

# Annual Shareholder/Investor Meeting

## Company Participants

- Amy Ritter, Making Change
- Brett M. Biggs, Chief Financial Officer
- C. Douglas McMillon, President & Chief Executive Officer
- Carolyn Davis, Organization United for Respect
- David Cheesewright, Walmart International
- Emile Brown, Process Controller at Makro
- Gisel Ruiz, Chief Operating Officer of Sam's Club
- Gregory Boyd Penner, Chairman of the Board
- Gregory S. Foran, Leader of Walmart U.S.
- Jacqueline P. Canney, Unknown
- Janie Grice, Associate From Marion, South Carolina
- Jeffrey J. Gearhart, Executive Vice President of Global Governance & Corporate Secretary
- John Furner, Sam's Club
- Judith McKenna, COO & CFO
- Kathleen McLaughlin, Chief Sustainable Officer & Foundation President
- Marc E. Lore, Leads our e-commerce Business
- Mariane Zanatta Moraes, Commercial Junior Analyst
- Melody Metz, Co-Manager at Supercenter 5049
- Unidentified Speaker, Unknown

## Other Participants

- Blake Shelton, Host, Walmart Inc.
- Gwen Stefani, Singer/Shareholder, Walmart Inc.
- Rachel Platten, Shareholder, Walmart Inc.
- Unidentified Participant, Analyst, Unknown
- Willie Perkins, Associate from Store 4460, Walmart Inc.

## Presentation

### Unidentified Speaker

Ladies and gentlemen, please welcome Walmart Stores' business segment leaders. Representing Global E-commerce, Marc Lore; for Walmart International, Dave Cheesewright; for Sam's Club, John Furner; and representing Walmart U.S., Greg Foran.

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**Gregory S. Foran** {BIO 4687375 <GO>}

Good morning, Walmart. I'm here with 14,000 of my Walmart U.S. associate friends. How's it going today? Are we going to have a good time? Over to you, Dave.

**David Cheesewright** {BIO 7334339 <GO>}

Good morning, Walmart. Now I am absolutely delighted to introduce you to over 2,000 associates from 27 countries around the world, who serve over 110 million customers a week. So say hello, Walmart International.

Okay. Now it's my great pleasure to introduce the newest member to our team. He's made a massive difference to our business already. It's Marc Lore, who leads our e-commerce business.

**Marc E. Lore** {BIO 3597588 <GO>}

Thank you, Dave. Thank you, Dave. That's going to be tough to beat, you guys. We're a small but fierce group here. Let them hear it. Over to you, John.

**John Furner** {BIO 19351533 <GO>}

All right. Thank you, Mark. And Mark, thank you for saving the best for last. I'm here with team Sam's Club. And we're excited to be here this morning. And we're excited to get the party started. And to kick the meeting off, from the Sam's Club home office singing our national anthem, Ms. Nicole Barber [ph]. (Video plays)

**Unidentified Speaker**

Ladies and gentlemen, Gwen Stefani.

**Gwen Stefani** {BIO 3222761 <GO>}

Good morning, Walmart. Look how beautiful you are. Wow. I would like to introduce your host for today, Mr. Blake Shelton.

**Blake Shelton** {BIO 4216433 <GO>}

Good morning, Walmart. I'm your host, Blake Shelton. Gwen Stefani. Thank you. Sounds good. I thank you guys. What in the -- what is going on out here? I'm supposed to be -- am I supposed to put this on or what? I didn't want to look up, by the way, because you're wearing a dress. So that's keeping it all right here. Good to see you, okay. I'm going to go ahead and host the -- no, thank you, please. It's already awkward enough. I knew it was going to be like this. I know you're all going to be doing this. How's everybody doing this morning, by the way? This is incredible, man. I'm so excited to spend some time with you guys today. This is unbelievable. Thank you, guys for inviting me to be here, man. I've been hearing about this for a

long time. I actually heard and now I can see that it's true that there's more than 14,000 people here today from 28 different countries. That's incredible. It's incredible.

I actually -- I grew up just next door in Oklahoma. And I still live there today in a little town called Tishomingo. So I've been hearing about this -- yes. You've never heard of Tishomingo. I've been hearing about this famous Walmart Shareholders' Meeting for years now and it always seemed to me like you guys would do this. You'd get together as one big, happy Walmart family, have a great time, listen to some good music. It actually just reminds me of my Shelton family reunions, except they don't ever start at the crack of dawn. They usually end at the crack of dawn. But anyway, I can promise you guys that we're going to have a good time this morning, okay? So what do you say? Are you guys ready to get this thing going? Well so to kick things off, I want to bring up a sharp guy with a good sense of humor. He's in charge of carrying on the Walton family tradition. Good luck with that, right? Please help me welcome the Chairman of the Board of Walmart, Greg Penner.

