be mailed to such holders. Any notice shall be deemed to have been given on the date of mailing and publication or, if published more than once, on the date of first publication. So long as the 2039 Notes are represented by a global security deposited with the Common Depository for Clearstream and Euroclear, notices to holders may be given by delivery to Clearstream and Euroclear, and such notices shall be deemed to be given on the date

of delivery to Clearstream and Euroclear. BNYM will mail notices by first-class mail, postage prepaid, to each registered holder's last known address as it appears in the security register that BNYM maintains. BNYM will only mail these notices to the registered holder of the 2039 Notes. Holders of 2039 Notes will not receive notices regarding the 2039 Notes directly from us unless we reissue the 2039 Notes in fully certificated form.

BNYM will publish any notices regarding the 2039 Notes in a daily newspaper of general circulation in The City of New York and in London. We expect that publication will be made in The City of New York in *The Wall Street Journal*, in London in the *Financial Times* and in Dublin, Ireland in the *Irish Times*. If publication in Dublin, Ireland is not practical, BNYM will publish these notices in an English language newspaper of general circulation elsewhere in Europe. Published notices will be deemed to have been given on the date they are published or, if published more than once, on the date of first publication. If publication as described above becomes impossible, BNYM may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

Optional Redemption

The 2039 Notes are redeemable as a whole or in part, at our option, at any time at a redemption price equal to the greater of (1) 100% of the principal amount of such 2039 Notes and (2) as determined by the Calculation Agent, the price at which the yield on the outstanding principal amount of such 2039 Notes on the Reference Date is equal to the yield on the Benchmark Gilt as of that date as determined by reference to the middle-market price on the Benchmark Gilt at 3:00 p.m., London time, on that date, in either case, plus accrued and unpaid interest on such 2039 Notes up to, but excluding, the date specified as the redemption date.

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

“**Benchmark Gilt**” means the 4.75% Treasury Stock due December 7, 2038, or such other U.K. government stock as the Calculation Agent, with the advice of three brokers and/or U.K. gilt-edged market makers or three other persons operating in the U.K. gilt-edged market that may be chosen by the Calculation Agent, may determine from time to time to be the most appropriate benchmark U.K. government stock for the notes.

“**Calculation Agent**” means The Bank of New York, or any successor entity.

We will give notice of any redemption between 30 and 60 days preceding the redemption date to each holder of the 2039 Notes to be redeemed as described above.

The redemption price paid for the 2039 Notes upon any such redemption will be paid in pounds sterling or, solely if the United Kingdom adopts the euro, in euro.

In the case of any partial redemption, selection of the 2039 Notes for redemption will be made by BNYM under the 2005 Indenture in compliance with the rules and requirements of the principal

securities exchange, if any, on which the 2039 Notes are listed at the time of redemption or, if the 2039 Notes are not so listed or that exchange prescribes no method of selection, on a pro rata basis, by lot or by any other method as BNYM in its sole discretion deems to be fair and appropriate, although no 2039 Note of £50,000 in original principal amount or less shall be redeemed in part. If any 2039 Note is to be redeemed in part only, the notice of redemption relating to the 2039 Note will state the portion of the principal amount thereof to be redeemed. A new 2039 Note in principal amount equal to the unredeemed portion thereof will be issued and delivered to BNYM, or its nominee, or, in the case of 2039 Notes in definitive form, issued in the name of the holder thereof, in each case upon cancellation of the original 2039 Note.

Unless we default in payment of the redemption price of the 2039 Notes, on and after the redemption date, interest will cease to accrue on the 2039 Notes or the portions of the 2039 Notes called for redemption.

We may redeem the 2039 Notes if certain tax-related events occur. If we redeem the 2039 Notes as a result of a tax event, we will publish a notice of the redemption in Dublin, Ireland. The redemption price paid for the 2039 Notes upon any such redemption will be paid in pounds sterling or, solely if the United Kingdom adopts the euro, in euro.

Prescription

Under New York law, any legal action to enforce our payment obligations evidenced by the 2039 Notes must be commenced within six years after payment is due. Thereafter, our payment obligations will generally become unenforceable.

Replacement of the 2039 Notes

If any mutilated 2039 Note is surrendered to BNYM, we will execute and BNYM will authenticate and deliver a new note of the same series and principal amount in exchange for such mutilated 2039 Note. If BNYM and we receive evidence to our satisfaction of the destruction, loss or theft of any 2039 Note and any security or indemnity required by it and us, then we shall execute, and BNYM shall authenticate and deliver, in lieu of such destroyed, lost or stolen note, a new 2039 Note of the same series and principal amount. All expenses associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen 2039 Note.

Walmart Inc.

2016 Associate Stock Purchase Plan

(As amended effective February 4, 2026)

Table of Contents

I. DEFINITIONS

B-3

1.1	Account	B-3
1.2	Account Administrator	B-3
1.3	Account Closure	B-3
1.4	Affiliate	B-3
1.5	Associate	B-3
1.6	Award Program	B-3
1.7	Board	B-3
1.8	Committee	B-3
1.9	Company	B-3
1.10	Contribution	B-3
1.11	Employer	B-3
1.12	Participant	B-3
1.13	Participating Employer	B-3
1.14	Payroll Deduction	B-3
1.15	Plan	B-3
1.16	Plan Year	B-3
1.17	Section 16 Officers	B-3
1.18	Stock	B-3

II. ELIGIBILITY

B-3

2.1	In General	B-3
2.2	Leaves of Absence	B-4

III. PLAN CONTRIBUTIONS

B-4

3.1	Shares Available for Contributions	B-4
3.2	Plan Contributions	B-4
3.3	Maximum Limits on Contributions	B-4
3.4	Payroll Deductions	B-4
3.5	Matching Contributions	B-4
3.6	Award Contributions	B-4
3.7	Voluntary Contributions	B-5
3.8	Remittance of Contributions	B-5

IV. ACCOUNT PURCHASES, MAINTENANCE & SALES

B-5

4.1	Account Establishment	B-5
4.2	Share Purchases	B-5
4.3	Share Purchases for Non-U.S. Participants	B-5
4.4	Allocation to Accounts	B-6
4.5	Share Ownership	B-6
4.6	Account Statements	B-6
4.7	Risk of Loss	B-6
4.8	Commission & Maintenance Charges	B-6
4.9	Account Sales	B-7

V. ACCOUNT CLOSURE & TERMINATION OF EMPLOYMENT

B-7

5.1	Account Closure	B-7
5.2	By Termination of Employment Other Than Due to Death of Participant	B-7
5.3	By Transferring Employment from the Company or a Participating Employer to an Affiliate	B-7
5.4	Termination Due to Death of Participant	B-8

VI. AWARD PROGRAM

B-8

6.1	Scope of the Award Program	B-8
6.2	Outstanding Performance Component	B-8
6.3	Former Great Job Component	B-8

VII. ADMINISTRATION

B-8

7.1	Committee	B-8
7.2	Powers of the Committee	B-8

VIII. AMENDMENT & TERMINATION

B-9

8.1	Right to Amend or Terminate	B-9
8.2	Limitation on Right to Amend or Terminate	B-9

IX. MISCELLANEOUS PROVISIONS

B-9

9.1	Successors	B-9
9.2	Severability	B-9
9.3	Requirements of Law	B-9
9.4	Securities Law Compliance	B-9
9.5	No Rights as a Stockholder	B-10
9.6	Nature of Payments	B-10
9.7	Non-Exclusivity of the Plan	B-10
9.8	Military Service	B-10
9.9	Construction	B-10

9.10	Headings	B-10
9.11	Stockholder Approval	B-10
9.12	Taxes	B-10
9.13	Company-Associate Relationships	B-10
9.14	Governing Law	B-10

**Walmart Inc. 2016
Associate Stock Purchase Plan**

I. Definitions

- 1.1 “**Account**” shall mean a Participant’s account which holds his or her shares of Stock pursuant to the Plan.
- 1.2 “**Account Administrator**” shall mean the third party administrator for the Accounts as may be from time to time appointed by the Committee.
- 1.3 “**Account Closure**” shall mean the closing of a Participant’s Account by one of the following means:
- (a) “**Automatic Account Closure**” shall mean the closure of a Participant’s Account by the Committee (or the Account Administrator if applicable) at the time such Participant’s Account balance contains no shares (or fractional shares) of Stock on or after his or her termination of employment with the Employer.
- (b) “**Participant Account Closure**” shall mean the closure of a Participant’s Account pursuant to a request by the Participant to have his or her Account closed and to have all Stock or proceeds from the sale thereof distributed.
- 1.4 “**Affiliate**” shall mean any entity that is more than 50% owned or controlled, directly or indirectly, by the Company.
- 1.5 “**Associate**” shall mean any common law employee of an Employer, but shall not include independent contractors. An individual classified by the Employer as either an independent contractor or an individual who provides services to the Employer through another entity shall not be eligible to participate in this Plan during the period that the individual is so classified, even if such individual is later retroactively reclassified as an Associate during all or any part of such period pursuant to applicable law or otherwise.
- 1.6 “**Award Program**” shall mean a program established by the Company or a Participating Employer that results in its Associates receiving shares of Stock as an award for job performance.
- 1.7 “**Board**” shall mean the Board of Directors of the Company.
- 1.8 “**Committee**” shall mean the Compensation and Management Development Committee of the Board, or such other committee as may be appointed by the Board.
- 1.9 “**Company**” shall mean Walmart Inc., a Delaware corporation.
- 1.10 “**Contribution**” shall mean any of the types of contributions that may be made to a Participant’s Account under the Plan, either by the Company, a Participating Employer or a Participant as set forth in Section III.
- 1.11 “**Employer**” shall mean the Company and its Affiliates.
- 1.12 “**Participant**” shall mean any Associate of the Company or a Participating Employer who satisfies the eligibility requirements in Section II and who has an Account established under the Plan, and Participant shall also include any former Associate of the Company or a Participating Employer who was a Participant in the Plan at the time of his or her termination of employment until such time as an Account Closure occurs.
- 1.13 “**Participating Employer**” shall mean an Affiliate whose participation in the Plan has been approved by the Committee. The Committee may require the Participating Employer to make corresponding contributions under the Plan in accordance with rules and procedures established by the Committee. The Committee, in its sole discretion, may terminate any such Affiliate’s Participating Employer status at any time and the Accounts of those Participants who are Associates of such Affiliate will be treated as if such Participants had transferred employment to an Affiliate that is not a Participating Employer as described in Section 5.3 of the Plan.

- 1.14 “**Payroll Deduction**” shall mean the payroll deduction from a Participant’s biweekly or weekly regular compensation (including from vacation pay and pay from any paid leave of absence) of an amount authorized by the Participant as a Payroll Deduction Contribution.
- 1.15 “**Plan**” shall mean the Walmart Inc. 2016 Associate Stock Purchase Plan (formerly known as the Wal-Mart Stores, Inc. 2016 Associate Stock Incentive Plan, and the Wal-Mart Stores, Inc. 2004 Associate Stock Purchase Plan), as amended, restated and renamed herein, or as it may be further amended from time to time.
- 1.16 “**Plan Year**” shall mean April 1 of a calendar year to March 31 of the following calendar year, or such other period as set by the Committee.
- 1.17 “**Section 16 Officers**” shall mean those officers of the Company who are subject to subsection 16(a) of the Securities Exchange Act of 1934, as amended.
- 1.18 “**Stock**” shall mean the common stock, \$.10 par value per share, of the Company.

II. Eligibility

- 2.1 **In General.** All Associates (including Section 16 Officers) of the Company or a Participating Employer are eligible to participate in the Plan, subject to the following limitations:
- (a) Associates who are restricted or prohibited from participating in the Plan under the applicable law of their state or country of residence may not participate in the Plan (including, for the avoidance of doubt, due to such jurisdiction’s age of majority), except as may be provided in accordance with rules and procedures established by the Committee.
- (b) Associates of the Company and its Affiliates who are members of a collective bargaining unit whose benefits were the subject of good faith collective bargaining are excluded from participation in the Plan.
- (c) Participation by Associates of non-U.S. Participating Employers shall only be permitted upon approval by the Committee, which approval may be limited to groups or categories of Associates designated by the non-U.S. Participating Employer.
- (d) Section 16 Officers may be restricted in their ability to acquire or sell shares of Stock in order to comply with Section 16 of the Securities Exchange Act of 1934, as amended, in accordance with rules and procedures adopted by the Company’s Audit Committee.
- 2.2 **Leaves of Absence.** Participants continue to be eligible to participate in the Plan while on a bona fide leave of absence from the Company or a Participating Employer in accordance with applicable policies of the Company or Participating Employer, or under such other circumstances with the approval of the Committee.

III. Plan Contributions

- 3.1 **Shares Available for Contributions.** Subject to stockholder approval of this Plan: (i) 10,943,171 shares of Stock shall be available for purchase from the Company under the Plan for credit to Accounts or for purchase in open market transactions over a national securities exchange under the Plan for credit to Accounts; (ii) 20,000,000 shares of Stock shall be available for purchase from the Company under the Plan for credit to Accounts; and (iii) 100,000,000 shares of Stock shall be available for purchase in open market transactions over a national securities exchange under the Plan for credit to Accounts.

3.2 Plan Contributions. The definitions of the types of Contributions which may be made pursuant to the Plan are as follows (subject to the limits provided in Section 3.3 as applicable):

- (a) **“Award Contribution”** means a contribution under the Plan on behalf of a Participant by the Company or a Participating Employer, as applicable, made pursuant to the Award Program in the sole discretion of the Committee.
- (b) **“Matching Contribution”** means a cash contribution to the Plan on behalf of a Participant by the Company or a Participating Employer, as applicable, which is equal to fifteen percent (15%) of the amount of the Participant’s Payroll Deduction (up to a maximum dollar limit).
- (c) **“Payroll Deduction Contribution”** means a contribution to the Plan by a Participant pursuant to a valid authorization for a Payroll Deduction.
- (d) **“Voluntary Contribution”** means a contribution, if and to the extent permitted by the Committee from time to time, of shares of Stock or cash by the Participant to the Participant’s Account which is not made by Payroll Deduction.

3.3 Maximum Limits on Contributions.

- (a) Matching Contributions and “Outstanding Performance” awards under the Award Program are subject to a maximum dollar limit for the Plan Year as set by the Committee from time to time in its discretion.
- (b) During any Plan Year, the combination of Payroll Deduction Contributions and Voluntary Contributions made in cash (not Stock) by a Participant shall not exceed \$125,000.

3.4 Payroll Deductions.

- (a) Subject to the Committee’s authority to adjust the following amounts, a Participant’s authorization for Payroll Deduction shall be for a minimum amount of \$2.00 per biweekly pay period or \$1.00 per weekly pay period, as applicable to the Participant, and such Payroll Deduction shall be in even multiples of \$.50.
- (b) A Participant’s request for Payroll Deduction (or a request for a revision thereto) will become effective as soon as practicable after receipt of such request by the Company or the Participating Employer, as applicable.
- (c) A Participant’s Payroll Deduction authorization may be revised or terminated at any time by the Participant’s request to the Company or the Participating Employer, as applicable.
- (d) A Participant’s authorization for Payroll Deduction shall remain effective until the earlier of the Participant’s (1) request to revise or terminate the Payroll Deduction authorization or (2) termination of employment with the Company or a Participating Employer, subject to Section 8 of the Plan.
- (e) All requests to initiate, revise or terminate an authorization for Payroll Deduction as described in this Section 3.4 shall be made in writing or in such other form acceptable to the Committee or its delegate from time to time.
- (f) The Senior Vice President, Total Rewards, or any successor position, in his or her discretion, may prohibit a Payroll Deduction from the final paycheck of a Participant. This Section applies to the Participant’s final paycheck even if the Participant made a valid Payroll Deduction election applicable to prior paychecks. If a Payroll Deduction is prohibited from a Participant’s final paycheck, any corresponding Matching Contributions shall also be prohibited.

3.5 Matching Contributions. The Company or Participating Employer, as applicable, shall make Matching Contributions as provided under the Plan and subject to the limits set forth in Section 3.3.

3.6 Award Contributions. Award Contributions shall be made, in the Committee's sole discretion, by either (1) the Company or the Participating Employer, as applicable, remitting to the Account Administrator on behalf of the Participant funds sufficient to purchase any shares or fractional shares of Stock that have been granted to such Participant under the Award Program or (2) the Participant receiving the Award Contribution directly as a certificate for a share or shares (as applicable) of Stock.

3.7 Voluntary Contributions. Participants may make Voluntary Contributions to the Plan subject to the terms and limitations described herein or that may be prescribed by the Committee from time to time.

3.8 Remittance of Contributions.

(a) The Company or a Participating Employer, as applicable, will forward the total of all Payroll Deductions for the applicable payroll period along with the corresponding Matching Contributions, a list of Participants for whom the Contributions are being made and the amount allocable to each such Participant's Account to the Account Administrator as soon as practicable.

(b) Voluntary Contributions, whether made in cash or shares of Stock, shall be remitted to the Account Administrator directly by the Participant.

(c) As soon as practicable following a grant of an Award Contribution, an Award Contribution shall be made in the Committee's sole discretion as described in Section 3.6 of the Plan.

(d) Prior to the time a Participant's Payroll Deduction and corresponding Matching Contribution is distributed to the Account Administrator, such amounts are considered general assets of the Company or Participating Employer (as applicable) and, as such, are subject to the claims of the Company's or Participating Employer's (as applicable) creditors in the event of insolvency or bankruptcy. In addition, no interest shall be paid on such amounts and all Participants assume the risk of fluctuations in the value or market price of Stock.

IV. Account Purchases, Maintenance & Sales

4.1 Account Establishment. The Account Administrator shall establish an Account in accordance with the Plan for any Associate who becomes a Participant. Upon the Committee's (or its delegate's) request, the Account Administrator shall establish an Account for an Associate who is to be awarded shares under an Award Program and who is not then a Participant.

4.2 Share Purchases. No later than five business days after the Account Administrator receives the remittance of funds for Contributions (including Voluntary Contributions made in cash) made to the Plan, the Account Administrator shall purchase shares of Stock from the Company, which may be purchases from the Company of authorized, but unissued, shares of Stock, shares of Stock held as treasury shares of Stock, in open market transactions over a national securities exchange, or in a combination of the foregoing. Notwithstanding the foregoing, the Committee may from time to time provide instructions to the Account Administrator with respect to the purchase of such shares of Stock but, absent such instructions, the Account Administrator shall determine the source of such Stock purchases in its discretion.