### **Gregory Boyd Penner** {BIO 5585986 <GO>}

Thank you. Thank you. Good morning, Walmart. It's my honor as your Chairman to formally open our 47th Annual Shareholders' Meeting. Thank you, Blake, for that kind introduction. And I really do mean that. That was much better than that guy last year, James Corden.

At our Shareholders' Meeting, we conduct our share of business. But most of all, we like to have fun. That's how Sam Walton wanted it to be. Sam started doing shareholder meetings like this many years ago to drum up interest in our company. He wanted to show people why we're different and to celebrate with associates from our stores. This is a picture of Sam and Helen canoeing, not on one of the many family canoe trips. But as part of the shareholder meeting in 1981.

Sam succeeded beyond imagination with Walmart. And if he were here today, he would be the first to credit our associates with that success. He would simply want to say thank you. So to all who have been a part of this amazing story, especially our 2.3 million associates in 28 countries around the world, thank you. Thank you for making a difference every day.

At Walmart, we have a lot to celebrate right now. There's no question about that. Our company is moving in the right direction. We've demonstrated this with 11 consecutive quarters of positive comp sales growth in Walmart U.S. And we've also had strong performance at Sam's, international and, especially, in e-commerce. In fact, last quarter, we grew our e-commerce business by over 60%.

As encouraging as our results have been, there's nothing we love more than hearing good things from our customers. Recently, I was copied on a great customer e-mail about the progress we're making online. And I thought I'd share it with you today. The subject is now shopping on Walmart.com. "I'm so glad you nudged me to switch to Walmart.com. In the past, I tried Walmart.com but always went back to that other

website because it just seemed easier. Walmart.com is now so great. It works easily every time and it has all the items I need. The packages arriving at our door this week have all been from Walmart.com. It has improved so much."

Feedback like that is so encouraging, especially when it comes from someone who I know for a fact is a tough customer. You see, that e-mail was sent to my wife, Carrie. And it was sent by my mom. I'm not sure what to make of my mom shopping on that other website before. But I do appreciate her honesty and her enthusiasm. If mom says it's true, you know it is.

At Walmart, we have every reason to be encouraged right now. But that doesn't mean we can get comfortable, be satisfied or slow down. That's not an option for us. And it's really not an option for any retailer in this environment. Here's a recent headline that says it all, The Retail Apocalypse. And look at that chart. More than 3,500 store closures just in the early part of 2017.

Walmart is well positioned for the tectonic changes happening in retail. We invested \$2.7 billion to raise wages and improve our training programs. We purchased Jet.com, which was our largest e-commerce acquisition ever. And we've expanded our online marketplace by millions of items to 50 million in the past year alone. Those are big changes. And they're paying off for us. We've also made lots of smaller changes, many of them in the stores, that have improved the customer experience. But it's still not enough. We have to stay aggressive. We have to be nimble, move fast and take risks. Sometimes big risks. And our ears should perk up when we hear voices that say what we're trying to achieve can't be done. Throughout our history, we've proven the skeptics wrong, whether it was bringing discount retailing to small towns, developing state-of-the-art systems and logistics to lower our costs or offering food and general merchandise under one roof in our supercenters. This is who we are. And it made us great and it will drive our success in the future. Sam called it swimming upstream, the 10th out of his 10 rules for building a successful business. And it's the rule that resonates the most with me. I recently came across a video where he talked about it. And I want to play it for you now. (Video plays)

What a great message. And I think Sam's words ring as true today as they did then because now, more than ever, we need to swim upstream. And we need some of those mavericks. Is this the easy path or the comfortable path? No. It's going to be harder and it's more strenuous. But it'll make us stronger, leaner and better positioned to do the big things to once again deliver the future of retail.

Now swimming upstream doesn't just apply to our associates and leaders. It also applies to our board. We've made significant changes over the past couple of years to the board's structure and governance. We've deepened our expertise in technology. We've optimized the number of seats. And we've made several processes improvements to be nimbler. We also continue to have strong, independent voices. And 7 out of our 11 nominees are independent. Let me take a few moments to introduce our directors.

I'll first recognize 9 directors in addition to myself who are up for reelection. And I'd like to ask them to stand as I call their names and to keep standing. And please hold your applause until the end. Our lead independent Director and Chairman, Jim Cash, Chairman of the Nominating and Governance Committee, thank you; the Chair of our Audit Committee, retired KPMG Chairman, Tim Flynn; former American Airlines Chairman and CEO, Tom Horton; Yahoo! President and CEO, Marissa Mayer; Walmart President and CEO, Doug McMillon; the Chair of our Strategic Planning and Finance Committee, former PepsiCo Chairman and CEO, Steve Reinemund, who unfortunately couldn't be here today; the Chair of our Technology & e-Commerce Committee, Instagram CEO and Co-Founder, Kevin Systrom; Game Composites' CEO, Steuart Walton; and of course, my predecessor as chairman of the Board of Directors, Rob Walton. Thank you, all for your willingness to continue to serve.

Now I'm very excited to introduce one new independent member who has been nominated to join the board, Carla Harris. Carla, please stand up. Thank you. Carla is a Vice-Chairman at Morgan Stanley. She's actively involved in her community and has been a strong advocate for women in business. In 2013, she was appointed by President Obama to chair the National Women's Business Council. And the board will benefit from her deep financial expertise and role as a champion for women. Carla, the board and I are looking forward to working with you.

Stepping off the board and not standing for reelection are 2 directors who have made significant contributions to our company. They've both been strong advocates for the work we've done at Walmart with women's economic empowerment and diversity and inclusion programs. First, Pam Craig is the former CFO of Accenture and had an outstanding 34-year career with the firm. She's brought a global perspective and finance and technology expertise to our board. Pam's leaving us a little earlier than we would like. But we've enjoyed working with her and have benefited tremendously from her time with us. Thank you, Pam, for your service.

Linda Wolf is the retired Chairman and CEO of Leo Burnett, a global advertising agency. Linda's brand management and range of perspectives have benefited the company tremendously during her 12 years on the board. She's been deeply involved in reshaping our associate training programs and compensation structures as chair of the Compensation Committee. And Linda has also worked closely with our lead independent director and myself and others on many of the changes to the board over the last couple years. Linda, you should be proud of the difference you've made for our company. And you've become a dear friend to all of us. We're going to miss you. Thank you.

Our business is moving in the right direction. The changes we've made over the past couple years, big and small, are starting to pay off. But we still have a long way to go. So this is no time to be timid, to slow down or to listen to any voices of doubt. We stay aggressive, work nimbly, move fast, take risks and we swim upstream. Your Board of Directors has tremendous confidence in you, our associates. And in our leaders. And just as important, we're proud of you. So is our Walton family. We thank you for everything you do. Now let's set out to do what we've done before and I

believe, on our way to doing yet again, delivering the future of retail. Have a great meeting.

## Unidentified Speaker

Ladies and gentlemen, please welcome back, Blake Shelton.

## Blake Shelton {BIO 4216433 <GO>}

Man, I can't wait to introduce our next guest. But before I do, I think there's something that we all need to see from last year. So let's take a look. God, James really has a way to making people feel special, doesn't he? I got a text from Doug earlier this week that just said, "Good luck topping that." And as you guys probably know, I'm a competitive guy. And I think I've got just the thing. Let's do it. Ladies and gentlemen, this is the moment you've all been waiting for. I was hoping for a bigger reaction. Our next guest goes by many names, the tower of financial power, the minister of mathematics, the pharaoh of finance, the king of comps, please help me welcome Walmart's Chief Financial Officer, Brett Biggs.

## Brett M. Biggs {BIO 17414705 <GO>}

Okay, yes. Good morning. I have this silly dream that one year I'm going to come up here and there's nothing strange going on when I come out here. That it's just normal. I can like do my speech and we can just move on. Maybe next year, from the ceiling, I don't know. I hate to -- I don't get offended [ph] by any of your ideas. How cool is this week? It is so much fun to have you here. And it's so much fun to have you here to celebrate our company. We have built together an incredible business. And it's a business that's positioned to win today and a business that's positioned to win in the future.

Now as he said, I'm the finance guy. So we're going to get to some numbers in a minute. But before I do that, I want to tell you just a quick story. So when I was a kid, I loved to play sports. Yes. That's me #24 striking fear in the hearts of opponents. I was and I still am really competitive. And when I was in eighth grade, I remember asking my dad whether I should focus more on grades or whether I should focus more on sports. Don't laugh. I was okay at sports. And he gave me that dad look. You know that look. And he said, "Yes. You'll do both." Now my dad knew the value of being balanced and how important that was to being successful, probably also figured the NBA wasn't calling on #24 anytime soon. But that story and the importance about both is what came to mind as I was thinking about, this morning, what to say and what to talk to you about this morning.

Less than a year ago, we talked to our investors about a new financial framework. And it consists of 3 key elements of how we measure our success: strong efficient growth, operating discipline, strategic capital allocation. But if you think about it, it really comes down to just 2 main things that we need to do as a company to be successful: grow comp sales in our existing stores, in your stores and in e-commerce. I saw that group in the back. And we need to spend our money more wisely. So it's about doing both every day.

So David Glass is here this morning. I got a chance to see Mr. Glass earlier today. Mr. Glass was our CEO after Sam Walton, for some of you who were newer to the company. And he once said there are 2 ways to increase profit: cut expenses and increase sales. Pretty simple. But I like that next part. But we must do both well to succeed. So let's talk about how we're doing.