(a) In the case of purchases from the Company of authorized but unissued or treasury shares of Stock, the price of such shares is equal to the Volume Weighted Average Price (VWAP) as reported on the applicable national securities exchange on the relevant date of purchase; provided, however, that the Committee may, in its discretion, designate some other methodology for determining the fair market value of such shares of Stock purchased from the Company.

(b) The Account Administrator's purchase of shares of Stock in open market transactions over a national securities exchange and the price per share shall be in accordance with rules and procedures established by the Committee from time to time, the rules of the national securities exchange over which the shares of Stock are purchased and the rules of the Financial Industry Regulatory Authority.

(c) As determined in the discretion of the Account Administrator (in accordance with any applicable rules and procedures of the Committee), funds received as Voluntary Contributions may be bundled into a group for the purpose of purchasing shares of Stock and such shares may be purchased over a time period that is greater than one day. If such shares of Stock are purchased as part of a bundled group, a Participant's purchase price for each share of Stock shall be the average price of all shares of Stock purchased within that group as determined by the Account Administrator.

(d) No provision of this Plan shall limit the ability of the Committee to implement a real-time trading (or other) mechanism for the purchase or sale of shares of Stock under the Plan and, to the extent determined by the Committee, shall replace any other methodology for valuing and allocating shares of Stock purchased or sold under the Plan.

Dividends on shares of Stock held in a Participant's Account shall be automatically reinvested in

(e) shares of Stock, unless the Participant directs otherwise, in accordance with procedures established by the Committee. The reinvestment of such dividends will take place through the purchase of shares of Stock at the prevailing market price on the open market.

4.3 Share Purchases for Non-U.S. Participants. With respect to non-U.S. Participants, the amounts (1) withheld from such a Participant's compensation pursuant to an authorization for Payroll Deduction or (2) contributed as either a Matching Contribution or an Award Contribution made directly to a Participant's Account shall be converted from the applicable foreign currency to U.S. dollars for the purpose of purchasing shares of Stock, and such conversion shall be pursuant to the exchange rate published in The Wall Street Journal (or other similar source) on a date as soon as practicable prior to the effective date of the cash transfer from the Company or the Participating Employer, as applicable, to the Account Administrator. All such Participants assume the risk of fluctuations in the value or market price of shares of Stock and applicable currency exchange rates. With respect to non-U.S. Participants making Voluntary Contributions in cash, such amounts must be tendered to the Account Administrator in U.S. dollars unless otherwise determined by the Committee.

Notwithstanding anything to the contrary contained in the terms of this Plan, at the discretion of the Committee, purchases of shares of Stock for, or the participation in the Plan by, non-U.S. Participants may be suspended or discontinued if the applicable laws of a country or another governmental authority (such as the European Union) governing such purchases of shares of Stock or participation in the Plan would require the Company to register or qualify such shares of Stock, or its deemed offer or sale of shares of Stock under the Plan to, or to otherwise comply with procedures under such laws with respect to any deemed offer and sale of shares of Stock by the Company under the Plan to, such non-U.S. Participants or the Company would otherwise become subject to the laws of such country or other governmental authority as a result of such purchases of shares of Stock by or on behalf of a non-U.S. Participant unless the Company is already subject in all respects to the jurisdiction of such country or governmental authority.

4.4 Allocation to Accounts. The number of shares (whole and fractional shares) of Stock shall depend upon the purchase price as described in Section 4.2 at the time such purchases are made. Purchases of Stock will be allocated by the Account Administrator based upon the applicable purchase price to each applicable Participant's Account in proportion to the respective amount of Contributions received for each Participant's Account. Allocations of Stock will be made in full shares and in fractional interests in shares to the thousandths of a share.

4.5 Share Ownership. At the time shares of Stock are credited to a Participant's Account, he or she will acquire full ownership of all such shares (as well as any fractional interests) of Stock.

- (a) All shares of Stock will be registered in the name of the Account Administrator and will remain so registered until delivery is requested by the Participant. The Participant may request from the Account Administrator that a certificate for any or all full shares of Stock be delivered to the Participant or that the Participant be reflected as the record owner of such shares of Stock in the Direct Registration System of the Depository Trust Company, if the Company participates in that system, at no cost to such Participant at any time.
- (b) The Account Administrator shall cause to be delivered at no cost to each Participant as promptly as practicable, by mail, electronic mail, or otherwise, all notices of shareholders' meetings, proxy statements and other material distributed by the Company to its stockholders. The full shares of Stock in each Participant's Account shall be voted in accordance with the Participant's signed proxy voting instructions timely delivered to the Account Administrator. In the event that a Participant does not timely provide the Account Administrator with proxy voting instructions, the Account Administrator may direct the voting of such shares of Stock held in an Account to the extent such action or direction would comply with applicable law and any applicable listing standards of a national securities exchange.
- (c) A Participant may not assign or hypothecate any interest in the Plan; provided, however, that upon purchase of shares under the Plan, such shares may be sold, assigned, pledged, hypothecated or otherwise dealt with as would be the case with respect to any other shares of Stock the Participant might otherwise own, subject to the Participant's compliance with the Walmart Inc. Insider Trading Policy.
- (d) Neither the Company nor any Participating Employer may make any deductions from amounts properly credited to a Participant's Account. Neither the Company nor any Participating Employer shall have any security interest on the shares of Stock held in a Participant's Account. Notwithstanding the foregoing, a lender may have a security interest on the shares of Stock held in a Participant's Account if the Participant has pledged such Stock as collateral in connection with a line of credit that may be obtained by certain Participants (other than Section 16 Officers) through the Account Administrator's Stock Secured Line of Credit Program, if any.
- 4.6 Account Statements.** Each Participant will be sent at least an annual statement reflecting all Account activity during the period covered by the statement.
- 4.7 Risk of Loss.** There is no guarantee of the value or market price of shares of Stock acquired pursuant to the Plan. In seeking potential benefits of Stock ownership, each Participant bears the risks associated with Plan participation and ownership of Stock, including the risk of any decrease in the value of market price of shares of Stock acquired pursuant to the Plan.
- 4.8 Commission & Maintenance Charges.**
- (a) No brokerage commissions are charged to Participants for purchases of Stock under the Plan, however, brokerage commissions and other applicable fees shall be charged to the Participant for all sales of Stock from his or her Account. Such commissions and other applicable fees for sales of Stock held in a Participant's Account shall be at the rates posted by the Account Administrator, which may be changed from time to time by the Account Administrator with approval of the Committee (or its delegate).
- (b) The Company or Participating Employer, as applicable, shall pay the applicable periodic maintenance fees (if any) for the Participant's Account until the earlier of (1) a Participant Account Closure occurs or (2) the Participant incurs a termination of employment with the Company or Participating Employer, as applicable, subject to Section 5.3. Any services requested of the Account Administrator by the Participant that are not covered by the Company's arrangement with the Account Administrator shall be paid for solely by the Participant.

- (c) At such time as the Company or Participating Employer, as applicable, ceases to pay the applicable Account maintenance fees as set forth subsection (b) above, the Participant shall become responsible for any applicable Account maintenance fees. In this case, periodic maintenance fees and other applicable charges to the Account shall be paid from time to time to the Account Administrator automatically from the proceeds of a sale of a sufficient number of shares of Stock held in the Participant's Account to cover such fees and charges until the earlier of a Participant Account Closure or an Automatic Account Closure occurring.
- 4.9 **Account Sales.** The Participant may instruct the Account Administrator in writing (or any other method acceptable to the Committee or its delegate) at any time to sell any portion or all of his or her full shares of Stock and the fractional interest in any shares of Stock allocable to his or her Account, and the timing for such sale of Stock shall be in accordance with rules and procedures established by the Committee from time to time. Any account sales shall be subject to the Walmart Inc. Insider Trading Policy, including, but not limited to, the Trading Windows and trading restrictions on Section 16 Officers.
- (a) The sale price for a share of Stock under the Plan shall be the average price of all shares of Stock sold by the Account Administrator on the date of the Participant's sale transaction; provided, however, that the Committee reserves the right to implement a real-time trading or similar mechanism for Participants' sales of shares of Stock from their respective Accounts under the Plan and the valuation of shares of Stock would be in accordance with any such mechanism.
- (b) Upon such sale, the Account Administrator shall mail to the Participant a check (or such method of payment as approved by the Committee or its delegate) for the proceeds, less the brokerage commission, and other normal charges such as sales fees, which are payable by the Participant.
- (c) Such instruction to the Account Administrator, or a request for delivery of Stock certificates held in the Participant's Account, will not affect the Participant's status as a Participant under the Plan unless the delivery of such certificates results in an Account Closure.
- (d) With respect to non-U.S. Participants, shares of Stock are sold or traded in U.S. dollars and such amounts can be converted for the purpose of remitting the proceeds to the non-U.S. Participant. If the proceeds from the sale of shares of Stock held in the Participant's Account are converted to a currency other than U.S. dollars, such conversion shall be made pursuant to the applicable exchange rate published in The Wall Street Journal (or other similar source) on the date such transaction is executed. All such Participants assume the risk of fluctuations in the value or market price of shares of Stock and applicable currency exchange rates.

V. Account Closure & Termination of Employment

- 5.1 **Account Closure.** A Participant who elects to discontinue Payroll Deductions under the Plan shall continue to be a Participant until the earlier of a Participant Account Closure or an Automatic Account Closure occurring. In connection with a Participant Account Closure, the Participant must elect to have his or her Account fully distributed in either (1) Stock (except that the value of any fractional shares of Stock will be distributed in cash) less any applicable fees or (2) cash by directing all full shares (and fractional interests) of Stock to be sold with the proceeds, less applicable brokerage commissions and other applicable fees, being distributed in accordance with the terms, provisions, and conditions of the Plan.
- 5.2 **By Termination of Employment Other Than Due to Death of Participant.** The Account of a Participant who incurs a termination of employment (other than by reason of death) with the Company or a Participating Employer will continue to be maintained with the periodic fees and any other applicable charges being paid by the Participant in accordance with Section 4.8(c) of the Plan.

5.3 **By Transferring Employment from the Company or a Participating Employer to an Affiliate.** A Participant who transfers employment from the Company or a Participating Employer to an Affiliate who does not sponsor or participate in the Plan may continue to have his or her Account maintained at the expense of the Company while still employed with an Affiliate until the earlier of a Participant Account Closure or an Automatic Account Closure occurring (provided that such Automatic Account Closure can only occur following termination of employment with such Affiliate). In connection with a Participant Account Closure, the Participant must elect to have his or her Account fully distributed in either (1) Stock (except that the value of any fractional shares of Stock will be distributed in cash less any applicable fees) or (2) cash by directing all full shares (and fractional interests) of Stock to be sold with the proceeds, less applicable brokerage commissions and other applicable fees, being distributed, in accordance with the terms, provisions, and conditions of the Plan. Unless and until such Participant re-establishes eligibility to participate in the Plan, such Participant shall no longer be eligible to make or receive Contributions to the Plan (including by Payroll Deduction or Voluntary Contribution).

5.4 **Termination Due to Death of Participant.** Following a Participant's death, the Company or Participating Employer, as applicable, shall cease making Payroll Deductions and Matching Contributions to such Participant's Account as soon as practicable. In addition, as soon as practicable following the Participant's death, the Account Administrator will distribute the proceeds of the deceased Participant's Account less applicable brokerage commissions and other applicable fees in accordance with rules and procedures established by the Committee (which may include a designation by a Participant of a beneficiary or a joint tenant with respect to a Participant's Account) and, in the absence of applicable rules and procedures (or such designations), to the Participant's estate.

VI. Award Program

6.1 **Scope of the Award Program.** The Award Program is designed to provide an incentive to Associates of the Company and Participating Employers who provide exceptional customer service and job performance. Awards under the Award Program are not intended to be given to those who satisfy, but do not exceed, expectations. The Award Program includes an "Outstanding Performance" component.

6.2 **Outstanding Performance Component.** An "Outstanding Performance" award is an award of Stock to an Associate in recognition of the individual's consistently outstanding performance in his or her specific job-related roles over a month, a quarter, or a year.

(a) Associates who receive "Outstanding Performance" awards may either be issued certificates for shares of Stock or, at the discretion of the Committee, the Company (or Participating Employer) may have the Account Administrator purchase shares of Stock to be credited to the Participant's Account as described in Section 3.6 of the Plan.

(b) "Outstanding Performance" awards are either approved directly by the Committee or by its delegate in accordance with rules and procedures established by the Committee, and are subject to individual maximum dollar limitations as set by the Committee from time to time.

6.3 **Former Great Job Component.** This component of the Plan was discontinued in 2007 and all outstanding Great Job buttons were cancelled on September 1, 2008.

VII. Administration

7.1 **Committee.** **(a)** Subject to Section 7.2, the Plan shall be administered by the Committee.

(b) The Committee may delegate to officers or managers of the Company or any Affiliate the authority, subject to such terms as the Committee shall determine, to perform specified functions under the Plan. The Committee also may revoke any such delegation of authority at any time.

7.2 **Powers of the Committee.** Subject to and consistent with the provisions of the Plan, the Committee has full and final authority and sole discretion as follows:

- (a) to determine when, to whom and in what types and amounts Contributions should be made;
- (b) to make Contributions to eligible Associates in any number, and to determine the terms and conditions applicable to each Contribution;
- (c) to determine whether any terms and conditions applicable to a Contribution have been satisfied;
- (d) to set minimum and maximum dollar, share or other limitations on the various types of Contributions under the Plan;
- (e) to determine whether an Affiliate should be designated as a Participating Employer and whether an Affiliate's Participating Employer status should be terminated;
- (f) to determine whether Associates of non-U.S. Participating Employers should be eligible to participate in the Plan;
- (g) to construe and interpret the Plan and to make all determinations, including factual determinations, necessary or advisable for the administration of the Plan;
- (h) to make, amend, suspend, waive and rescind rules and regulations relating to the Plan (including, but not limited to, such rules and regulations that would allow designations for beneficiaries and/or joint tenants to be made by Participants in connection with Accounts under the Plan);
- (i) to appoint such agents as the Committee may deem necessary or advisable to administer the Plan;
- (j) to correct any defect or supply any omission or reconcile any inconsistency, and to construe and interpret the Plan, the rules and regulations, and award agreements or any other instrument entered into or relating to a Contribution under the Plan; and
- (k) to take any other action with respect to any matters relating to the Plan for which it is responsible and to make all other decisions and determinations as may be required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan.

Any action of the Committee with respect to the Plan shall be final, conclusive and binding on all persons, including the Company, its Affiliates, any Associate, any person claiming any rights under the Plan from or through any Participant, and stockholders, except to the extent the Committee may subsequently modify, or take further action not consistent with, its prior action. If not specified in the Plan, the time at which the Committee must or may make any determination shall be determined by the Committee, and any such determination may thereafter be modified by the Committee. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee.

VIII. Amendment & Termination

8.1 Right to Amend or Terminate. The Board, or a duly authorized committee thereof, reserves the right to amend, modify, suspend or discontinue the Plan at any time in its sole discretion without the approval of the Company's stockholders, except that (a) any amendment or modification shall be subject to the approval of the Company's stockholders if such stockholder approval is required by any federal or state law or regulation or the rules of any securities exchange or automated quotation system on which the shares of Stock may then be listed or quoted, and (b) the Board may otherwise, in its discretion, determine to submit other such amendments or modifications to stockholders for approval.

8.2 Limitation on Right to Amend or Terminate. Any such amendment, modification, suspension or termination will not result in the forfeiture of (1) subject to Section 3.8(d), any funds contributed but not yet invested in the Participant's Account, (2) any shares (or fractional interests) of Stock purchased on behalf of the Participant under the Plan, or (3) subject to Section 3.8(d), any dividends or other distributions in respect of such shares that are declared subsequent to a Participant's Contribution but prior to the effective date of the amendment, modification, suspension or termination of the Plan.

IX. Miscellaneous Provisions

- 9.1** **Successors.** All obligations of the Company under the Plan with respect to Contributions made hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business and/or assets of the Company.
- 9.2** **Severability.** If any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.
- 9.3** **Requirements of Law.** The granting of awards, the making of Contributions, and the delivery of shares of Stock under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. Notwithstanding any provision of the Plan, Participants shall not be entitled to receive benefits under the Plan, and the Company (and any Affiliate) shall not be obligated to deliver any shares of Stock or deliver benefits to a Participant, if such delivery would constitute a violation by the Participant or the Company or any of its Affiliates of any applicable law or regulation.
- 9.4** **Securities Law Compliance.**
- (a)** If the Committee deems it necessary to comply with any applicable securities law or the requirements of any securities exchange upon which shares of Stock may be listed, the Committee may impose any restriction on Contributions, shares of Stock acquired pursuant to Contributions or purchases of shares of Stock under the Plan as it may deem advisable. Shares of Stock credited to the Account of a Participant, delivered to a Participant in certificated form or registered to a Participant in the Direct Registration System that may not be reoffered and resold by such Participant under applicable securities laws except pursuant to an effective registration statement covering or with respect to, or a qualification of, such shares of Stock or of such reoffer and resale of such shares of Stock or in accordance with another compliance procedure permitting a public reoffer and resale of such shares of Stock, in each case, in accordance with applicable securities laws, shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under applicable securities laws and the listing requirements and rules for listed companies of any securities exchange upon which shares of Stock are then listed and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions and, if so requested by the Company, such Participant shall make a written representation to the Company that he or she will not reoffer or resell any shares of Stock held by him or her except in compliance with all applicable requirements for the registration or qualification of such shares of Stock or of such reoffer and resale of such shares of Stock or in accordance with such other compliance procedure permitting the public reoffer and resale of such shares of Stock unless he or she shall have furnished to the Company an opinion of an experienced securities attorney licensed in the jurisdiction whose securities laws govern such reoffer and resale that such registration, qualification or other compliance actions regarding such reoffer and resale are not required for such reoffer and resale of such shares of Stock to be effected in compliance with the applicable securities laws, which opinion shall be in form and substance satisfactory to the Company in its sole discretion.

- (b) If the Committee determines that the nonforfeatability of, or delivery of benefits pursuant to, any Contribution or any purchase of shares of Stock, either from the Company or in an open market purchase over a national securities exchange, would result in a violation of any provision of any applicable securities laws or the listing requirements or rules for listed companies of any securities exchange on which the Stock is listed for trading, then the Committee may postpone any such nonforfeatability or delivery, as applicable, and may suspend the purchase of shares of Stock under the Plan, but the Company shall use all reasonable efforts to cause such nonforfeatability or delivery to comply with all such provisions at the earliest practicable date and to permit the Account Administrator to make purchases of shares of Stock in accordance with the Plan at the earliest practicable date; provided that the Company may, in its sole discretion, suspend the participation in the Plan of any Participant or any or all Participants to the extent necessary for the Company to comply or remain in compliance with the securities laws of any jurisdiction, including the United States, and may suspend purchases of shares of Stock that would be deemed to be the offer and sale of shares of Stock by the Company in a transaction that is not registered pursuant to, or exempt from registration under, Section 5 of the Securities Act of 1933, as amended, or is not qualified or otherwise permitted to be made under the securities laws of any jurisdiction outside of the United States, for such period as the Company deems appropriate in order for the Company to file a registration statement with the U.S. Securities and Exchange Commission with respect to the offer and sale of shares of Stock under the Plan and to have such registration statement declared effective by the U.S. Securities and Exchange Commission and to effect all necessary qualifications and to comply with any other compliance procedures required to be adhered to in order for such purchases of such shares of Stock on behalf of Participants to comply with all applicable securities laws, rules, and regulations.
- 9.5 **No Rights as a Stockholder.** No Participant shall have any rights as a stockholder of the Company with respect to the shares of Stock which may be deliverable to the Participant's Account in connection with a Contribution (other than a Voluntary Contribution of previously-owned shares of Stock) under the Plan until such shares of Stock have been credited to his or her Account or have been delivered to him or her.
- 9.6 **Nature of Payments.** Matching Contributions and Award Contributions shall be special incentive payments to the Participant and shall not be taken into account in computing the amount of salary or compensation of the Participant for purposes of determining any pension, retirement, death or other benefit under (a) any pension, retirement, profit-sharing, bonus, insurance or other employee benefit plan of the Company or any Affiliate, except as such plan shall otherwise expressly provide, or (b) any agreement between (i) the Company or any Affiliate and (ii) the Participant, except as such agreement shall otherwise expressly provide.
- 9.7 **Non-Exclusivity of the Plan.** Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other compensatory arrangements for Associates as it may deem desirable.
- 9.8 **Military Service.** The Plan shall be administered in accordance with Section 414(u) of the Internal Revenue Code and the Uniformed Services Employment and Reemployment Rights Act of 1994.
- 9.9 **Construction.** The following rules of construction will apply to the Plan: (a) the word "or" is disjunctive but not necessarily exclusive, and (b) words in the singular include the plural, words in the plural include the singular, and words in the neuter gender include the masculine and feminine genders and words in the masculine or feminine gender include the other neuter genders.
- 9.10 **Headings.** The headings of articles and sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

- 9.11 Stockholder Approval.** All Contributions made on or after the effective date of the amended and restated Plan and prior to the date the Company's stockholders approve the amended and restated Plan are expressly conditioned upon and subject to approval of the amended and restated Plan by the Company's stockholders.
- 9.12 Taxes.** All Payroll Deduction Contributions, Matching Contributions and Award Contributions are subject to withholding for applicable federal, state and local income taxes and will be reported as wage income by the Company. When a Participant authorizes a Payroll Deduction of a specific amount, more than that amount will actually be withheld from his or her compensation to cover the withholding taxes due on the Payroll Deduction Contribution and Matching Contribution. Unless set forth otherwise by applicable law, rule, or regulation, the distribution of shares of Stock from a Participant's Account to a Participant, or cash in lieu of fractional shares, will not be a taxable event.
- 9.13 Company-Associate Relationships.** Nothing contained in this Plan shall in any way affect the rights of the Company (including any of its Affiliates) in its relationship with any Associate or affect the Company's (including any of its Affiliates') right to discharge any Associate or increase or reduce any Associate's compensation.
- 9.14 Governing Law.** This Plan shall be governed by and construed in accordance with the laws of the State of Delaware, except to the extent it is governed by the federal securities laws or the choice of laws provision contained in the Company's agreement with the Account Administrator.
- 9.15 Adjustments upon Changes in Capitalization or Merger.** Subject to any required action by the Company's stockholders, the number and type of shares of Stock available for Contributions under the Plan shall be proportionately adjusted to reflect an extraordinary dividend or other distribution, stock split, reverse stock split, merger, reorganization, subdivision, consolidation or reduction of capital, recapitalization, consolidation, split-up, spin-off, combination or reclassification of the Stock, or any other increase or decrease in the number of outstanding Stock effected without receipt of consideration by the Company, issuance of warrants or other rights to purchase Stock or other securities of the Company or other similar corporate transaction or event that affects the Stock such that an adjustment is determined by the Board or the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. That adjustment shall be made by the Board or the Committee, whose determination shall be final, binding, and conclusive as to every person interested under the Plan.

WALMART INC.
DIRECTOR COMPENSATION DEFERRAL PLAN

**(Amended and Restated Effective June 4,
2010 and Renamed as of February 1, 2018)**

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE I GENERAL	1
1.1 Purpose and History of Plan.	1
1.2 Background; Effective Dates.	1
1.3 Nature of Accounts.	2
ARTICLE II DEFINITIONS	2
2.1 Definitions.	2
ARTICLE III DEFERRAL ELECTIONS	5
3.1 Deferral Election.	5
ARTICLE IV DEFERRAL ACCOUNTS	7
4.1 Share Deferral Accounts.	7
4.2 Cash Deferral Accounts.	7
4.3 Interest on Cash Deferral Accounts.	7
ARTICLE V PAYMENT OF DEFERRED FEES	8
5.1 Form of Payment.	8
5.2 Timing of Payment.	9
5.3 Amount of Lump Sum Payments.	9
5.4 Amount of Installment Payments.	9
5.5 Distribution Upon Death.	10
5.6 Gross Misconduct.	10
ARTICLE VI ADMINISTRATION	11
6.1 Administration.	11
ARTICLE VII	12
7.1 General.	12
7.2 Appeals Procedure.	12
7.3 Calculation of Days.	13
ARTICLE VIII MISCELLANEOUS PROVISIONS	13
8.1 Amendment or Termination of Plan.	13
8.2 Non-Alienability.	13
8.3 Withholding for Taxes.	14
8.4 Income and Excise Taxes.	14
8.5 Successors and Assigns.	14
8.6 Governing Law.	14

**WALMART INC.
DIRECTOR COMPENSATION DEFERRAL PLAN**

1.1 Purpose of Plan.

**ARTICLE I
GENERAL**

Prior to June 4, 2010, the purpose of the Walmart Inc. Director Compensation Plan was to: (a) provide a structure for determining the amount and form of fees (whether paid in cash or Shares); (b) allow Directors to participate in the ownership of Walmart through equity for their services as Walmart Directors; and (c) allow Directors to defer all or a portion of their Fees (whether paid in cash or Shares). Effective June 4, 2010, the purpose of this Plan is simply to allow Directors to defer all or a portion of their Fees (whether paid in cash or Shares), whether awarded or determined by the Board under the Stock Incentive Plan or otherwise.

1.2 Background; Effective Dates.

- (a) This Plan was initially adopted on March 7, 1991 and ratified by the stockholders of Walmart on June 5, 1992. The Plan was subsequently amended and restated effective January 1, 1997 and approved by stockholders at Walmart's 1997 Annual Shareholders' Meeting. The Plan was most recently amended and restated as of January 1, 2009. Walmart reserved and authorized for issuance pursuant to the terms and conditions of the Plan 1,000,000 shares of Common Stock (which number shall be proportionately adjusted to reflect any stock split, reverse stock split, merger, reorganization, spin-off or other similar transaction).
- (b) At its meeting on March 3, 2010, the Committee approved the amendment of this Plan to provide that no further Fees shall be paid or Shares awarded under this Plan on or after June 4, 2010. From and after that date, cash Fees will be paid to Directors as approved by the Board from time to time and Share grants to Directors will be awarded by the Board under the Stock Incentive Plan (subject to approval of an amendment to the Stock Incentive Plan by stockholders).
- (c) The Committee has authority pursuant to Section 7.8 of the Stock Incentive Plan to adopt procedures as it deems appropriate to allow Directors to defer their Fees (whether in cash or Shares) paid or awarded on or after June 4, 2010, in accordance with Code Section 409A. Pursuant to such authority, the Committee amended and restated this Plan to provide for deferral of Fees paid or awarded on or after June 4, 2010 and renamed the Plan the Wal-Mart Stores, Inc. Director Compensation Deferral Plan. This Plan was renamed the Walmart Inc. Director Compensation Deferral Plan effective February 1, 2018.
- (d) The terms of the Plan as stated herein (other than Appendix A) shall apply to all Fees deferred under the Plan on or after January 1, 2005 (whether paid or awarded pursuant to this Plan prior to June 4, 2010 or paid or awarded by the Board under the Stock Incentive

Plan or otherwise on or after June 4, 2010). This Plan (other than Appendix A) shall be interpreted and applied at all times in accordance with Code Section 409A, and guidance issued thereunder.

- (e) Fees deferred under the Plan on or before December 31, 2004, and earnings thereon, shall continue to be governed at all times by the Plan as in effect on such date, which Plan is attached hereto as Appendix A. Appendix A shall not be materially modified (as that phrase is defined by Code Section 409A and guidance thereunder), formally or informally (including by interpretation), unless such modification expressly provides that it is intended to be a material modification within the meaning of Code Section 409A and guidance issued thereunder.
- (f) To the extent Shares are distributed pursuant to this Plan on or after June 4, 2010, such Shares shall be treated as being authorized from the plan under which they were awarded, that is, for Shares awarded prior to June 4, 2010, the Director Compensation Plan prior to this amendment and restatement, and for Shares awarded on or after June 4, 2010, the Stock Incentive Plan. In the event there are insufficient Shares under the Plan (including Appendix A), Shares from the Stock Incentive Plan shall be used to pay any benefits under the Plan to be paid in Shares.

1.3 Nature of Accounts.

This Plan is intended to be (and shall be administered as) an unfunded program for federal tax purposes. Cash Deferral Accounts and Share Deferral Accounts are entries in the Special Ledger only and are merely a promise to make payments in the future. Walmart's obligations under this Plan are unsecured, general contractual obligations of Walmart.

ARTICLE II DEFINITIONS

2.1 Definitions.

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

- (a) **Affiliate** means any corporation, company limited by shares, partnership, limited liability company, business trust, other entity, or other business association with whom Walmart would be considered a single employer under Code Sections 414(b) and 414(c), except that in applying Code Sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treas. Regs. Sec. 1.414(c)-2 for purposes of determining a controlled group of trades or

businesses under Code Section 414(c), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Treas. Regs. Sec. 1.414(c)-2.

- (b) **Board** means the Board of Directors of Walmart.
- (c) **Business Day** means a day on which trading is conducted on the Nasdaq Stock Market LLC ("Nasdaq").
- (d) **Cash Deferral Account** means an account maintained in the Special Ledger for a Director to which cash equivalent amounts allocable to the Director under this Plan are credited.
- (e) **Code** means the Internal Revenue Code of 1986, as amended from time to time. References to Code sections hereunder shall also include regulations and other guidance issued under such section.
- (f) **Committee** means the Compensation, Nominating and Governance Committee of the Board, or any successor committee of the Board granted responsibility and authority for recommending director compensation.
- (g) **Common Stock** means the common stock, \$0.10 par value per share, of Walmart.
- (h) **Fees** means the amount credited to the Special Ledger for a Director at any particular time.
- (i) **Director** means any director of Walmart who is not an employee of Walmart or an Affiliate at the time of service as a director.
- (j) **Disability** means, as determined by the Committee, the Director is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.
- (k) **Distribution Date** means the last day of the month in which the Director's Separation from Service occurs.
- (l) **Fair Market Value** means, as of any date, the closing sales price for a Share: (1) on Nasdaq (or if no trading in Shares occurred on that date, on the last day on which Shares were traded) or (2) if the Shares are not listed for trading on Nasdaq, the value of a Share as determined in good faith by the Committee.

On or before March 31, 2006, Fair Market Value means, as of any date: (A) for purposes of determining the number of Units to be credited to a Share Deferral Account upon a Director's election to defer all or any portion of his or her Retainer to such account, the average of the highest and lowest prices quoted for a Share on Nasdaq on that day, or if no such prices were quoted for Shares on Nasdaq for that day for any reason, the average of the highest and lowest prices quoted on the last Business Day on which prices were quoted, and (B) for purposes of determining the number of Units to be credited to a Share Deferral Account as a dividend equivalent, the closing price for a Share on Nasdaq on that day, or if no such prices were quoted for the Shares on Nasdaq for that day for any reason, the closing price on the last Business Day on which prices were quoted. The highest and lowest prices for Shares shall be those published in the edition of The Wall Street Journal or any successor publication for the next Business Day.

- (m) **Fees** means the annual or quarterly retainer (including annual or quarterly retainers for service as the chairperson of a Board committee or as a member of a Board committee) and per-meeting fees that would, but for an election made under this Plan, be payable to a Director in Shares or in cash.
- (n) A Director is deemed to have engaged in **Gross Misconduct** if it is determined that the Director has engaged in conduct detrimental to the best interests of Walmart or any Affiliate. Examples of conduct detrimental to the best interests of Walmart or any Affiliate include, without limitation, violation of Walmart's Statement of Ethics or other Walmart policy governing a Director's behavior while serving as a Director or applicable period thereafter, or theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses while serving as a Director or otherwise performing services related to Walmart.
- (o) **Interest Rate** means, for each Plan Year, the yield on United States Treasury securities (not indexed for inflation) with a constant maturity of ten (10) years, as of the first Business Day of January of such Plan Year, plus 270 basis points. The Interest Rate shall be determined on the basis of Federal Reserve Statistical Release H-15 (or any successor statistical release of the Federal Reserve) and, if there is no such statistical release, on the basis of such other generally recognized source of information concerning the market for United States Treasury securities as the Committee selects.
- (p) **Plan** means the Walmart Inc. Director Compensation Deferral Plan (formerly the Wal-Mart Stores, Inc. Director Compensation Deferral Plan and the Wal-Mart Stores, Inc. Director Compensation Plan), as set forth herein, and as may hereafter be amended from time to time.
- (q) **Plan Year** means the twelve (12)-month period beginning on each January 1 and ending on each following December 31.
- (r) **Separation from Service** means a Director ceases to be a director of Walmart or any Affiliate, unless immediately upon such cessation the Director enters into a relationship with Walmart or any Affiliate which would not be a Separation from Service under Code Section

409A, in which case a Separation from Service will be deemed to occur upon the cessation of such relationship as provided in Code Section 409A.

- (s) **Share Deferral Account** shall mean the account maintained in the Special Ledger for a Director to which Units allocable to the Director under this Plan are credited.
- (t) **Shares** means shares of the Common Stock.
- (u) **Special Ledger** means a record established and maintained by Walmart in which Cash Deferral Accounts and Share Deferral Accounts, and all amounts credited thereto and transferred or paid therefrom, are noted.
- (v) **Stock Incentive Plan** means the Walmart Inc. Stock Incentive Plan of 2015, as amended from time to time.
- (w) **Unit** means a credit to a Share Deferral Account representing one Share.
- (x) **Walmart** means Walmart Inc., a Delaware corporation.

ARTICLE III DEFERRAL ELECTIONS

3.1 **Deferral Election.**

- (a) For each Plan Year, each Director may elect to defer all or any portion of his or her Fees to be paid during the Plan Year. Fees that would have been paid in Shares but for the Director's election hereunder shall be credited to the Director's Share Deferral Account. Fees that would have been paid in cash but for the Director's election hereunder shall be credited to the Director's Share Deferral Account or Cash Deferral Account, as elected by the Director.
- (b) The Director's election to defer Fees under this Plan (and the election as to which Account such Fees shall be credited, if applicable) must be made and filed in accordance with procedures established by the Committee no later than the December 31 preceding the Plan Year for which the election is to be effective. Notwithstanding the preceding, with respect to an individual who becomes a new Director during a Plan Year (either by election or appointment), the Director's election must be made and filed:

- (1) with respect to Fees to be paid as an annual retainer, prior to the date the individual becomes a Director (either by election or appointment), and
- (2) with respect to per-meeting Fees or Fees to be paid on a quarterly basis, within thirty (30) days of the date the individual becomes a Director (either by election or appointment), but such election shall only apply, in the case of a-per-meeting Fees, with respect to meetings which occur after the date of such deferral election).

For purposes of the preceding sentence, an individual who at one point was a Director, ceased being a Director, and again becomes a Director (either by election or appointment), shall be considered a new Director only if:

- (A) he or she was not eligible to participate in the Plan (or any other plan or arrangement required by Code Section 409A to be aggregated with the Plan) at any time during the twenty-four (24)-month period ending on the date he or she again becomes a Director, or
 - (B) he or she was paid all amounts previously due under the Plan (and any other plan or arrangement required by Code Section 409A to be aggregated with the Plan) and, on and before the date of the last such payment, was not eligible to continue to participate in this Plan (or any other plan or arrangement required by Code Section 409A to be aggregated with the Plan) for periods after such payment.
- (c) An election may not be revoked, changed or modified after the applicable filing deadline specified in subsection (b) above, including with respect to Fees paid after the individual ceases to be a Director (but the amount deferred from such former Director's last Fees shall be reduced pro rata if the Director elected a whole dollar amount and the Fees are reduced, for example, due to the Director not completing the full period of service to which the Fees relate). An election for one Plan Year shall not automatically be given effect for a subsequent Plan Year, so that if deferral is desired for a subsequent Plan Year, a separate election must be made by the Director for such Plan Year. If no election is made for a Plan Year, the Director shall be deemed to have elected not to defer any of his or her Fees paid during such Plan Year.