In growing sales, this company, your company, is unbelievable. Last year, sales were up over \$13 billion in constant currency with total revenue of \$486 billion. And all of you played a part in that. It's unbelievable. Is anyone here from Walmart U.S.? I thought I heard you earlier. Walmart U.S. has reported 11 straight quarters of positive comp sales and 10 straight quarters of comp traffic in our stores. Great results. So get ready. How about Sam's Club? We -- I get an extra minute every year for that. Well I have to go on now at some point. But you guys are awesome. Sam's Club has had positive comps for 5 straight quarters. And when we think about technology, you guys are leading the way in using technology to take care of our members. Thank you.

I think I heard some folks from Walmart International. So 10 of our 11 markets posted positive comp sales last year. And 7 of those markets grew comp sales by more than 4%. That's what we like. International, thank you.

So I think Marc Lore called them this small but fierce group in the back. How about U.S. e-commerce? Wow. That may be a small group. But this has been a huge year. Last year -- or last quarter, U.S. e-commerce reported 63% sales growth. Unbelievable. That's a great job. So as we've grown sales, we've made important investments. We've made investments in people, in you, in technology. And in other key areas of the business. And it was the right thing to do. But as we've grown over the years, we haven't been as disciplined as we should have been in managing our expenses. And to get better, we always have to be honest with ourselves, right?

So we usually like seeing charts go up and to the right. But not this one, not expenses. And I know that we can grow sales and we can be better with how we spend our money. And I know it because we're starting to see results. We're starting to see expenses growing slower than sales in many parts of our business. And as you can see, we plan to doing better going forward.

But to continue on this journey, it's going to require new technology. Greg said it, new processes. And most of all, a committed team of associates like you. A few weeks ago, I had the chance to see one of these great teams in action. I visited store 4601 in Las Cruces, New Mexico. Got a few from New Mexico here. Last year, sales in that store were up about 5%, over \$100 million in sales. And profit was up even more than sales. And at the same time, inventory was down. Unbelievable results. Let's take a look. (Video plays)

We have John with us here this morning. John was put -- I got to spend some time with John. That is a guy who knows his business, he knows his numbers, he knows his customers. And I just about didn't get out the store without cheese balls. He was

pushing those hard. John, you are awesome. You're what we need as an associate. Thank you.

So guess what would happen if we did what John and David and Carol and the team were doing everywhere around the world. We would run a better business with better customer service, bigger bonuses for associates and happier shareholders. So I usually like straight lines. I like this squiggly line. Do you have any idea what that is? Yes. That's our stock price since the beginning of last year. We've gone from a little over \$60 a share to almost \$80 yesterday. It's all you. Our customers and our investors are starting to see that we can do both. I'd like to see that line keep going up. How about you? So how do we keep doing both? It's what you do every day. We're going to grow sales. We're going to be item merchants. We're going to know our numbers like John does. We're going to be in-stock. We're going to delight customers. And when it comes to expenses, we can make a difference. I know we can by finding ways to do more with less, to eliminate waste, to be more careful with supplies. And every dollar counts.

If we were able to be 1% better in expenses, just 1%, that would be over \$1 billion every year for the company. We can pass those savings on to customers. We can invest in technology, we can invest in e-commerce and we can invest in you. So each one of these dollars that you get in your stores, dollars, pesos, rand, reals, yen, yuan, rupees, every one of these that a customer gives us in sales is earned every day. They trust us. But more than ever, they have choices. So we need to be disciplined about how we spend the money that they give us. So can you help us do both? Can you help us grow sales and be better in how we spend our money? I'm going to ask you to say it with me. Let's make a commitment. How about that? Can you say it with me? We will do both. I was almost convinced. Let's go one more time. We will do both. You're awesome, okay.

So Walmart is one of the strongest companies to ever exist on this planet. We have all the resources we could ask for. And now it's up to us. It's up to us to continue the success now and into the future. For me. And I bet you feel the same, there aren't many things in life that are more fun than winning. It feels good, doesn't it? And if we can do both, if we can grow sales and spend our money wisely, we will win. Let's go do it. Thank you.

## **Unidentified Speaker**

Hello, everyone. I'm Johnny Britt [ph], a tech from logistics at DC 6740, Hope Mills, North Carolina. And I'm proud to introduce our first musical guest. They've hit the top of the Billboard charts. And they're here to help us celebrate today. Please help me welcome, The Perry Band (sic) The Band Perry [ph]. (Video plays)

## **Melody Metz**

Good morning, Walmart. I'm Melody Metz from Littleton, Colorado. And I was recently inspired to get out of my comfort zone and apply for a new job at the company. And I'm happy to say that it paid off. I am now the co-manager at supercenter 5049. And I'm excited to continue my career with Walmart. So please



help me welcome 2 of our leaders, Executive Vice President, Global People Division, Jacqui Canney; and President and CEO of Walmart U.S., Greg Foran.

**Gregory S. Foran** {BIO 4687375 <GO>}

Hi. Melody. Good morning. How's everyone going? I want to say a very special hello to Walmart U.S. and tell you I'm just so proud of you.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

Is everyone having a great time?