The deferral election filed by a new Director under subsection (b)(2) above with respect to Fees paid on a quarterly basis shall apply only to the Fees payable to such Director for services rendered as a Director subsequent to the date of the Director's election. For this purpose, the amount of Fees payable to such Director for services rendered subsequent to the Director's election shall be determined by multiplying the amount payable on the first quarterly payment date following the date of the Director's election by a fraction, the numerator of which is the number of calendar days beginning on the date of the election and ending on the quarterly

payment date, and the denominator of which is the total number of calendar days that the Director served as a Director in the quarter ending on the quarterly payment date.

- (d) For purposes of this Section 3.1, the date of a Director's election is the date the executed election form is received by the Committee.

ARTICLE IV DEFERRAL ACCOUNTS

4.1 Share Deferral Accounts.

To the extent Fees deferred under this Plan are to be credited to the Director's Share Deferral Account, Walmart shall credit to the Director's Share Deferral Account on the date such Fees would otherwise have been paid to the Director a number of Units equal to the dollar amount of such Fees divided by the Fair Market Value on such date. If Common Stock is the subject of a stock dividend, stock split, or a reverse stock split, the number of Units then credited to the Director's Share Deferral Account shall be increased or decreased, as the case may be, in the same proportion as the outstanding shares of Common Stock. With respect to any record date for which any cash dividend is paid on Common Stock, Walmart shall credit to the Director's Share Deferral Account on the applicable dividend payment date an additional number of Units equal to: (a) the aggregate dollar amount of the dividend that would be paid on a number of Shares equal to the number of Units credited to the Director's Share Deferral Account on the applicable dividend payment date, divided by (b) the Fair Market Value on the applicable dividend payment date. A Director is not entitled to any voting rights with respect to Units credited to his or her Share Deferral Account, nor shall the Director have any other beneficial shareholder rights with respect to such Units.

4.2 Cash Deferral Accounts.

To the extent Fees deferred under this Plan are to be credited to the Director's Cash Deferral Account, Walmart shall credit to the Director's Cash Deferral Account on the date such Fees would otherwise have been paid to the Director a cash equivalent amount equal to the dollar amount of such Fees. In addition, Walmart shall credit a Director's Cash Deferral Account with interest as provided in Section 4.3.

4.3 Interest on Cash Deferral Accounts.

Each day during a Plan Year, Walmart shall credit a Director's Cash Deferral Account with a daily rate of simple interest based on the Interest Rate in effect for such Plan Year. This Section 4.3 shall be applicable only through the last day of the month preceding distribution of the Director's Cash Deferral Account in a single lump sum payment pursuant to Section 5.3 or the last day of the month preceding distribution of the initial installment payment of the Director's Cash Deferral Account pursuant to Section 5.4.

ARTICLE V
PAYMENT OF DEFERRED FEES

5.1 Form of Payment.

- (a) A Director may elect to receive payment of the Director's Deferred Fees in a single lump sum distribution or in substantially equal annual installments over a period of up to ten (10) years. A Director's form of payment election must be made in accordance with procedures established by the Committee at the time of such Director's initial deferral election under Section 3.1 and shall apply to all of the Director's Deferred Fees. In the event a Director does not make a timely form of payment election, the Director shall be deemed to have elected payment of all of his or her Deferred Fees in a single lump sum distribution.

Notwithstanding the preceding, the form of payment of any Director who had Deferred Fees under the Plan as of December 31, 2007 is the last affirmative election made by such Director on or before such date (in accordance with the rules of the Plan in effect at such date). Any such Director who failed to make an affirmative election on or before December 31, 2007 was deemed to have elected payment of all of his or her Deferred Fees in a single lump sum distribution.

- (b) A Director may change his or her form of payment election (or deemed payment election) at any time by making a new election (also referred to in this subsection as a "subsequent election") on a form approved by and filed with the Committee; provided, however, that such subsequent election shall be subject to the following restrictions:
- (1) A subsequent election may not take effect until at least twelve (12) months after the date on which such subsequent election is made;
 - (2) Payment of the Director's Deferred Fees may not be made or commence earlier than five (5) years from the date such payment would have been made or commenced absent the subsequent election, unless the distribution is made on account of the Director's Disability or death;
 - (3) Payment of a Director's Deferred Fees pursuant to a subsequent election must be completed by the last day of the Plan Year which contains the fifteenth (15th) anniversary of the Director's Distribution Date; and
 - (4) For purposes of this Section 5.1(b) and Code Section 409A, the entitlement to annual installment payments is treated as the entitlement to a single payment.

5.2 Timing of Payment.

- (a) If payment of a Director's Deferred Fees is to be made in a single lump sum payment, such payment shall be made within the 90-day period commencing on the Director's Distribution Date.
- (b) If payment of a Director's Deferred Fees is to be made in annual installments, the first such installment shall be made within the 90-day period commencing on the Director's Distribution Date, and subsequent installment payments shall be made within the 90-day period commencing on each applicable anniversary of the Director's Distribution Date.
- (c) Notwithstanding anything herein to the contrary, any payment to be made hereunder may be delayed by the Committee in the event the Committee reasonably anticipates that the making of such payment will violate federal securities laws or other applicable law. In such event, payment shall be made at the earliest date on which the Committee reasonably anticipates that the making of such payment will not cause such a violation.
- (d) In no event shall any payment due hereunder be accelerated earlier than, or delayed past, the date otherwise provided herein, except as permitted by Code Section 409A.

5.3 Amount of Lump Sum Payments.

If payment of the Director's Deferred Fees is to be made in a single lump sum distribution, the amount distributed shall be:

- (a) cash equal to the total cash equivalent amount credited to the Director's Cash Deferral Account as of the last day of the month preceding distribution (including interest credited through such date as provided in Section 4.3); and
- (b) Shares equal to the number of whole Units credited to the Director's Share Deferral Account as of the distribution, plus cash equal to the Fair Market Value of any fractional Share as of the distribution.

5.4 Amount of Installment Payments.

If payment of the Director's Deferred Fees is to be made in installments:

- (a) the Director's Cash Deferral Account will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Cash Deferral Account as of the last day of the month preceding distribution of the initial installment payment (including interest

credited through such date as provided in Section 4.3) over the installment period, with interest calculated at the Interest Rate in effect for the Plan Year in which the Director's Distribution Date occurs; and

- (b) a pro rata number of whole Shares credited to the Director's Share Deferral Account as of the applicable distribution date will be paid in equal annual installments, with the Fair Market Value of any fractional Share paid in cash with each installment.

5.5 Distribution Upon Death.

- (a) A Director may, by written or electronic instrument delivered to the Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries to receive any benefit payments which may be payable under this Plan following the Director's death, and may designate the proportions in which such beneficiaries are to receive such payments. Any such designation shall be applicable to both Deferred Fees under this Plan and under Appendix A. A Director may change such designation from time to time and the last designation filed with the Committee prior to the Director's death shall control. In the event no beneficiaries are designated, or if all of the designated beneficiaries die before all of the Director's Deferred Fees is distributed, the Deferred Fees (or balance thereof) shall be paid to the Director's estate.
- (b) Any unpaid Deferred Fees upon a Director's death shall be paid in a single lump sum distribution in the manner provided herein for payment in a single lump sum distribution to the Director within ninety (90) days of the Director's death; provided, however, that in the event a Director's death occurs after installment payments with respect to his or her Cash Deferral Account have commenced pursuant to Section 5.4, the remaining Cash Deferral Account will be credited with pro rata interest from the date of the installment payment immediately preceding the Director's death through the lump sum distribution date at the Interest Rate applicable to the installment payout.

5.6 Gross Misconduct.

This Section 5.6 is effective only with respect to Fees paid or deferred under this Plan on or after April 1, 2006. Notwithstanding anything herein to the contrary, benefits under this Plan are contingent upon the Director not engaging in Gross Misconduct. In the event the Committee or its delegate (which expressly may include any officer of Walmart or a non-employee third party (such as a law firm)) determines that a Director has engaged in Gross Misconduct:

- (a) the Director shall repay to Walmart all Fees received by the Director under this Plan from and after the date which is twenty-four (24) months prior to the date of the behavior serving as the basis for the finding of Gross Misconduct;

- (b) the Director's Deferred Fees shall be recalculated as if no amounts (including interest and dividend equivalents under Sections 4.1 and 4.3) were credited to the Director's Deferred Fees from and after the date which is twenty-four (24) months prior to the date of the behavior serving as the basis for the finding of Gross Misconduct; and
- (c) if the Committee or its delegate determines, after payment of amounts hereunder, that the Director has engaged in Gross Misconduct during the prescribed period, the Director (or the Director's beneficiary) shall repay to Walmart any amount in excess of that to which the Director is entitled under Section 5.6.

Any amount to be repaid pursuant to this Section 5.6 shall be held by the Director or beneficiary in constructive trust for the benefit of Walmart and shall be paid by the Director or beneficiary to Walmart with interest at the prime rate (as published in The Wall Street Journal) as of the date the Committee or its delegate determines the Director engaged in Gross Misconduct. The amount to be repaid pursuant to this Section 5.6 shall be determined on a gross basis, without reduction for any taxes incurred, as of the date of the realization event, and without regard to any subsequent change in the fair market value of a Share. Walmart shall have the right to offset such gain against any amounts otherwise owed to Director by Walmart (whether hereunder, pursuant to any benefit plan or other compensatory arrangement). A Director may appeal a Gross Misconduct determination by the Committee or its delegate as provided in Article VII.

With respect to any Fees granted by the Board under another plan or Board resolution, the impact of the Director's misconduct on such portion of the Director's Fees which have not yet been deferred shall be determined under the terms of plan or resolution.

ARTICLE VI ADMINISTRATION

6.1 Administration.

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

- (a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may rise regarding the rights of Directors (or their beneficiaries) under this Plan;
- (b) The Committee shall have the sole and complete authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;

- (c) The Committee may appoint a person or persons to assist the Committee in the day-to-day administration of the Plan;
- (d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart, the Director, such Director's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and
- (e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

**ARTICLE VII
CLAIMS PROCEDURE**

7.1 General.

Any Director or beneficiary ("claimant") who believes he or she is entitled to Plan benefits which have not been paid may file a written claim for benefits with the Committee within one (1) year of the Director's Distribution Date. If any such claim is not filed within one (1) year of the Director's Distribution Date, neither the Plan nor Walmart shall have any obligation to pay the disputed benefit and the claimant shall have no further rights under the Plan. If a timely claim for a Plan benefit is wholly or partially denied, notice of the decision shall be furnished to the claimant by the Committee or its delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Committee. Any claimant who is denied a claim for benefits shall be furnished written notice setting forth:

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

7.2 Appeals Procedure.

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

- (a) may request a review by written application to the Committee not later than sixty (60) days after receipt by the claimant of the written notification of denial of a claim;

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

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

7.3 Calculation of Days.

Any reference in this Article VII to a number of days shall include holidays and weekends.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

8.1 Amendment or Termination of Plan.

The Board or the Committee may amend or terminate this Plan at any time. An amendment or the termination of this Plan shall not adversely impact the right of a Director or beneficiary to receive Shares issuable or cash payable at the effective date of the amendment or termination or any rights that a Director or a beneficiary has in any Cash Deferral Account or Share Deferral Account at the effective date of the amendment or termination. No amendment or termination of the Plan may accelerate the date of payment of a Director's Deferred Fees, except as otherwise permitted by Code Section 409A.

8.2 Non-Alienability.

A Director shall not have the right to transfer, grant any security interest in or otherwise encumber rights he or she may have under the Plan, or to any Cash Deferral Account or any Share Deferral Account maintained for the Director hereunder or any interest therein. No right or interest of a Director in a Cash Deferral Account or a Share Deferral Account shall be subject to any forced or involuntary disposition or to any charge, liability, or obligation of the Director, whether as the direct or indirect result of any action of the Director or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be null, void, and without effect. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

8.3 Withholding for Taxes.

To the extent required by law, Walmart shall withhold the amount of cash and Shares necessary to satisfy Walmart's obligation to withhold federal, state, and local income and other taxes on any benefits payable to a Director or beneficiary under this Plan.

8.4 Income and Excise Taxes.

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

8.5 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Walmart and its successors and assigns, and a Director, the Director's beneficiaries, heirs, and legal representatives.

8.6 Governing Law.

This Plan shall be governed by the laws of the State of Arkansas, except that any matters relating to the internal governance of Walmart shall be governed by the General Corporation Law of Delaware.

APPENDIX A

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

WALMART INC. DIRECTOR COMPENSATION PLAN

Purpose. This Director Compensation Plan is established to allow the outside directors of Walmart Inc. ("Walmart") to participate in the ownership of Walmart through ownership of shares of the Walmart common stock or deferred stock units. In addition, the Plan is intended to allow Walmart's outside directors to defer all or a portion of their compensation for their service as directors.

Definitions. The following words have the definitions given them below.

"Affiliate" means any corporation, company limited by shares, partnership, limited liability company, business trust, other entity, or other business association that is controlled by Walmart.

"Board" means the board of directors of Walmart.

"Business Day" means a day on which Walmart's executive offices in Bentonville, Arkansas are open for business and on which trading is conducted on Nasdaq.

"Common Stock" means the Common Stock, \$0.10 par value per share, of Walmart.

"Compensation Date" means the last Business Day of each calendar quarter.

"Deferral Account" means an account maintained in the Special Ledger for a Director to which cash equivalent amounts allocable to the Director under this Plan are credited.

"Director" means any director of Walmart who is not an employee of Walmart or an Affiliate.

"Distribution Date" means the date on which a Director ceases to be a director of Walmart or on which a Director becomes employed by Walmart or an Affiliate.

"Fair Market Value" means, as to any particular day, the average of the highest and lowest prices quoted for a share of Common Stock trading on Nasdaq on that day, or if no such prices were quoted for the shares of Common Stock on Nasdaq for that day for any reason, the average of the highest and lowest prices quoted on the last Business Day on which prices were quoted. The highest and lowest prices for the shares of Common Stock shall be those published in the edition of *The Wall Street Journal* or any successor publication for the next Business Day.

"First Component" means the portion of the Retainer payable to a Director that accounts for at least one-half of the Retainer and that is payable in Shares and may be deferred by crediting Units to a Unit Account maintained for the Director.

"Interest Rate" means the annual rate at which interest is deemed to accrue on the amounts credited in a Deferral Account for a Director. The annual rate shall be set by the Board or a committee of the Board and may be changed from time to time as necessary to reflect prevailing interest rates. (NOTE: The annual rate in effect for a Plan Year for this purpose shall be determined in accordance with the following formula in effect as of October 3, 2004: the rate on 10-year Treasury notes determined as of the first Business Day of January of each Plan Year, plus 270 basis points. Such formula shall not be modified on or after October 3, 2004. Notwithstanding the preceding, in light of uncertainty regarding whether adjustment of the annual rate would constitute a material modification of the Plan for Code Section 409A purposes, the annual rate was not adjusted for 2005. The annual rate for 2006 and future years will be adjusted in accordance with the above formula.)

"Plan Year" means each 12-month period beginning on each January 1 and ending on each December 31.

"Retainer" means the amount of compensation set by the Board from time to time as payable to a Director in each Plan Year on the terms and subject to conditions stated in this Plan, subject to reduction for any portion thereof that a Director elects to defer as provided in this Plan.

"Second Component" means the balance of the Retainer payable to a Director (after reduction for the First Component) and that is (1) payable in cash or (2) by crediting an amount to a Deferral Account maintained for the Director.

"Shares" means shares of the Common Stock.

"Special Ledger" means a record established and maintained by Walmart in which the Deferral Accounts and Units Accounts for the Directors, if any, and the Units and/or amounts credited to the accounts are noted.

"Unit Account" shall mean the account maintained in the Special Ledger for a Director to which Units allocable to the Director under this Plan are credited.

"Unit" means a credit in a Unit Account representing one Share.

Annual Retainer. During each Plan Year in which a person is a Director during the existence of this Plan, the Director be eligible to receive the Retainer payable as follows:

At least one-half of the Retainer shall be and, at the Director's option, up to the full amount of the Retainer (defined above as the "First Component") will be (1) payable to the Director in Shares or (2) at the Director's option, deferred by Walmart crediting Units to a Unit Account maintained for the Director as provided in this Plan.

The balance of the Retainer (defined above as the "Second Component") shall be (1) payable in cash or (2) at the Director's option, deferred by Walmart crediting a Deferral Account maintained for the Director as provided in this Plan with an amount that would be otherwise payable to the Director in cash.

The Retainer will be payable in arrears in equal quarterly installments on each Compensation Date unless deferred as provided below. Each quarterly installment will consist of one-fourth of the First Component and one-fourth of the Second Component, if any, for each Director.

Elections. Each Director who was a Director during the prior Plan Year must elect by no later than December 31 of the prior Plan Year how he or she will receive the Retainer. Each Director who becomes a Director during a Plan Year must elect within 30 days after becoming a Director how he or she will receive the Retainer. Each election must be made by the Director filing an election form with the Secretary of Walmart. If a Director does not file an election form for each Plan Year by the specified date, the Director will be deemed to have elected to receive and defer the Retainer in the manner elected by the Director in his or her last valid election. Any person who becomes a Director during a Plan Year and does not file the required election within 30 days will be deemed to have elected to receive all of the Retainer in Shares. Any election to defer a portion of the Retainer made by a person who becomes a Director during a Plan Year will be valid as to the portion of the Retainer received after the election is filed with the Secretary of Walmart. When an election is made for a Plan Year, the Director may not revoke or change that election.

The Shares. If a Director elects to receive Shares in payment of all or any part of the Director's Retainer, the number of Shares to be issued on any Compensation Date shall equal one-fourth of the amount of the Retainer to be paid in Shares for the Plan Year divided by the Fair Market Value of a Share on the Compensation Date. Any Shares issued under this Plan will be registered under the Securities Act of 1933, as amended, and, so long as shares of the Common Stock are listed for trading on Nasdaq, will be listed for trading on Nasdaq.