**Gregory S. Foran** {BIO 4687375 <GO>}

Jacqui, technology is driving an enormous change in retail. And the competition is really fierce. But you know, we have an advantage that no one else has. And that's all of you, our amazing associates. When we create opportunity and empower you to succeed, we delight our customers. And when we do that, nothing can stop us.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

That is right, Greg. And it all starts with 3 things: First, it starts with hiring the best. Just look around this room. You are the best. Second, we provide training and experiences so you all can be your best; and third, when it comes to career paths, no one has more than us. Walmart is the best.

Let's look at some ways we're going to bring this to life and introduce you to some of your fellow associates that are doing great things

**Gregory S. Foran** {BIO 4687375 <GO>}

And let's start with training, Jacqui. Academies, they are our dedicated training facilities. And they combine classroom learning with hands-on shop floor experience. And you use things like virtual reality, we are able to create an immersive training learning experience that allows us to participate in all kinds of scenarios. So let's take a look. (Video plays)

**Jacqueline P. Canney** {BIO 20123659 <GO>}

So far, we've rolled out more than 100 academies here in the U.S. And we're going to get to 200 before the year is out. And that means we will have trained more than 225,000 associates.

**Gregory S. Foran** {BIO 4687375 <GO>}

It's an astounding number. Academies aren't just training you for the opportunities of today. They're setting you up to succeed tomorrow.

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**Jacqueline P. Canney** {BIO 20123659 <GO>}

And Greg, tomorrow is already here. Just think, two years ago, we didn't have personal shoppers. And now we have nearly 14,000. And two years ago, we didn't have self-checkouts. And now we have self-checkout hosts and now we have roughly 13,000. And we are going to continue to create jobs like these. And we are going to continue to provide you with the training and opportunities to build your career because it is truly all of you who keep us competitive in this very fast-moving world.

**Gregory S. Foran** {BIO 4687375 <GO>}

One of the people building a great carrier here at Walmart is Robyn Emel [ph]. She's a Director of Retail Technology in Western Virginia.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

And Greg, Robyn's [ph] story is amazing. It shows what happens when you encourage a young person's interest in technology and certainly that of a young woman in a field where we need more women. (Video plays)

**Gregory S. Foran** {BIO 4687375 <GO>}

Jacqui, I just love that story. It is so inspirational. And Robyn [ph] is here with us this morning. So Robyn , can you please stand? We appreciate you, Robyn .

**Jacqueline P. Canney** {BIO 20123659 <GO>}

We need leaders in technology. And we need more women like Robyn [ph].

**Gregory S. Foran** {BIO 4687375 <GO>}

Jacqui, as we said in the beginning, our goal at Walmart and Sam's Club is to delight our customers. And the best way to do that is by empowering our associates. Penny Peng is a great example of what I'm talking about. She's a buyer for private brands at Sam's Club China. And she has what my friend, Steve Bratspies, would call the merchant mentality.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

Penny's love of Walmart and her passion for unique items started when she was just a young girl in China. Her journey eventually led her to the International Academy here in Bentonville. Let's take a look. (Video plays)

**Gregory S. Foran** {BIO 4687375 <GO>}

Penny found her passion. And she pursued it. Now she's back in her country and she's finding great items that delight our customers. Our job is to continue to

empower her and give her even greater opportunity.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

And Robyn [ph] and Penny are like so many of you. You are committed to your work. And you are passionate about our customers.

**Gregory S. Foran** {BIO 4687375 <GO>}

And when you take that passion and commitment and you combine it with empowerment and opportunity, something special happens. We win together. We delight customers. And we help them save money so they can live better.

**Jacqueline P. Canney** {BIO 20123659 <GO>}

We're fortunate to have you. And more importantly, our customers are fortunate to have you because they deserve the best and you are the very best. Thank you.

**Emile Brown**

Hi, everyone. I'm Emile Brown, a process controller at Makro in Cape Town, South Africa. And I'm so happy to be here in Arkansas, where it all started.

**Mariane Zanatta Moraes**

And it's so exciting to be here with so many associates from across the world just like me. My name is Mariane Moraes. And I'm from São Paulo, Brazil, where I'm a commercial junior analyst.

**Emile Brown**

We are pleased to introduce our next speaker.

**Mariane Zanatta Moraes**

Executive Vice President of Global Governance and Corporate Secretary, Jeff Gearhart.

**Jeffrey J. Gearhart** {BIO 16355444 <GO>}

Thank you, Emile and Mariane. Good morning, everybody. So Emile and Mariane are 2 of our 13 Integrity in Action Award winners. You saw them on stage earlier during the opening ceremony carrying the flags and representing their countries. Let's just take a minute to recognize all of our Integrity in Action Award winners and their inspiring acts of integrity. There they are right there. Thank you, all. Congratulations.

So now it's time to get down to the official business of the meeting. The Inspectors of Election today are from Broadridge Financial Solutions, Inc. Based on their report, we have a quorum and may proceed with the business portion of the meeting.

The polls are now open. And they will remain open until approximately 10:50 a.m. Only shareholders who held their shares before close of business on April 7, 2017, or their proxy holders, are entitled to vote shares. If you have not voted or wish to change your vote, raise your hand and the ushers will pass you a ballot.

There are 8 matters to be brought before the meeting today. Each will be taken up in the order in which they appear in the agenda. Only these 8 items, if properly presented, will be considered and voted on today. As a reminder, no one may address the meeting unless recognized by our Chairman, Greg Penner, or by me as Corporate Secretary.

The first item of business is the election of 11 directors. Greg introduced them all to you this morning. And additional information regarding our directors and director nominees is contained in our proxy statement.

The second company proposal is an advisory vote to determine how often we conduct advisory say-on-pay votes. Our shareholders last voted on the frequency of say-on-pay votes in 2011 and has been an annual agenda item for our Shareholder Meetings ever since. The board continues to believe that holding an annual advisory vote on say-on-pay is the most appropriate option for our company and for our shareholders. The vote on this proposal is advisory, which means that the voting results will not be binding.

The third company proposal is an advisory vote to approve the compensation of Walmart's named executive officers. Our executive compensation program is designed with an emphasis on performance and is intended to closely align the interests of our senior executives with the interests of our shareholders. The vote on this proposal is also advisory. However, our board and our Compensation and Management Development Committee will consider the results in its regular evaluations of our executive compensation program.

The fourth company proposal relates to the ratification of the appointment of Ernst & Young LLP as the company's independent accountants. Ernst & Young has held this position since 1970.

So now we'll move on to the remaining items. First, the 3 shareholder proposals that appeared in the company's proxy materials. The company's responses to each of these shareholder proposals are detailed in our proxy statement. Now out of respect for everyone in attendance, we ask that each presenter please stick to your 3 minutes of allotted time and refrain from speaking on topics unrelated to your proposal.

The first shareholder proposal requests that Walmart adopt a policy that the chairman be independent. Amy Ritter, representing the International Brotherhood of

Teamsters General Fund, will present this proposal. Ms. Ritter?

**Amy Ritter** {BIO 21289474 <GO>}

Thank you. So much. Good morning. My name is Amy Ritter. And I am with Making Change at Walmart. And I urge you to support proposal #5, which asks the board to appoint a chairman who is completely independent of the company.

Walmart needs an independent chairman to make sure it has the best possible oversight and that the board acts in the best interests of all shareholders and American workers and not just the privileged few. Walmart has 1.5 million employees in the United States and a total of 2.3 million in the entire world. These are amazing, hard working women and men. And they are the main reason Walmart makes billions of dollars in profit every year. They are the reason that top executives get millions of dollars in salary and stock and why the Walton family today is worth more than \$130 billion.

Make no mistake, these hard-working workers have earned and deserve a better life. So why should they have to work nearly 1,000 years to earn what CEO Doug McMillon makes in just 1, some \$22.5 million? Walmart talks about its average hourly wage for full-time U.S. workers being \$13.75 an hour. But how many of your 1.5 million workers in the U.S. actually make that? Can you please tell us? Because no one seems to answer that simple question. From the countless Walmart workers who have called us, e-mailed us and reached out to us, we now know that they don't make your average wage. So the question that Walmart board and management should answer to is this. How can any Walmart worker build a better life when they've been with your company for five years or more and still only make \$9 or \$10 an hour? Could any of your leadership here survive on \$9 an hour? Why are tens of thousands of Walmart workers forced to apply for food stamps or other government assistance paid by taxpayers when Walmart could easily afford to pay a real living wage?

Every day, we hear the stories of Walmart workers brave enough to speak out. We hear about women and men fired unfairly, the pay they have yet to receive, the raises they are denied and some of the struggles that they endure. They're told to be afraid of us, of the UFCW Union, even though all we've done is advocate for higher wages, improved benefits and a better life for all Walmart workers.

**Unidentified Participant**

Please (inaudible).

**Amy Ritter** {BIO 21289474 <GO>}

So today, I'm here to ask you, your executive leadership and board one simple thing. Will you sit down with us to discuss these shareholder resolutions and the changes that you can make today that would change the lives of your employees forever?

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**Jeffrey J. Gearhart** {BIO 16355444 <GO>}

All right. Let's show our respect. Let's be respectful. Sorry, Ms. Ritter. Sorry, Ms. Ritter. Let's be respectful and let her finish.

**Amy Ritter** {BIO 21289474 <GO>}

So we hope that you will seize this opportunity to meet with us and make real change for your workers. We encourage every Walmart employee, no matter where you're from, your race, gender, ethnicity or whom you love, to stand up and speak out. We can start this process by supporting proposal #5, which will make the Walmart board more independent and more accountable. So I want to thank all of you. God bless you all and all of Walmart's workers. Thank you.