The Units. If a Director defers any portion of the Retainer in the form of Units, then on each Compensation Date, Walmart will credit a Unit Account maintained for the Director with a number of Units equal to (1) one-fourth of the dollar amount of the Retainer that the Director has elected to defer in

the form of Units for the Plan Year divided by (2) the Fair Market Value on the Compensation Date. If the Common Stock is the subject of a stock dividend, stock split, or a reverse stock split, the number of Units will be increased or decreased, as the case may be, in the same proportion as the outstanding shares of Common Stock. Walmart will credit to the Director's Unit Account on the date any dividend is paid on the Common Stock, an additional number of Units equal to (I) the aggregate amount of the dividend that would be paid on a number of Shares equal to the number of Units credited to the Director's Unit Account on the date the dividend is paid divided by (II) the Fair Market Value on that date.

Deferral Account. If a Director defers receipt of any portion of the Retainer by having an amount credited to a Deferral Account, then on each Compensation Date, Walmart will credit to the Director's Deferral Account an amount equal to one-fourth of the dollar amount of the Retainer deferred for the Plan Year. On the last day of each Plan Year, Walmart will also credit the Deferral Account with interest, calculated at the Interest Rate, on the aggregate amount credited to the Deferral Account.

(Effective January 1, 2009, Deferral Accounts shall be credited with interest on a daily basis. The amount of interest to be credited each day shall be a daily rate of simple interest based on the Interest Rate in effect for the Plan Year. It has been determined that this modification does not constitute a "material modification" for purposes of Code Section 409A.)

Distribution of the Amounts in a Unit Account. After the Distribution Date for a former Director, Walmart will issue to the former Director that number of Shares equal to the number of Units with which the former Director's Unit Account is credited. The former Director may elect to receive all of the Shares at one time or in up to 10 annual installments as described below. If the Director has elected to receive all of the Shares at one time, Walmart will issue the Shares as soon as practicable after the Distribution Date.

If the former Director has elected to receive the Shares in installments, a pro rata number of Shares will be issued for each installment plus additional Shares equal to the Units credited to the Unit Account respecting dividends paid on the Common Stock since the last installment was made. Walmart will issue the first installment of Shares as soon as practicable after the former Director's Distribution Date. The remaining installments of Shares will be issued on or about each anniversary of the Director's Distribution Date.

Distribution of the Amounts in a Deferral Account. After the Distribution Date for a former Director, Walmart will pay the former Director cash equal to the amount with which the former Director's Deferral Account is credited. The former Director may elect to receive all of the cash at one time or in up to 10 annual installments as described below. If the former Director has elected to receive all of the cash at one time, Walmart will pay the cash to the former Director as soon as practicable after the Distribution Date.

If the former Director has elected to be paid the cash in installments, a pro rata portion of the amount credited to the Deferral Account on the Distribution Date will be paid in each installment, along with the additional amount credited to the Deferral Account as interest since the last installment was paid. Walmart will pay to the former Director the cash to be paid in the first installment as soon as practicable after the Distribution Date. The remaining installments of cash shall be paid on or about each anniversary of the Director's Distribution Date.

Conversion of Accounts. At any time prior to the Distribution Date, a Director who has a Deferral Account may convert all or any portion of the Deferral Account into Units credited to a Unit Account. The number of Units to be credited to the Director's Unit Account upon the conversion shall equal (1) the amount credited to the Director's Deferral Account so converted divided by (2) the Fair Market Value on the date of the Director's election to convert.

At any time prior to the Distribution Date, a Director who has a Unit Account may convert all or any portion of the Unit Account into a Deferral Account. The cash amount to be credited to the Director's Deferral Account upon the conversion shall equal (1) the number of Units credited to his or her Unit Account so converted multiplied by (2) the Fair Market Value on the date of the Director's election to convert.

Any election to convert must be made on a form prescribed by Walmart and filed with its Secretary. The conversion of a Unit Account or a Deferral Account shall be deemed to occur on the date of the Director's election.

Distribution in the Event of a Director's Death. Each Director who defers any part of the Retainer payable to him or her in any Plan Year must designate one or more beneficiaries of the Director's Deferral Account and Unit Account, who may be changed from time to time. The designation of a beneficiary must be made by filing with Walmart's Secretary a form prescribed by Walmart. If no designation of a beneficiary is made, any deferred benefits under this Plan will be paid to the Director's or former Director's estate. If a Director dies while in office or a former Director dies during the installment payment period, Walmart will issue the Shares and pay the amounts of cash that are issuable and payable to the Director or former Director at one time as soon as practicable after the death of the Director or the former Director.

Timing of Election to Receive Deferred Benefits in Installments. If the Director wants the benefits distributed in installments, the election to receive payments in installments must be on file for a period of at least 12 full months prior to the Director ceasing to be a director of Walmart. The last valid election on file with Walmart's Secretary for at least 12 full months will be given effect by Walmart in distributing the benefits.

Withholding for Taxes. Walmart will withhold the amount of cash and Shares necessary to satisfy Walmart's obligation to withhold federal, state, and local income and other taxes on any benefits received by the Director, the former Director or a beneficiary under this Plan.

No Transfer of Rights under this Plan. A Director or former Director shall not have the right to transfer, grant any security interest in or otherwise encumber rights he or she may have under this Plan, any Deferral Account or any Unit Account maintained for the Director or former Director or any interest therein. No right or interest of a Director or a former Director in a Deferral Account or a Unit Account shall be subject to any forced or involuntary disposition or to any charge, liability, or obligation of the Director or former Director, whether as the direct or indirect result of any action of the Director or former Director or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be null, void, and without effect. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

Unfunded Plan. This Plan will be unfunded for federal tax purposes. The Deferral Accounts and the Unit Accounts are entries in the Special Ledger only and are merely a promise to make payments in the future. Walmart's obligations under this Plan are unsecured, general contractual obligations of Walmart.

Amendment and Termination of the Plan. The Board or the Compensation and Nominating Committee of the Board may amend or terminate this Plan at any time. An amendment or the termination of this Plan will not adversely affect the right of a Director, former Director, or Beneficiary to receive Shares issuable or cash payable at the effective date of the amendment or termination or any rights that a Director, former Director, or a Beneficiary has in any Deferral Account or Unit Account at the effective date of the amendment or termination. If the Plan is terminated, however, Walmart may, at its option, accelerate the payment of all deferred and other benefits payable under this Plan.

Governing Law. This Plan shall be governed by the laws of the State of Arkansas, except that any matters relating to the internal governance of Walmart shall be governed by the General Corporation Law of Delaware. Walmart has right to interpret this Plan, and any interpretation by Walmart shall be conclusive as to the meaning of this Plan.

Effective Date and Transition. This Plan amends and restates in full the Wal-Mart Stores, Inc. Directors Deferred Compensation Plan adopted on March 7, 1991 and as ratified by the stockholders of Wal-Mart on June 5, 1992. The effective date of this amendment and restatement of that Plan shall be January 1, 1997, and the Plan became operative and in effect on the date, subject only to the ratification of the Plan by the stockholders of Walmart at Walmart's 1997 annual stockholders' meeting. The Board has reserved and authorized for issuance pursuant to the terms and conditions of this Plan 1,000,000 shares of Common Stock.

AMENDED SCHEDULE OF EXECUTIVE OFFICERS WHO HAVE EXECUTED A POST-TERMINATION AGREEMENT AND COVENANT NOT TO COMPETE IN THE FORM FILED AS EXHIBIT 10(p) TO THE ANNUAL REPORT ON FORM 10-K OF THE COMPANY FOR THE FISCAL YEAR ENDED JANUARY 31, 2011 (this "Amended Schedule")

This Amended Schedule amends the Schedule of Executive Officers Who Have Executed a Post-Termination Agreement and Covenant Not to Compete that followed the form of Post-Termination Agreement and Covenant Not to Compete originally filed by Walmart Inc. (formerly Wal-Mart Stores, Inc.) as Exhibit 10(p) to its Annual Report on Form 10-K for the year ended January 31, 2011, as filed on March 30, 2011 (the "Form Agreement"). This Amended Schedule is included pursuant to Instruction 2 of Item 601(a) of Regulation S-K for the purpose of setting forth the details in which the specific agreements executed in the form of the Form Agreement differ from the Form Agreement, in particular to set forth the persons who, with Walmart Inc., were parties to Post-Termination Agreements and Covenants Not to Compete in such form as of March 13, 2026.

Executive Officer Who is a Party to such a Post-Termination Agreement and Covenant Not to Compete	Date of Agreement	Duration of Post-Termination Agreement and Covenant Not to Compete
Daniel J. Bartlett	May 16, 2013	Two Years
John R. Furner	May 7, 2011	Two Years
Dave Guggina	January 18, 2020	Two Years
Christopher Nicholas	March 20, 2018	Two Years
Dwayne Milum	October 20, 2025	One Year
Donna Morris	December 17, 2019	Two Years
John David Rainey	May 23, 2022	Two Years
Latriece Watkins	June 4, 2014	Two Years

SEPARATION AGREEMENT

This Separation Agreement (this “Agreement”) is made and entered into on January 28, 2026, between Kathryn McLay (the “Associate”) and Walmart Inc., a Delaware corporation, and its affiliates and subsidiaries (collectively “Walmart”) (each a “Party” and together the “Parties”).

RECITALS

WHEREAS, Walmart announced on January 15, 2026 that Associate will depart Walmart. Associate will step down as Executive Vice President, President and Chief Executive Officer, Walmart International effective as of January 31, 2026 (the “Transition Date”); and

WHEREAS, Walmart desires to continue to employ the Associate on the terms described herein through April 30, 2026 (the “Separation Date”); and

WHEREAS, the Associate wishes to continue such employment with Walmart through the Separation Date on such terms, provisions, and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, the sufficiency of which the parties acknowledge, the parties agree as follows:

- 1. Employment.** The Associate shall remain employed by Walmart on a full-time basis in her current role as Executive Vice President, President and Chief Executive Officer, Walmart International until the Transition Date. Beginning on the Transition Date and continuing through the Separation Date (the “Transitional Period”), the Associate shall remain employed with Walmart in a transitional role as an advisor. The parties acknowledge that the Associate’s employment with Walmart will end on the Separation Date. During the Transitional Period, the Associate shall:
 - a) Provide leadership insights and transition support to the newly appointed President and Chief Executive Officer of Walmart and the newly appointed Executive Vice President, President and Chief Executive Officer, Walmart International;
 - b) Be available for consultation and advice to Walmart’s management;
 - c) Assist with other matters as mutually agreed between Walmart and the Associate.

 - 2. Compensation During Remaining Term of Employment.** The Associate shall receive the following compensation during the remainder of her employment:
 - a) **Base Salary.** Through and including the Separation Date, the Associate shall continue to be paid her current annualized base salary of \$1,140,000, less applicable withholding, paid on Walmart’s normal biweekly payroll cycle.
 - b) **Incentive Payments and Performance Shares.** Subject to the Associate’s continued employment through the Transition Date, for the fiscal year ending January 31, 2026 (“fiscal 2026”), the Associate shall be eligible for (i) a cash incentive payment under Walmart’s Management Incentive Plan (the “MIP”) with a target incentive opportunity equal to 180 percent of eligible base wages, with the actual incentive payment determined based on company and individual performance pursuant to the terms of the MIP, and (ii) a performance equity payout for the fiscal year ending January 31, 2026 consisting of 212,146 shares, less applicable tax withholding. The Associate will not be eligible for a cash incentive payment or a performance
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equity payout for the fiscal year ended January 31, 2027 (“fiscal 2027”), or any subsequent fiscal year, and will not receive a prorated MIP payment for fiscal 2027.

- c) **Outstanding Equity Awards.** Subject to the Associate’s continued employment through the Separation Date, all outstanding equity awards that are scheduled to vest on dates up to and including the Separation Date shall continue to vest on their scheduled vesting dates, subject to the satisfaction of the terms and conditions of all such equity awards. The Associate will not be eligible to receive any new equity grants under Walmart’s Stock Incentive Plan.

3. Separation Benefits. The Associate shall receive the following compensation following her separation from employment with Walmart:

- a) **Transition Payments.** Subject to compliance with the terms and conditions of this Agreement, and specifically Sections 5 through 10, the Associate shall receive total separation payments of **\$2,280,000**, less applicable withholding (the “Transition Payments”). As soon as practical after the Separation Date, but not to exceed 30 days after the Separation Date, the Associate will receive the first installment of the Transition Payments in a lump-sum payment in the amount of **\$570,000**, less applicable withholding. Thereafter, the Associate shall receive the remaining **\$1,710,000** of the Transition Payments, less applicable withholding, over an eighteen (18) month period in equal bi-weekly installments beginning at the end of the regularly scheduled pay period six (6) months after the Separation Date. Such amounts are inclusive of all amounts that would have been owed to the Associate under the Post-Termination Agreement and Covenant Not to Compete dated December 24, 2015 between Walmart and the Associate (the “Non-Competition Agreement”).
- b) **Additional Payments.** As soon as practicable after the Separation Date, but not to exceed 30 days after the Separation Date, the Associate will receive the following amounts: (a) **\$500,000**, less any applicable withholding, to cover relocation and other transition expenses, and (b) **\$40,000**, less any applicable withholding, to cover premiums for extending her group medical and dental coverage under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”). The Associate may choose to continue the Associate’s group medical and dental coverage for up to eighteen (18) months from the Separation Date under COBRA.
- c) **Unvested Equity.** Walmart and the Associate acknowledge that the Associate currently has unvested restricted stock grants that have been granted to the Associate under the *Walmart Stock Incentive Plan of 2015* and predecessor equity compensation plans of Walmart (collectively, the “Plan”), which such equity awards are subject to the award notices relating to such grants (the “Awards”), and that certain of such equity awards are currently scheduled to vest after the Separation Date. Subject to compliance with the terms and conditions of this Agreement, and specifically Sections 5 through 10, as consideration for the releases set forth in Section 5 of this Agreement and for other good and sufficient consideration, the vesting of **24,051** shares of unvested restricted stock held by the Associate currently scheduled to vest following the Separation Date that would otherwise be forfeited shall be accelerated to vest on the Separation Date, as set forth in **Exhibit A**. All other terms of such restricted stock awards, including any deferral elections with respect to such awards, as set forth in the Plan and the Awards, shall continue in full force and effect. All other stock options, restricted stock awards, restricted stock rights, performance equity, and any other equity awards issued to the Associate under Walmart’s equity compensation plans that are not vested as of the Separation Date shall be forfeited and cancelled as of the Separation Date.

4. Other Benefits. Walmart will provide the Associate certain benefits in accordance with the terms and conditions of the Walmart plan or program pursuant to which such benefits were issued, including (but not limited to) the following:

- a) **Tax and Related Services.** Walmart will provide, at Walmart's expense, professional tax preparation and planning services, including services related to her residency status, valued at up to \$40,000, to be paid for by Walmart.
- b) **Deferred Compensation Benefits.** All deferred compensation (including deferred equity awards) which are vested as of the Associate's Separation Date shall be distributed to the Associate in accordance with the terms of the applicable plans and the Associate's elections on file, including but (not limited to) benefits to which the Associate is entitled under the Walmart's 401(k) Plan and Deferred Compensation Matching Plan.
- c) **Other Payments and Benefits.** Until the Separation Date, the Associate shall continue to be eligible to participate in all employee benefit plans and programs available to Walmart officers and associates generally, including Walmart's medical and dental plans, 401(k) Plan, PTO, etc. Unless otherwise provided for in the plan or provided for in this Agreement or the terms of the applicable benefit plan or program, the Associate's participation in all other Walmart-sponsored benefit plans or programs will end on the Separation Date.
- d) **Section 409A.** Notwithstanding anything contained herein or in any Walmart-sponsored plan to the contrary, the Associate acknowledges that any and all distributions of benefits under any Walmart deferred compensation plan which is subject to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), shall not commence until six (6) months after the Associate incurs a "separation from service" as defined in Section 409A.

5. Releases.

- a) **Release and Waiver of Claims.** In exchange for, and in consideration of, the payments, benefits, and other commitments described above, the Associate releases Walmart from any and all claims of any kind, whether known or unknown, that arose up to and including the date the Associate signs this Agreement (including claims arising out of or relating to the termination of the Associate's employment with Walmart), including claims arising under the laws of foreign jurisdictions. For illustration purposes and not as a limitation, the claims the Associate is releasing include any claims for damages, costs, attorneys' fees, expenses, compensation or any other monetary recovery. Further, the Associate specifically waives and releases all claims she may have that arose up to and including the date the Associate signs this Agreement (including claims arising out of or relating to the termination of the Associate's employment with Walmart) regarding veteran's status; Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Equal Pay Act; the Americans With Disabilities Act of 1990, as amended; the Rehabilitation Act of 1973, as amended; the Age Discrimination in Employment Act, as amended ("ADEA"); the Family and Medical Leave Act ("FMLA"), as amended; Sections 1981 through 1988 of Title 42 of the United States Code, as amended; the Genetic Information Non-Discrimination Act; the Immigration Reform and Control Act, as amended; the Workers Adjustment and Retraining Notification Act ("WARN"), as amended; any applicable state WARN-like statute; the Occupational Safety and Health Act, as amended; the Sarbanes-Oxley Act of 2002; the Consolidated Omnibus Budget Reconciliation Act (COBRA); the Employee Retirement Income Security Act of 1974, as amended; the National Labor Relations Act; the Fair Labor Standards Act (FLSA); the Massachusetts Overtime Law; the Massachusetts Payment of Wages Law; the Massachusetts Fair Employment Practices Act; the New Jersey Conscientious Employee Protection Act, N.J.S.A. 34:19-1, et seq.; the New Jersey Law Against Discrimination; the West Virginia Human Rights Act, W. Va. CSR §77-6-3; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; the Wage Orders of the California Industrial Welfare Commission; the California Unfair Business Practices law (Cal. Bus. and Prof. Code Sec. 17200, et seq.); California WARN (CA Labor Code Section 1400-1408); and all state or local statutes, ordinances, or regulations regarding anti-discrimination employment laws, as well as all matters arising under federal, state, or local law involving any tort, employment contract (express or implied), public policy, wrongful discharge, retaliation, and

leaves of absence claims; and any claims related to emotional distress, mental anguish, benefits, or any other claim brought under local, state or federal law, or the laws of foreign jurisdictions. Similarly, Walmart releases the Associate from any and all claims of any kind, whether known or unknown, that arose up to and including the date the Associate signs this Agreement, other than claims related to a violation of Section 9 below, and excluding recoupments required by Section 17.

- b) **Release of Age Discrimination Claims.** With respect to the Associate's release and waiver of claims under the ADEA as described in Section 5(a) above, the Associate agrees and acknowledges the following:
- (i) The Associate has reviewed this Agreement carefully and understands its terms and conditions. The Associate has been advised, and by this Agreement is again advised, to consult with an attorney of the Associate's choice prior to entering into this Agreement.
 - (ii) The Associate shall have twenty-one (21) days from receipt of this Agreement to consider and execute the Agreement by fully executing it below and returning it to Walmart; otherwise, the terms and provisions of this Agreement become null and void. The Associate agrees that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner the original review period.
 - (iii) The Associate will have a period of seven (7) calendar days after Associate signs the Agreement during which to revoke the Agreement. The Associate must provide written notice of revocation during the seven (7) day period to Michael Horne, Senior Vice President, Global Total Rewards. Any revocation within this period must expressly state, "I hereby revoke my Agreement." The written revocation must be delivered to Michael Horne, Senior Vice President, Global Total Rewards, or to his successor, and be postmarked within seven (7) calendar days of the Associate's execution of this Agreement. This Agreement will not become effective or enforceable until the revocation period has expired. If the last day of the revocation period is a Saturday, Sunday, or legal holiday, then the revocation period will not expire until the next following day that is not a Saturday, Sunday, or legal holiday.
 - (iv) The Associate knows that she is waiving her rights under the ADEA and does so voluntarily. The Associate realizes the waiver does not include any ADEA rights which may arise after the Associate signs this Agreement. By signing this Agreement, the Associate acknowledges that she is receiving consideration that the Associate would not otherwise be entitled to receive.
 - (v) No transition payments or acceleration of equity pursuant to Section 3 of this Agreement shall occur or be effective until after (1) the Associate has executed and delivered this Agreement to Walmart, (2) the above-mentioned seven-day revocation period has expired, and (3) the Associate has separated from employment with Walmart as set forth in Section 1 of this Agreement.
- c) **Limitation of Release.** Nothing in this Agreement releases or impairs claims for workers' compensation or unemployment benefits. Nothing in this Agreement prevents Associate from pursuing administrative claims with or otherwise assisting government agencies, including engaging in or participating in an investigation or proceeding conducted by, or providing information to, the EEOC, NLRB, the Securities and Exchange Commission, or any federal, state or local agency charged with the enforcement of employment or other laws. Associate acknowledges and agrees, however, that the transition payments set forth in Section 3 of this Agreement are in full satisfaction of any amounts to which the Associate might be entitled from any claim against Walmart, and that, as a result of this release and waiver of claims, the Associate is not entitled to receive any additional individual monetary relief from Walmart. This release and

waiver of claims will not apply to rights or claims that may arise after the effective date of this Agreement. This Agreement is not intended to release and does not release or include claims that the law states cannot be waived by private agreement, nor does it prevent the Associate from receiving any whistleblower or similar award. Nothing in this subparagraph or in this Agreement is intended to limit or restrict any rights the Associate may have to enforce this Agreement or challenge the Agreement's validity under the ADEA, or any other right that cannot, by express and unequivocal terms of law, be limited, waived, or extinguished by settlement. Further, nothing in this Agreement is intended to waive, release or impair the Associate's right to vested benefits under any Walmart-sponsored benefit plan or program. In addition, nothing in this Agreement is intended to release or impair any rights to indemnification, advancement or reimbursement of expenses, or insurance coverage available to Associate as an officer, director or employee of Walmart (including Walmart's director and officer insurance coverage), including without limitation under Walmart's certificate of incorporation and bylaws and under applicable corporate law (including without limitation to the maximum extent permitted under the Delaware General Corporation Law).

d) **Agreement not to File Suits.** By signing this Agreement, Associate agrees not to file a lawsuit to assert any claims released under this Section 5. Associate also agrees that if a court of competent jurisdiction makes a final determination that Associate breached this provision, Associate will be liable for all reasonable costs and attorneys' fees incurred by any person against whom claims were released under Section 5(a) resulting from such action and shall pay all reasonable expenses incurred by such person in defending any proceeding pursuant to this Section 5(d), together with any tax liability incurred by such person in connection with the receipt of such amounts; provided, however, that the person against whom such claims were released provides Associate with notice of his/her/its intention to seek payment of the amounts incurred in defending the proceeding at the onset of the defense. To the extent that Associate is determined by a court of competent jurisdiction to be the prevailing party on any claims in such action, Associate will not be liable for any costs, fees or expenses incurred by such person.

6. **Confidential Information.** The Associate agrees that she will not at any time, whether prior to or subsequent to the Separation Date, directly or indirectly use or disclose any Confidential Information (as defined below) obtained during the course of her employment with Walmart or otherwise, except as (a) previously authorized by Walmart in writing, (b) required by applicable legal proceeding, or (c) permitted by Section 5(c) or 18(a) of this Agreement. In addition, the Associate shall not disclose any information for which Walmart holds a legally recognized privilege against disclosure or discovery ("Privileged Information"), or take any other action that would cause such privilege to be waived by Walmart. With respect to (b) above only, and subject to Sections 5(c) and 18(a) hereof, in the event that the Associate is required by applicable legal proceeding (including, without limitation, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand, or other legal proceeding) to disclose any Confidential Information or Privileged Information, the Associate shall provide Walmart with prompt prior written notice of such requirement. The Associate shall also, to the extent legally permissible and again subject to Sections 5(c) and 18(a) hereof, provide Walmart as promptly as practicable with a description of the information that may be required to be disclosed (and, if applicable, the text of the disclosure itself) and cooperate with Walmart (at Walmart's expense) to the extent Walmart may seek to limit such disclosure, including, if requested, by taking all reasonable steps to resist or narrow any such disclosure or to obtain a protective order or other remedy with respect thereto. If a protective order or other remedy is not obtained and disclosure is legally required, the Associate shall (a) disclose such information only to the extent required in the written opinion of the Associate's legal counsel, and (b) give advance notice to Walmart of the information to be actually disclosed as far in advance as is reasonably possible. In any such event, the Associate and her legal counsel shall use reasonable commercial efforts to ensure that all Confidential Information or Privileged Information that is so disclosed is accorded confidential treatment by the recipient thereof.

"Confidential Information" means information pertaining to the business of Walmart, and includes, without limitation, information regarding processes, suppliers, consultants and service providers

(including the terms, conditions, or other business arrangements with suppliers, consultants and service providers), advertising, marketing, and external and internal communications plans and strategies, labor matters and strategies, government relations plans and strategies, litigation matters and strategies, investigatory and compliance information and strategies, tax matters and strategies, community relations and public affairs plans and strategies, charitable giving plans and strategies, sustainability plans and strategies, profit margins, seasonal plans, goals, objectives, projections, compilations, and analyses regarding Walmart's business, salary, staffing, compensation, promotion, diversity objectives and other employment-related data, and any know-how, techniques, practices or non-public technical information regarding the business of Walmart. "Confidential Information" does not include information that is or becomes generally available to the public other than as a result of a disclosure by the Associate or any of the Associate's representatives or information that Walmart has authorized the Associate to disclose.

As requested by Walmart, the Associate shall return to Walmart all documents, programs, software, equipment, files, statistics, and other written or electronic business materials, including any and all copies both paper and electronic, concerning Walmart.

7. Cooperation.

- a) **Cooperation with Walmart.** The Associate may from time to time after the Separation Date be called upon to testify or provide information to Walmart in connection with employment-related and other legal proceedings involving Walmart. The Associate will provide reasonable assistance to, and will cooperate with, Walmart in connection with any litigation, arbitration, investigations, or judicial or non-judicial administrative proceedings that may exist or may subsequently arise regarding events about which the Associate has knowledge, and will testify truthfully in any such proceedings. If the assistance is at Walmart's request, Walmart will compensate the Associate for all reasonable costs and expenses.
 - b) **Cooperation with Governmental Authorities.** From time to time, Walmart may be under investigation by various governmental authorities. Walmart encourages the Associate to cooperate with all such investigations. If such assistance is requested by a governmental authority, Walmart shall reimburse the Associate for all reasonable costs and expenses.
 - c) **Board Membership.** Effective as of the Transition Date, the Associate hereby agrees, at Walmart's request, to resign from any boards of directors, boards of managers, and similar governing boards of any Walmart entities of which the Associate may be a member, resigns as an officer of any and all Walmart entities, resigns as Walmart's representative on any external trade, industry or similar associations, and agrees to sign any documents acknowledging such resignations, as may be requested by Walmart.
- 8. Non-disparagement and non-solicitation.** The Associate shall not directly or indirectly: a) make disparaging comments regarding Walmart, its business strategies and operations, or any of Walmart's officers, directors, associates, and shareholders, except that nothing herein shall prevent Associate from providing truthful information and testimony to government authorities, nor shall it prevent Associate from providing truthful information and testimony in any legal proceedings or as otherwise required by law; or b) for a period of six (6) months following the Separation Date, solicit for employment any employee of Walmart or its affiliates holding the title of (or in a position equivalent to) senior director, vice president, senior vice president, or executive vice president. For purposes of clarity, the non-solicitation restriction in this paragraph shall not apply to situations where a person independently, without solicitation from the Associate, approaches and expresses interest in a position outside of Walmart or otherwise responds independently to a publicly-posted position outside of Walmart.
- 9. Code of Conduct and Compliance with Laws.** The Associate has read and understands the provisions of Walmart's Code of Conduct. The Associate further acknowledges that the Associate has complied with the applicable Code of Conduct, as well as applicable laws and regulations, during the Associate's employment. The discovery of a material failure to abide by the Code of Conduct and/or

applicable laws and regulations, whenever discovered, shall entitle Walmart to suspend and recoup any payments paid or due under this Agreement or any other agreements between the parties. Walmart's waiver and release of claims in Section 4(a) does not apply to any claims alleging a violation of this Section 9, and Walmart shall not be prohibited from bringing claims alleging a violation of this Section 9 or claims related to the underlying conduct.

10. Covenant not to Compete. Due to the strategic, sensitive and far-reaching nature of the Associate's current and former positions at Walmart and the Confidential Information to which the Associate is and has been exposed, Associate agrees, promises, and covenants that:

- a) For a period of two (2) years from the date on which Associate's employment with Walmart terminates, and regardless of the cause or reason for such termination, Associate will not directly or indirectly:
 - (i) own, manage, operate, finance, join, control, advise, consult, render services to, have a current or future interest in, or participate in the ownership, management, operation, financing, or control of, or be employed by or connected in any manner with, any Competing Business as defined below in Section 10(b)(i), or any Global Retail Business as defined below in Section 10(b)(ii); and/or
 - (ii) participate in any other activity that risks the use or disclosure of Confidential Information either overtly by the Associate or inevitably through the performance of such activity by the Associate.
- b) For purposes of this Agreement:
 - (i) the term "Competing Business" shall include any general or specialty retail, grocery, wholesale membership club, or merchandising business, inclusive of its respective parent companies, subsidiaries and/or affiliates that: (a) sells goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined) or has plans to sell goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined) within twelve (12) months following Associate's last day of employment with Walmart; and (b) has gross annual consolidated sales volume or revenues attributable to its retail operations (whether through physical locations, via the internet or combined) equal to or in excess of U.S.D. \$7 billion.
 - (ii) the term "Global Retail Business" shall include any general or specialty retail, grocery, wholesale membership club, or merchandising business, inclusive of its respective parent companies, subsidiaries and/or affiliates, that: (a) in any country or countries outside of the United States in which Walmart conducts business or intends to conduct business in the twelve (12) months following Associate's last day of employment with Walmart, sells goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined); and (b) has gross annual consolidated sales volume or revenues attributable to its retail operations (whether through physical locations, via the internet or combined) equal to or in excess of U.S.D. \$7 billion in any country pursuant to b(ii)(a) or in the aggregate equal to or in excess of U.S.D. \$7 billion in any countries taken together pursuant to b(ii)(a) when no business in any one country has annual consolidated sales volume or revenues attributable to its retail operations equal to or in excess of U.S.D. \$7 billion.
- c) Ownership of an investment of less than the greater of \$25,000 or 1% of any class of equity or debt security of a Competing Business and/or a Global Retail Business will not be deemed ownership or participation in ownership of a Competing Business and/or a Global Retail Business for purposes of this Agreement.

d) The covenant not to compete set forth in this Section 10 shall bind associate and shall remain in full force and effect regardless of whether the Associate qualifies or continues to remain eligible for the Transition Payments set forth in Section 3 above.

11. **Affirmation.** Other than may be provided for in any class or collective action that was pending against Walmart as of the date of this Agreement, the Associate states and acknowledges that she has been paid and/or received all leave (paid or unpaid), compensation, wages, bonuses, commissions, and/or benefits to which she may be entitled and that no other leave (paid or unpaid), compensation, wages, bonuses, commissions, and/or benefits are due her, except as provided for in this Agreement. The Associate also states and confirms that she has reported to Walmart any and all work-related injuries incurred by her during her employment by Walmart. Further, Associate acknowledges that she has been properly provided any leave of absence because of the Associate's or the Associate's family member's health condition and has not been subjected to any improper treatment, conduct, or actions due to a request for or taking such leave. Additionally, Associate specifically acknowledges that she has not made any request for leave pursuant to FMLA which was not granted; and, Walmart has not interfered in any way with Associate's efforts to take leave pursuant to FMLA.
12. **Advice of Counsel.** The Associate has been advised, and by this Agreement is again advised, to consider this Agreement carefully and to review it with legal counsel of the Associate's choice. The Associate understands the provisions of this Agreement and has been given the opportunity to seek independent legal advice before signing this Agreement.
13. **Non-Admission.** The parties acknowledge that the terms and execution of this Agreement are the result of negotiation and compromise, that this Agreement is entered into in good faith, and that this Agreement shall never be considered at any time or for any purpose as an admission of liability by Walmart or that Walmart acted wrongfully with respect to the Associate, or any other person, or that the Associate has any rights or claims whatsoever against Walmart arising out of or from the Associate's employment. Walmart specifically denies any liability to the Associate on the part of itself, its employees, its agents, and all other persons and entities released herein.
14. **Return of Company Property.** As soon as practical after the Separation Date, the Associate will return all Walmart-owned property including but not limited to computers, hand-held computing devices (e.g., iPad, Surface, etc.), cell phones, videoconferencing equipment (e.g., Tandberg), documents, files, computer files, keys, ID's, credit cards, if any.
15. **Taxes.** The Associate acknowledges and agrees that the Associate is responsible for paying all taxes and related penalties and interest imposed on the Associate or Walmart (other than Walmart's portion of FICA taxes) with respect to the Associate's compensation and benefits, including the separation payments and benefits set forth in this Agreement (collectively, the "Taxes"). Walmart will withhold Taxes, including from amounts or benefits payable under this Agreement, and report them to tax authorities, as it determines it is required to do so by law. Associate further acknowledges and agrees that Walmart is not responsible for the determination by any government agency on the tax treatment to be given to compensation and benefits granted under this Agreement, and the Associate hereby covenants and agrees to pay Walmart all Taxes due in connection with such compensation and benefits. To the extent applicable, all payments under this Agreement are intended to comply with the requirements of Section 409A, and Walmart intends to administer this Agreement so that it will comply with Section 409A. Notwithstanding the foregoing, Walmart does not represent or warrant to the Associate that taxes and penalties will not be imposed under Section 409A or any other provision of federal, state, local, or non-United States law. Further, neither Walmart nor any of its directors, officers, employees or advisors shall be liable to the Associate (or any other person claiming a benefit through the Associate) for any Taxes the Associate may owe as a result of the Associate's compensation or benefits, and shall have no obligation to indemnify or otherwise protect the Associate from the obligation to pay any Taxes pursuant to Section 409A.
16. **Remedies for Breach.** The Parties shall each be entitled to pursue all legal and equitable rights and remedies to secure performance of their respective obligations and duties under this Agreement, and

enforcement of one or more of these rights and remedies will not preclude the Parties from pursuing any other rights or remedies. Associate acknowledges that a breach of the provisions of Sections 6 through 10 above could result in substantial and irreparable damage to Walmart's business, and that the restrictions contained in Sections 6 through 10 are a reasonable attempt by Walmart to safeguard its rights and protect its confidential information. Associate expressly agrees that upon a breach or a threatened breach of the provisions of Sections 6 through 10, Walmart shall be entitled to seek injunctive relief to restrain such violation. With respect to any breach of this Agreement by either Party as made by a final determination by a court of competent jurisdiction, the breaching Party agrees to indemnify and hold the non-breaching Party harmless from and against any and all loss, cost, damage, or expense, including, but not limited to, attorneys' fees incurred by the non-breaching Party. In addition to any other remedies at law or at equity, if at any time a court of competent jurisdiction makes a final determination that the Associate failed to comply with the terms, provisions or conditions of this Agreement, the Associate acknowledges that Walmart is not obligated to make any further Transition Payments to the Associate.

17. Recoupment. The Associate agrees and acknowledges that incentive compensation paid or granted during the course of the Associate's employment with Walmart is subject to the recoupment provisions of the incentive plans under which such incentive compensation was paid or granted. Furthermore, in the event that Walmart is required to recoup any incentive compensation previously paid to the Associate pursuant to the provisions of the Dodd-Frank Act, SEC and/or NYSE rules promulgated thereunder, and/or Walmart's Executive Compensation Recoupment Policy, the Associate agrees to repay such amounts.