**Jeffrey J. Gearhart** {BIO 16355444 <GO>}

Thank you, Ms. Ritter. The second shareholder proposal requests that the board provide proxy access for shareholder nominees for election to the board. No one is here today to present this proposal. So we're going to move on to our third shareholder proposal.

This proposal requests that management nominate at least one candidate for the election to the board who is an independent director with environmental expertise. Carolyn Davis, representing Organization United for Respect, will present this proposal. Good morning, Ms. Davis.

**Carolyn Davis** {BIO 20300950 <GO>}

Good morning. Mr. Chairman, on behalf of the Organization United for Respect, I am speaking in favor of resolution #7, which reads as follows: Be resolved, shareholders request that management nominate at least one candidate for election to the board at the next Annual Meeting of Shareholders who has a high-level of expertise and experience in environmental matters relevant to global supply chains, transportation or energy efficiency and is widely recognized in the business and environmental communities as an authority in such fields as reasonably determined by the company's board or the Compensation, Nominating and Governance Committee and will qualify subject to exceptions and extraordinary circumstances clearly detailed by the board as an independent director under the definition Walmart uses to classify its directors, provided, however, that no director shall be considered independent if he or she has had a financial relationship with an organization that has received in any year in the previous three years more than \$100,000 from Walmart's majority shareholders, a member of the Walton family or the Walton Family Foundation. The nomination should be made in a manner that does not affect the unexpired term of any director.

My name is Carolyn Davis from store 1300. And I am a Walmart associate from the Outer Banks of North Carolina, where I proudly serve our customers. Our CEO, Doug

McMillon, has made it clear that retailers like Walmart will only survive if their business creates shared value that benefits shareholders and society.

As part of this commitment, he made bold promises to become one of the most environmentally sustainable retailers and to invest in us, the associates. Climate change is directly threatening our communities. And despite everything we hear today, the facts remain. Walmart's greenhouse gas emissions that directly cause climate change are not decreasing. They are increasing. And Walmart's use of renewable energy that is going up is going down. And as far as investing in associates, the unfair leave policies, reduced hours and low pay make it difficult for most of us to pay our bills and to take care of our families.

Walmart can and should live up to the promises it makes. Investing in associates means letting us take care of our children when they are sick and accepting our doctor notes. Investing in associates means that new parents at Walmart are allowed time to bond with our children. Walmart's female executives receive 10 weeks of paid family leave. Let's do the same for hourly associates, women and men. Investing in associates means ending the open availability requirement and giving associates set schedules so we can plan our lives and be there for our families. And for our planet, it means having an independent environmental expert on the board to hold us accountable to our promises. Thank you. So much.

**Jeffrey J. Gearhart** {BIO 16355444 <GO>}

Thank you, Ms. Davis. Thank you, Ms. Davis. We appreciate your viewpoint and your service as an associate. Lastly, as noted under the other matters section of our proxy statement, Janie Grice will present a proposal concerning annual reporting of certain additional demographic information about our full and part-time associates in Walmart U.S. Thank you, Ms. Grice.

**Janie Grice**

Good morning.

**Jeffrey J. Gearhart** {BIO 16355444 <GO>}

Good morning.

**Janie Grice**

Mr. Chairman, I offer the following resolution: Resolved, shareholders request that Walmart Stores, Inc. report annually to shareholders on the percentages of full-time hourly associates at Walmart U.S. broken down by racial and ethnic groups and the percentages of part-time hourly associates at Walmart U.S. similarly broken down by racial and ethnic groups during the previous fiscal year. In preparing this report, we believe that the company should use the racial and ethnic categories used in the company's culture, diversity and inclusion report.

My name is Janie Grice and I'm a 3-year associate from Marion, South Carolina. I work out of store 1829. I love working at Walmart and serving our customers. And my coworkers, all of you are my family. When I started working at Walmart, I made just over \$7 an hour. Thanks to associates speaking out for fair pay, we received a raise. Today, I make over \$10 an hour. I appreciate that Walmart took this important step. But too many of us are still part-time. Too many of us have schedules and hours that change so frequently we can't plan our lives or line up a second job. Too many of us still can't pay our bills. The good news is solutions are easily within our reach.

At my store, for example, experienced associates like me are eager to work full-time hours. But instead of increasing our hours, management hires more part-time associates. Working full-time hours would help us deliver the quality service that our customers deserve. Because full-time work at Walmart often means a set schedule and better pay, it would also help bring economic stability to associates and our families. Sam Walton said, "If you want the people in the stores to take care of the customers, you have to make sure you're taking care of the people in the stores." That's the most important single ingredient of Walmart's success. That's why I filed this resolution. I know that Walmart can do better.