18. Miscellaneous.

- a) **Protected Rights.** Nothing in this Agreement is intended to prohibit the Associate from engaging in any legally protected communication or action. Nothing contained in this Agreement shall restrict, limit or otherwise modify Associate's rights under Walmart's Open Door Policy. Nothing contained in this Agreement is intended to discourage the Associate from reporting any activity or information under Walmart's Code of Conduct or to a governmental agency as permitted by any "whistleblower" laws. Associate shall not be held criminally or civilly liable under this Agreement or any other agreement or any federal or state trade secret law for making any confidential disclosure of a Walmart trade secret or other confidential information directly or indirectly to a government official or an attorney for purposes of reporting or investigating a suspected violation of law or regulation, or in a complaint or other document filed under seal in a lawsuit or other proceeding, nor shall Associate be required to obtain approval or notify Walmart prior to making any such disclosure. The foregoing also applies specifically to an Associate suing Walmart for retaliation, who may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.
- b) **Entire Agreement.** This Agreement, along with the most recent Non Disclosure and Restricted Use Agreement executed by the Associate (the "Non-Disclosure Agreement"), contains the entire agreement and understanding of the parties, and no prior statements by either party will be binding unless contained in this Agreement or incorporated by reference in this Agreement or the Non-Disclosure Agreement. The parties agree that no prior statements by either party will be binding unless contained in this Agreement or the Non-Disclosure Agreement. In addition, to be binding on the parties, any handwritten changes to this Agreement must be initialed and dated by the Associate and the authorized representative of Walmart whose signature appears below. This Agreement supercedes and specifically terminates all prior agreements between the Associate and Walmart with respect to the subject matter hereof, including the Non-Competition Agreement, and no amounts will be owed or payable to the Associate under or pursuant to the Non-Competition Agreement.

- c) **Conflict with Exhibits.** If the terms and provisions of this Agreement conflict with the terms and provisions of any exhibit to this Agreement, the terms and provisions of this Agreement will govern.
- d) **Severability.** If any portion or provision of this Agreement is found to be unenforceable or invalid, the parties agree that the remaining portions will remain in full force and effect. The parties will negotiate in good faith to give such unenforceable or invalid provisions the effect the parties intended.
- e) **Section Titles.** Section titles are informational only and are not to be considered in construing this Agreement.
- f) **Successors and Assigns.** The parties acknowledge that this Agreement will be binding on their respective successors, assigns, and heirs.
- g) **Governing Law and Dispute Resolution.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to Delaware law concerning the conflicts of law. The Parties further agree that any action relating to the interpretation, validity, or enforcement of this Agreement shall be brought in the of the courts of the State of Delaware, County of New Castle, or in the United States District Court of Delaware, and the parties hereby expressly consent to the jurisdiction of such courts and agree that venue is proper in those courts. The parties do hereby irrevocably: (a) submit themselves to the personal jurisdiction of such courts; (b) agree to service of such courts' process upon them with respect to any such proceeding; (c) waive any objection to venue laid therein; and (d) consent to service of process by registered mail, return receipt requested. Associate further agrees that in any claim or action involving the execution, interpretation, validity or enforcement of this Agreement, Associate will seek satisfaction exclusively from the assets of Walmart and will hold harmless Walmart's individual directors, officers, employees, and representatives.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

KATHRYN MCLAY

WALMART INC.

/s/ Kathryn McLay

By: /s/ Donna Morris
Name: Donna Morris
Title: Chief People Officer

Exhibit A

Restricted Stock to be Accelerated to Retirement Date:

<u>Grant Date</u>	<u>Number of Shares to be Accelerated</u>	<u>Original Vesting Date</u>
January 12, 2024	12,661	January 12, 2027
January 14, 2025	6,834	January 12, 2027
January 14, 2025	4,556	January 11, 2028

Total: 24,051

INSIDER TRADING POLICY

(Last approved by the Walmart Inc. Audit Committee on March 13, 2025)

This policy prohibits illegal or improper “insider trading” by all officers and employees (“Associates”) of Walmart Inc. and its subsidiaries (“Walmart” or the “Company”) and members of the Board of Directors of Walmart (“Directors”). The philosophy behind this policy is Walmart’s desire to avoid even the appearance of improper conduct on the part of its Associates and Directors, and to promote transparency and promptness in the public reporting of transactions in Walmart Stock (as defined below) by certain Associates and all Directors. Walmart has worked hard over the years to establish a reputation for integrity and ethical conduct and cannot afford to have it damaged.

I. General Policy Statement Regarding Insider Trading

A. Definition of Insider Trading. Insider trading, for purposes of this policy, is the purchase or sale of Walmart Securities (defined below) on the basis of material non-public information or the purchase or sale of the securities of any other company, including suppliers, on the basis of material non-public information about that company obtained through your relationship with Walmart. For the purposes of this policy, trading in Walmart Securities refers to trading in the common stock of the Company (“Walmart Stock”), and any derivative securities tied to the value of Walmart Stock, including options, puts, calls, equity collar or forward purchase or sale transactions, swaps and single stock futures (all such securities are referred to in this policy as “Walmart Securities”). All such transactions are equally prohibited while you are in possession of material non-public information.

Material information is any information that a reasonable investor would consider important in making a decision to buy, hold, or sell securities. For information to be material there must be a substantial likelihood that the disclosure of the information in question would be viewed by a reasonable investor as having significantly altered the total mix of available information. Any information that could be expected to affect the Company’s stock price, whether it is positive or negative, should be considered material. Common examples of information which may be material include, but are not limited to, information involving: projected comparable store sales, earnings or losses or changes in historical sales, earnings or losses; a pending or proposed merger, acquisition, joint venture, tender offer or exchange offer; a sale of significant assets or the disposition of a significant division or subsidiary; changes in dividend policies or the declaration of a stock split or other changes in capital structure, including any securities offering; changes in executive management; impending bankruptcy or financial liquidity problems; significant changes in operations; the commencement of, and significant developments in, important litigation and other important proceedings to which Walmart is subject; changes in, or significant developments involving, outside auditors; and significant cybersecurity risks and incidents.

For purposes of this policy, information should be considered non-public if it has not been broadly disseminated to the investing public, either by Walmart itself or through the news media or other sources available to the general public. Market rumors should be considered, for purposes of this policy, non-public, unless they have been disseminated to the public through the news media.

Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until one full trading day has elapsed after the information is released. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material non-public information.

B. Consequences of Insider Trading. Insider trading is a crime, and violations are pursued vigorously by the Securities and Exchange Commission (“SEC”), U.S. Attorneys and state enforcement

authorities and foreign jurisdictions. Punishment for insider trading violations is severe and could include significant fines and imprisonment. In addition to other civil and criminal actions, under the federal securities laws, individuals who trade on the basis of material non-public information or “tip” material non-public information to others (that is, disclose the information to others who use the information for trading activities) face : (i) a civil penalty of up to three times the profit gained or loss avoided; and (ii) a criminal fine (no matter how small the profit) of up to \$5.0 million, a jail term of up to 20 years, or both. Any of these consequences – even an SEC investigation that does not result in prosecution – can tarnish your reputation and irreparably damage your career. Regardless of whether the government seeks to impose a penalty for a particular act, Walmart expressly reserves the right to impose any disciplinary measure or other action that it deems appropriate. This discipline may be imposed not only for unlawful conduct, but also for breaches of this policy or conduct Walmart regards as unethical, inappropriate, or simply not meeting its standards of propriety. Unless Walmart has informed you that particular information is material and non-public, it is your responsibility to determine whether you are in possession of material non-public information.

C. Walmart Policy. If you possess any material non-public information relating to Walmart, neither you, nor any person living in your household or financially dependent upon you, nor any entity or securities account controlled by you, may buy, sell or otherwise trade¹ in Walmart Securities (other than in accordance with a contract, instruction or plan that satisfies the requirements of SEC Rule 10b5-1(c)), or engage in any other action in relation to Walmart Securities, or disclose directly or indirectly, the material non-public information in any way that violates the law or this policy. You must also refrain from trading in the securities of any other company, including suppliers, on the basis of material non-public information about that company obtained through your relationship with Walmart. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are **not exempt** from these rules.

D. Tipping Information. Whether the information is proprietary information about Walmart or information that could influence the market activity in Walmart Securities, you must not disclose any material non-public information to others except for legitimate business purposes and in compliance with this policy and applicable laws. In addition, just as the prohibition against trading on the basis of material non-public information extends to securities of any company other than Walmart, including its suppliers, so too the ban on disclosing to others material non-public information extends to the material non-public information of or relating to such other companies. Penalties for insider trading may apply regardless of whether you benefit from another’s trades or whether you knew that the person to whom you disclosed information was going to trade on the information. Material non-public information quite simply must be kept confidential.

E. Publicly-Traded Majority-Owned Subsidiaries. Walmart has a majority-owned publicly-traded subsidiary, Wal-Mart de Mexico, S.A.B. de C.V. (“Wal-Mart de Mexico”), where shares of Wal-Mart de Mexico’s common stock are traded on Mexico’s stock exchange, the “BOLSA”, and Wal-Mart de Mexico files periodic reports in accordance with and pursuant to the rules of the BOLSA. Walmart may have other majority-owned publicly-traded subsidiaries in the future where shares of common stock of the subsidiary are traded in the local market in which the majority-owned subsidiary is located.

¹ This includes any trading that occurs as a result of moving in or out of Walmart Securities in your 401(k) account, moving all or a portion of your vested profit sharing account in or out of Walmart Securities, or establishing initially, increasing or decreasing the amount of your bi-weekly contribution to the Associate Stock Purchase Plan.

If you are on the Walmart restricted trading list and you desire to buy, sell or otherwise trade in shares or any other securities of Wal-Mart de Mexico or any other Walmart majority-owned publicly-traded subsidiary, you must pre-clear such transactions by contacting the Office of Corporate Secretary at ocscorpgov@walmartlegal.com at least two (2) business days in advance of a proposed transaction. The Office of Corporate Secretary is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the proposed transaction. The pre-clearance determination in no way relieves you from meeting any applicable requirements of local market securities and exchange laws, rules or regulations, as well as any insider trading policies and procedures in the local markets.

F. Trading in the Securities of Other Companies. As noted above, it is Walmart's policy that no Associate or Director may buy, sell, or otherwise trade in the securities of any company while in possession of material non-public information regarding such other company or disclose such material non-public information on to others. If you are in possession of material non-public information, through your relationship with Walmart, about any other company, including Walmart's actual or potential suppliers or actual or potential business partners (whether including new businesses, initial investments, increases to existing investments, or otherwise), you are prohibited from trading in the securities of that company. As with the other provisions of this policy, these restrictions apply to you, any person living in your household or financially dependent upon you, and any entity or securities account controlled by you. **Additional restrictions on the ownership of securities of other companies, including Walmart's suppliers, are set forth in Walmart's Code of Conduct, Conflict of Interest Policy, and related policies and procedures.**

G. Applicability of Policy to Former Associates and Directors. This policy continues to apply to transactions in Walmart Securities even after termination of service to the Company. If you are in possession of material non-public information when your service terminates, you may not trade in Walmart Securities until that information has become public or is no longer material. In addition, if you are a Director or an Associate subject to the trading windows described in this policy, the Company's general policy is that you should refrain from trading until the opening of the next trading window following your termination of service.

H. Gifts of Walmart Securities. *Bona fide* gifts of securities (including transfers of Walmart Securities made to trusts for estate planning purposes) are not transactions subject to this policy, unless the person making the gift has reason to believe that the recipient intends to sell the Walmart Securities while the person making the gift is aware of material non-public information; provided that those Directors and Associates subject to the pre-clearance requirements specified in this policy must still pre-clear any such gift as described below.

I. Company Transactions. The Company will not, directly or indirectly, transact in Walmart Securities while in possession of material non-public information related to the Company unless such trading activity is pursuant to a trading plan that complies with SEC Rule 10b5-1 or otherwise complies with all applicable securities laws.

II. Trading Windows

In addition to being subject to the terms of Section I herein, certain Associates and all Directors are also subject to restrictions regarding the timing of their trades in Walmart Securities. These restrictions are designed to prohibit trading during periods when there is a greater likelihood of possessing material non-public information.

A. Associates Subject to Trading Windows. The following Associates are subject to the trading windows described in paragraph B below: (1) all officers of the Company and Associates who participate

in Walmart's corporate officers' meetings (sometimes referred to as the "Global Leadership Meeting," which meeting usually occurs on a monthly basis); and (2) all others who prepare or have access to the "Controller's Sheet," the "A.M. Report," "Walmart US" forecast reporting, or other sensitive financial information.

B. When You May and May Not Trade

1. When You May Trade (open trading window). If you are not in possession of material non-public information, you may buy or sell Walmart Securities on the day following a quarterly earnings release until the next to last day of the second month of each fiscal quarter, unless the trading window is closed for any other reason. **If possible, you should trade shortly after the trading window opens, to minimize the possibility that other material nonpublic information may arise while the trading window would otherwise be open.**

2. When You May Not Trade (closed trading window). At all other times, the trading window will generally be closed, and you may not trade in Walmart Securities. The prohibition on the buying or selling of Walmart Securities is not limited to open market purchases or sales of Walmart Securities but also includes, for example, any trading that occurs as a result of moving out of Walmart Securities in your 401(k) account, moving all or a portion of your vested profit sharing account out of Walmart Securities, or establishing initially, increasing or decreasing the amount of your bi-weekly contribution to the Associate Stock Purchase Plan.

3. Other Times When You May Not Trade. There may be other times when you should not trade because you are in possession or may be deemed to be in possession of material non-public information. Additionally, the Office of the Corporate Secretary may notify you that you are prohibited from trading in Walmart Securities, despite the schedule outlined above. If you have any questions regarding whether you possess material non-public information, you should not take it upon yourself to make that determination. You should contact the Senior Vice President, Office of the Corporate Secretary, at ocscorpgov@walmartlegal.com.

C. Approved Trading Plans. Notwithstanding these trading window requirements, a transaction pursuant to a trading plan, contract, or instruction that satisfies the requirements of SEC Rule 10b5-1(c) (a "Trading Plan") may be executed in accordance with the terms of the Trading Plan, so long as the Trading Plan was entered into during an open trading window and you did not possess material non-public information at the time the Trading Plan was entered into. If you decide to enter into a Trading Plan, each Trading Plan must comply with applicable SEC Rule 10b5-1(c) requirements, including any applicable cooling off periods before the first trade under the Trading Plan, and must be approved in advance by the Senior Vice President, Office of the Corporate Secretary.

In general, a Trading Plan must be entered into at a time when you are not aware of material nonpublic information and at a time when trading is not restricted under this Policy. Once the plan is adopted, you must act in good faith with respect to your Trading Plan and not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The Trading Plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. No amendment or modification of a Trading Plan is permitted unless approved by the Office of the Corporate Secretary. In addition, you are not permitted to have more than one Trading Plan outstanding at any given time, unless permitted by the limited exceptions of Rule 10b5-1 (such as plans relating to "sell to cover" arrangements intended to satisfy tax withholding obligations upon the vesting of equity awards) and approved by the Office of the Corporate Secretary.

Any adoption of a new Trading Plan, or amendment (including early termination) to any existing Trading Plan, must be submitted to the Office of the Corporate Secretary for approval at least five business days prior to the entry into the Trading Plan or amendment. The Trading Plan must include a representation from you that: (a) you are not aware of any material nonpublic information about Walmart or the Walmart Securities; and (b) you are adopting the Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5.

No sales under a Trading Plan of any Director or Section 16 Officer (defined below) may commence prior to the expiration of a cooling-off period consisting of the later of (i) 90 days after adoption of the Rule 10b5-1 Plan or (ii) two business days following the filing of the Company's Form 10-Q or Form 10-K for the completed fiscal quarter in which the Trading Plan was adopted. For all other Associates, no sales under any Trading Plans may commence prior to the expiration of a cooling-off period that is 30 days after the adoption of the Trading Plan. In either case, no further pre-approval of transactions conducted pursuant to the Trading Plan is required.

Directors and Section 16 Officers must also report to the Office of the Corporate Secretary the adoption, amendment or termination of any pre-set trading plan that is not a Trading Plan but was entered into at a time that they asserted they were not aware of material non-public information about Walmart or Walmart Securities.

III. Hedging of, and Other Speculative Transactions in, Walmart Stock

Types of financial instruments and transactions exist that provide holders of Walmart Stock, including Associates (including officers who are Associates) and Directors, means for hedging against any decrease in the market value of the Walmart Stock. When an Associate or Director hedges Walmart Stock that he or she owns, that Associate or Director may be able to continue to own Walmart Stock, however acquired, whether pursuant to Walmart grants under equity plans, through the Associate Stock Purchase Plan, through Walmart's 401(k) plan, in the open market or otherwise, without retaining the full risks of ownership of their Walmart Stock. When that occurs, the Associate or Director may no longer have the same objectives as Walmart's other shareholders. Moreover, speculating in Walmart Stock, directly or through the use of derivatives based on, or that are tied to the market value of, Walmart Stock can result in an Associate or Director having a conflict of interest with Walmart and no longer having the same objectives as Walmart or Walmart's other shareholders. Accordingly, as outlined below, Walmart does not permit any Associate or Director, either directly or indirectly, including through a designee, to engage in hedging or speculating with respect to Walmart Stock.

A. Definition of "Hedging" and "Designee"

For purposes of this policy:

1. "hedging" means purchasing any financial instrument or otherwise engaging in any transaction or series of related transactions designed to or having the effect of hedging or mitigating the risk of, or offsetting, any decrease in the market value of an equity security, including, but not by way of limitation, selling, purchasing, entering into or otherwise engaging in any prepaid variable forward contract, equity swap, collar, short sale or security future of, with respect to, or based on, or acquiring any interest in any exchange fund relating to, such equity security or its market value; and
2. "designee" means any person with whom an Associate or Director has any arrangement or understanding that permits such Associate or Director to hedge or mitigate the risk of, offset, any decrease in the market value of such Associate's or Director's Walmart Stock or any

subsidiary equity security without such Associate or Director directly purchasing any financial instrument or engaging in any transaction for such purpose.

B. Hedging of Walmart Stock Prohibited. No Associate or Director is permitted to engage in hedging, directly or indirectly, including through any designee of such Associate or Director, with respect to:

1. Walmart Stock granted by Walmart to such Associate or Director as a part of such Associate's or Director's compensation from Walmart or any subsidiary of Walmart; or
2. any other Walmart Stock held, directly or indirectly, by such Associate or Director.

C. Other Restrictions on Trading. In addition to the foregoing prohibition of hedging, Associates and Directors are prohibited from engaging in any transaction in derivative securities not constituting hedging, but in which the derivative securities are based on, or are tied to the market value of, Walmart Stock and that reflects speculation about the price of Walmart Stock (e.g., options, puts or calls, whether exchange-traded or otherwise) or in any transaction in Walmart Securities that may place an Associate's or Director's financial interests against the financial interests of Walmart. For instance, you may not sell Walmart Stock "short," i.e., sell Walmart Stock that you do not own, which would allow you to profit from a decline in the price of Walmart Stock.

D. Consequences of Hedging. Walmart expressly reserves the right to impose any disciplinary measure or other action that it deems appropriate for breaches of the policy set forth in this Section III or for other conduct Walmart regards as unethical, inappropriate, or simply not meeting its standards of propriety.

IV. Pre-Clearance Requirements for Directors, Section 16 Officers, and Senior Executives

If you are (a) an officer subject to Section 16 of the Securities Exchange Act of 1934, as amended (a "Section 16 Officer"); (b) a Directors; or (c) an officer with a title of Executive Vice President or higher, you must pre-clear any transaction in Walmart Securities (including gifts or any entry into or amendment of a Trading Plan), by contacting the Senior Vice President, Office of the Corporate Secretary, at ocscorpgov@walmartlegal.com at least two (2) business days in advance of the proposed transaction.

The Senior Vice President, Office of the Corporate Secretary is under no obligation to approve a transaction submitted for pre-clearance and will have sole discretion to determine whether to permit the transaction. In evaluating each proposed transaction, the Senior Vice President, Office of the Corporate Secretary, may consult as necessary with senior management and outside counsel.

If you seek pre-clearance and the request is denied, then you should refrain from engaging in any transaction in Walmart Securities, and should not inform any other person of the restriction. Moreover, pre-clearance does not, in any circumstance, relieve you of your legal obligation to refrain from trading while in possession of material non-public information. In other words, even if pre-clearance is received, if you become aware of material non-public information or become subject to a closed trading window or event-specific trading restriction, the transaction may not be completed. Pre-clearance of a transaction is valid only for the 2-business day period immediately following receipt of such pre-clearance.

V. Other Trading Restrictions and Required Forms Applicable only to Walmart's Section 16 Officers and Directors

In addition to the Insider Trading Policy requirements applicable to all Associates and Directors, and the trading windows applicable to certain Associates and all Walmart Directors, Walmart's Section 16

Officers and Directors are subject to additional restrictions as set forth in this Section V. These additional restrictions are designed to ensure compliance with provisions of the securities laws specifically applicable to Section 16 Officers and Directors.

A. What You Must Do Before You Trade. You must pre-clear your transaction by contacting the Senior Vice President, Office of the Corporate Secretary, at ocscorpgov@walmartlegal.com at least two (2) business days in advance of a proposed transaction in the manner specified in Section IV, above.

B. Frequency of a Purchase and Sale or Sale and Purchase. You should not make both a purchase and sale or sale and purchase of Walmart Securities within a six-month period. Although it is not unlawful to engage in a purchase and sale or sale and purchase within a six-month period, if you do so, the federal securities laws require that you forfeit any profits from the transaction(s) to Walmart. Exercises of options received from the Company and biweekly purchases under the Associate Stock Purchase Plan will **not** be matched against sales. A purchase and sale due to a diversification election or transfer in to or out of the Walmart stock fund under the Walmart 401(k) Plan could be matched against each other if they occur within a six-month period. Certain other transactions in Walmart Securities could be exempt from being matched against other transactions in Walmart Securities occurring within a six-month period. Therefore, before you engage in these transactions, you must first consult with the Senior Vice President, Office of the Corporate Secretary, at ocscorpgov@walmartlegal.com.

C. Additional Blackout Periods Related to 401(k) and Other Retirement Plans. In the future, there may be blackout periods under the Walmart 401(k) Plan or similar retirement plans. A blackout period means a period of time during which Associates may not trade Walmart Securities within the retirement plan experiencing the blackout period. Although Walmart has not had any such blackout periods in the past, if, for example, there were a need to change the record keeper for the plan, a blackout period may be necessary. If such a blackout period is in effect, and for the duration of the blackout period, you will not be permitted to engage in any transaction involving Walmart Securities. You will be advised in advance if such a blackout period will occur and the period during which no trades in Walmart Securities will be permitted.

D. Required Forms. If you are a Section 16 Officer, you are required to file certain forms with the SEC within a prescribed time after becoming a Section 16 Officer or Director (e.g., Form 3) and acquiring or disposing of Walmart Securities (e.g., Form 4). The Senior Vice President, Office of the Corporate Secretary, will provide you with additional information on these requirements.

Post-Transaction Notice. You must also notify the Senior Vice President, Office of the Corporate Secretary, of the occurrence of any purchase, sale, gift or other acquisition or disposition of Walmart Securities as soon as possible following the transaction, but in any event within **one business day** after the transaction. Such notification may be oral or in writing (including by e-mail at ocscorpgov@walmartlegal.com) and should include your identity (and any related entity involved in the transaction), the type of transaction, the date of the transaction, the number of shares involved and the purchase or sale price. You must also promptly report any Trading Plan that is terminated by you prior to its expiration date.

For both the “Pre-Clearance Requirements” section above and this “Post-Transaction Notice” section, a purchase, sale, gift or other acquisition or disposition shall be deemed to occur at the time the person or entity becomes irrevocably committed to it (for example, in the case of an open market purchase or sale, this occurs when the trade is executed, not when it settles).

1. Failure to File Required Forms. Walmart must disclose in its proxy statement those Section 16 Officers or Directors who fail to file all required Forms 3, 4, and 5 in a timely manner. This can easily be avoided by careful attention to the reporting requirements.

2. Who is Covered by These Rules. These rules apply to you, any person living in your household or financially dependent upon you, and any entity or securities account controlled by you. These rules may also apply to other entities in which you have an ownership interest, including partnerships.

E. Beneficial Ownership. The restrictions and reporting obligations with respect to Forms 3, 4, and 5 discussed in this Section V apply to Walmart Securities you beneficially own. For purposes of these restrictions and reporting obligations, you are deemed to beneficially own Walmart Securities if and to the extent you have an opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in such Walmart Securities.

F. Margin Accounts and Pledges. Securities held in a margin account may be sold by a broker without the customer's consent if the customer fails to meet a margin call. Because a margin sale may occur at a time when the customer is in possession of material non-public information or otherwise not permitted to trade in Walmart Securities, Section 16 Officers and Directors are prohibited from holding Walmart Securities in a margin account as collateral for a margin loan. The foregoing restriction does not prohibit Section 16 Officers or Directors from holding Walmart Securities in a margin account so long as such Walmart Securities are not held in the margin account for purposes of providing collateral for a margin loan. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if a borrower defaults on the loan or, in many instances, if the value of the collateral falls. While Walmart discourages Section 16 Officers and Directors from pledging Walmart Securities as collateral for a loan, Section 16 Officers and Directors may pledge Walmart Securities as collateral for a non-margin loan if the following criteria are satisfied:

1. Any Section 16 Officer or Director who desires to pledge Walmart Securities as collateral for a non-margin loan must submit a request for approval of such pledge to Walmart's Senior Vice President, Office of the Corporate Secretary, at least two (2) weeks prior to the proposed execution of any documents or instruments evidencing the proposed pledge.

2. Any Walmart Securities pledged by a Section 16 Officer or Director shall not be considered in determining whether the Section 16 Officer or Director is in compliance with any stock ownership guidelines applicable to such Section 16 Officer or Director.

If you have any questions regarding this policy, then please contact the Senior Vice President, Office of the Corporate Secretary at ocscorp.gov@walmartlegal.com. This information does not create an express or implied contract of employment or any other contractual commitment. Walmart may modify this information at its sole discretion without notice, at any time, consistent with applicable law. Employment with Walmart is on an at-will basis, which means that either Walmart or the associate is free to terminate the employment relationship at any time for any or no reason, consistent with applicable law.

Significant Subsidiaries of Walmart Inc.

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

Subsidiary	Organized or Incorporated	Percent of Equity Securities Owned	Name Under Which Doing Business Other Than Subsidiary's
Wal-Mart Stores East, LP	Delaware, U.S.	100%	Walmart
Wal-Mart Stores Texas, LLC	Delaware, U.S.	100%	Walmart
Wal-Mart Property Company	Delaware, U.S.	100%	NA
Wal-Mart Real Estate Business Trust	Delaware, U.S.	100%	NA
Sam's West, Inc.	Arkansas, U.S.	100%	Sam's Club
Sam's East, Inc.	Arkansas, U.S.	100%	Sam's Club
Sam's Property Company	Delaware, U.S.	100%	NA
Sam's Real Estate Business Trust	Delaware, U.S.	100%	NA
Wal-Mart de Mexico, S.A.B. de C.V.	Mexico	71%	Walmex
Wal-Mart Canada Corp.	Canada	100%	Walmart
Flipkart Private Limited	Singapore	84%	Flipkart
Walmart Chile S.A. ⁽¹⁾	Chile	100%	Walmart Chile
Massmart Holdings Ltd.	South Africa	100%	Massmart

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

Consent of Independent Registered Public Accounting Firm

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

(1)	Shareholder Investment Program of Wal-Mart Stores, Inc.	Form S-3 File No. 333-02089
(2)	Wal-Mart Stores, Inc. Director Compensation Plan	Form S-8 File No. 333-24259
(3)	Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan	Form S-8 File No. 333-29847
(4)	Wal-Mart Puerto Rico, Inc., 401(k) Retirement Savings Plan	Form S-8 File No. 333-44659
(5)	Wal-Mart Stores, Inc. Associate Stock Purchase Plan of 1996	Form S-8 File No. 333-62965
(6)	Wal-Mart Stores, Inc. Stock Incentive Plan of 2015, which amended and restated the 2010 plan	Form S-8 File No. 333-60329
(7)	Wal-Mart Profit Sharing and 401(k) Plan	Form S-8 File No. 333-109421
(8)	Wal-Mart Stores, Inc. Associate Stock Purchase Plan of 1996	Form S-8 File No. 333-109417
(9)	Wal-Mart Puerto Rico Profit Sharing and 401(k) Plan	Form S-8 File No. 333-109414
(10)	Wal-Mart Stores, Inc. Stock Incentive Plan of 2015, which amended and restated the 2010 plan	Form S-8 File No. 333-128204
(11)	Walmart Deferred Compensation Matching Plan	Form S-8 File No. 333-178717
(12)	Wal-Mart Stores, Inc. Common Stock	Form S-3 ASR File No. 333-178385
(13)	Walmart 401(k) Plan	Form S-8 File No. 333-187577
(14)	Wal-Mart Stores, Inc. Associate Stock Purchase Plan	Form S-8 File No. 333-214060
(15)	Walmart Inc. 2016 Associate Stock Purchase Plan	Form S-8 File No. 333-228631
(16)	Walmart Inc. Stock Incentive Plan of 2015	Form S-8 File No. 333-228635
(17)	Walmart 401(k) Plan	Form S-8 File No. 333-233682
(18)	Walmart Inc. Stock Incentive Plan of 2015	Form S-8 File No. 333-275879
(19)	Debt Securities of Walmart Inc.	Form S-3 ASR File No. 333-275878
(20)	Walmart Inc. Stock Incentive Plan of 2025	Form S-8 File No. 333-292248

of our reports dated March 13, 2026, with respect to the Consolidated Financial Statements of Walmart Inc. and the effectiveness of internal control over financial reporting of Walmart Inc. included in this Annual Report (Form 10-K) of Walmart Inc. for the year ended January 31, 2026.

/s/ Ernst & Young LLP

Rogers, Arkansas
March 13, 2026

I, John R. Furner, certify that:

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

Date: March 13, 2026

/s/ John R. Furner

John R. Furner
President and Chief Executive Officer

I, John David Rainey, certify that:

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

Date: March 13, 2026

/s/ John David Rainey

John David Rainey
Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report of Walmart Inc. (the "Company") on Form 10-K for the period ending January 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John R. Furner, President and Chief Executive Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of March 13, 2026.

/s/ John R. Furner

John R. Furner
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report of Walmart Inc. (the "Company") on Form 10-K for the period ending January 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John David Rainey, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of March 13, 2026.

/s/ John David Rainey

John David Rainey
Executive Vice President and Chief Financial Officer

WALMART INC.
EXECUTIVE COMPENSATION RECOUPMENT POLICY

1. **Purpose.** The purpose of this Policy is to describe the circumstances in which Executive Officers will be required to repay or return Erroneously Awarded Compensation to members of the Company. Each Executive Officer shall be required to sign and return to the Company the Acknowledgement Form attached hereto pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy.

2. **Administration.** This Policy shall be administered by the Committee. Any determinations made by the Committee shall be final and binding on all affected individuals.

3. **Definitions.** For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

(a) **“Accounting Restatement”** shall mean an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial restatements that is material to the previously issued financial statements (a “Big R” restatement), or (ii) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected the current period or left uncorrected in the current period (a “little r” restatement).

(b) **“Board”** shall mean the Board of Directors of the Company.

(c) **“Clawback Eligible Incentive Compensation”** shall mean, in connection with an Accounting Restatement and with respect to each individual who served as an Executive Officer at any time during the applicable performance period for any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), all Incentive-based Compensation Received by such Executive Officer (i) on or after the Effective Date, (ii) after beginning service as an Executive Officer, (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (iv) during the applicable Clawback Period.

(d) **“Clawback Period”** shall mean, with respect to any Accounting Restatement, the three most recently completed fiscal years of the Company immediately preceding the Restatement Date. In the event the Company changes its fiscal year within or immediately following the above-described three fiscal year period, the Clawback Period will also include the resulting transition period if such transition period is less than nine months. For purposes of this Policy, any transition period of nine to twelve months will be deemed a completed fiscal year.

(e) **“Committee”** shall mean the Compensation and Management Development Committee of the Board or any successor committee of the Board that satisfies the requirements of Rule 5605(d)(2) of the Nasdaq Stock Market LLC Rules.

(f) **“Company”** shall mean Walmart Inc. a Delaware corporation, together with its subsidiaries and affiliates.

(g) “**Effective Date**” shall mean October 2, 2023.

(h) “**Erroneously Awarded Compensation**” shall mean, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

(i) “**Executive Officer**” shall mean each individual who is or was designated as an “officer” of the Company in accordance with 17 C.F.R. 240.16a-1(f). For purposes of this policy, Executive Officers shall include at a minimum the executive officers identified pursuant to 17 C.F.R. 229.401(b).

(j) “**Financial Reporting Measures**” shall mean: (i) measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements; (ii) measures derived wholly or in part from such measures; (iii) the Company’s stock price; and (iv) the Company’s total shareholder return. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the SEC.

(k) “**Incentive-based Compensation**” shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(l) “**Nasdaq**” shall mean The Nasdaq Stock Market LLC.

(m) “**Policy**” shall mean this Policy, as the same may be amended and/or restated from time to time.

(n) “**Received**” shall, with respect to any Incentive-based Compensation, mean actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if payment or grant of the Incentive-based Compensation occurs after the end of that period.

(o) “**Restatement Date**” shall mean the earlier to occur of (i) the date the Board, a committee of the Board, or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the issuer is required to prepare an Accounting Restatement, or (ii) the date of court, regulator or other legally authorized body directs the issuer to prepare an Accounting Restatement.

(p) “**SEC**” shall mean the U.S. Securities and Exchange Commission.

4. **Repayment of Erroneously Awarded Compensation.**

(a) In the event of an Accounting Restatement, the Committee shall reasonably promptly (and in all events within ninety (90) days after the Restatement Date) determine the amount of any Erroneously Awarded Compensation for each Executive Officer in connection with such Accounting Restatement and shall promptly thereafter provide each Executive Officer with a written notice containing the amount of Erroneously Awarded Compensation and a demand for repayment or return, as applicable. For Incentive-based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-based Compensation was Received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to Nasdaq).

(b) The Committee shall have broad discretion to determine the appropriate means of recovery of Erroneously Awarded Compensation based on all applicable facts and circumstances and taking into account the time value of money and the cost to shareholders of delaying recovery. To the extent that the Committee determines that any method of recovery (other than repayment by the Executive Officer in a lump sum in cash or property) is appropriate, the Company shall offer to enter into a repayment agreement (in a form reasonable acceptable to the Committee) with the Executive Officer. If the Executive Officer accepts such offer and signs the repayment agreement within thirty (30) days after such offer is extended, the Company shall countersign such repayment agreement. If the Executive Officer fails to sign the repayment agreement within thirty (30) days after such offer is extended, the Executive Officer will be required to repay the Erroneously Awarded Compensation in a lump sum in cash (or such property as the Committee agrees to accept with a value equal to such Erroneously Awarded Compensation) on or prior to the date that is one hundred twenty (120) days following the Restatement Date. For the avoidance of doubt, except as set forth in Section 4(d) below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder.

(c) To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due (as determined in accordance with Section 4(b) above), the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

(d) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 4(b) above if the following conditions are met and the Committee determines that recovery would be impracticable:

(i) The direct expenses paid to a third party to assist in enforcing the Policy against an Executive Officer would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously Awarded Compensation, documented such attempts and provided such documentation to Nasdaq;

(ii) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation and a copy of the opinion is provided to Nasdaq; or

(iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

5. **Reporting and Disclosure.** The Company shall file all disclosures with respect to this Policy in accordance with the requirement of the federal securities laws and regulations thereunder, including the disclosure required by applicable SEC filings.

6. **Indemnification Prohibition.** The Company shall not be permitted to indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).

7. **Interpretation.** The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy.

8. **Effective Date.** This Policy shall be effective as of the Effective Date.

9. **Amendment; Termination.** The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary, including as and when it determines that it is legally required by any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed. The Committee may terminate this Policy at any time. Notwithstanding anything in this Section 9 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

10. **Other Recoupment Rights; No Additional Payments.** The Committee may require that any offer letter, employment agreement, equity award agreement, or any other agreement entered

into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any compensatory plan, offer letter, employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

11. **Successors.** This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

* * *

**WALMART INC.
EXECUTIVE COMPENSATION RECOUPMENT POLICY**

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Walmart Inc. Executive Compensation Recoupment Policy (the “*Policy*”). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this “*Acknowledgement Form*”) shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner permitted by, the Policy.

Signature

Print Name

Date