As you know, at Walmart today, the makeup of our management and executives doesn't reflect the diversity of our frontline workforce. Walmart did the right thing by releasing that data and committing to diversity and inclusion in how we recruit, hire, develop and promote associates. Disclosing the makeup of full-time and part-time associates would help us stay true to that commitment. Recently, Walmart declared that we've entered a new era of trust and transparency. So I'm asking our CEO, Doug McMillon. And the Walton clan to embrace fairness. Please tell us the average wage for women versus men at Walmart. Tell us if women are concentrated in part-time jobs. And please adopt this proposal. Tell us if people of color are concentrated in part-time positions that typically pay less. If there is a problem, we can fix it together. Thank you.

**Jeffrey J. Gearhart** {BIO 16355444 <GO>}

Thank you, Ms. Grice. Thank you, Ms. Grice. And I also want to thank you for your service as an associate. And I want thank each of our shareholder proponents. Today, we have heard different perspectives from our proponents. And at Walmart, we really think it's important to show respect to everyone even if we don't necessarily agree with everything that's said. There are many of us here that are truly proud to be a part of the company and proud of the great things we've done.

There are a couple of points I do want to provide some clarification on. First, with respect to our associates. The \$2.7 billion investment that Greg mentioned earlier in training, education and wages, that really happened. That's real. We're also investing, as you heard, in technology to make our associates' jobs easier and to help them serve our customers better. Last year alone, 150,000 part-time hourly associates were converted to full-time associates. And over 200,000 associates were promoted to positions of greater pay or responsibility.



Now women represented 57% of our hourly associates who were promoted. And people of color represented 45% of our hourly associates who were promoted. We're proud of the number of women and people of color in our stores and clubs and believe that we are an industry leader. Again, though, we appreciate your perspectives. We appreciate hearing from you. And to all our shareholder proponents, thank you for being here today.

So one more thing I get to do. And that is have the pleasure of introducing our next special guest performer. Yes. They're letting me do it again. So he is a Grammy award-winning singer, a songwriter, a dancer and an actor, who will soon be featured -- a featured judge on the new reality series, World of Dance. Please help me welcome, Ne-Yo. (Video plays)

### **Unidentified Participant**

Good morning, Walmart. Hello, everyone. I'm Sabuj Har [ph], Co-store Manager, Online Grocery in Ottawa, Canada. It is my great pleasure to introduce the Chief Operating Officer of Sam's Club, Gisel Ruiz; and President and CEO of Walmart International, David Cheesewright.

### **Gisel Ruiz** {BIO 15323604 <GO>}

(inaudible)

### **David Cheesewright** {BIO 7334339 <GO>}

That's great. Okay. So first of all, I'd just like to thank Sabuj [ph] for the introduction. And actually, Sabuj is the very first Online Grocery Assistant Store Manager in Canada. So let's give him a big round of applause.

### **Gisel Ruiz** {BIO 15323604 <GO>}

Thank you, Sabuj [ph]. Thank you.

### **David Cheesewright** {BIO 7334339 <GO>}

Hi. Gisel. I mean, you and I had the chance to work together. I know one of the things you've always been really passionate about is teamwork.

### **Gisel Ruiz** {BIO 15323604 <GO>}

Yes.

### **David Cheesewright** {BIO 7334339 <GO>}

And I figure that you and I work for the 2 noisiest divisions in Walmart.

**Gisel Ruiz** {BIO 15323604 <GO>}

Yes. We do.

**David Cheesewright** {BIO 7334339 <GO>}

So I thought we might start by demonstrating a bit of teamwork and asking those 2 divisions to raise the roof. So Sam's Club and Walmart International?

Wow. Wow. That's great. Nice job. Good job. Okay.

**Gisel Ruiz** {BIO 15323604 <GO>}

Hi. David. Sorry...

**David Cheesewright** {BIO 7334339 <GO>}

Maybe that wasn't such a good idea, though.

**Gisel Ruiz** {BIO 15323604 <GO>}

No. I thought it was actually a great idea, especially since Sam's Club was going to win that contest.

**David Cheesewright** {BIO 7334339 <GO>}

Okay. Okay. Hi. listen. In all seriousness, it's been a lot of fun over the last few years, the rivalry between Sam's and International.

Okay. Right. Well it was -- you know what? It was great to have Sabuj [ph] introduce us earlier. And we were chatting before. And he told me that he takes great pride in picking only the freshest produce and the best cuts of meats for his customers, just like he's shopping for his own family.

**Gisel Ruiz** {BIO 15323604 <GO>}

Yes. That's right. That's the power of Walmart, Dave. That's 2.3 million dedicated associates like Sabuj [ph], building customers' trust and making every day easier for busy families.

**David Cheesewright** {BIO 7334339 <GO>}

Now each week, we serve more than 260 million customers and members across 28 different countries. From stores and clubs to websites and apps, we've always been committed to helping them save money. But today's world is complex and life can be hectic. So in addition to saving money, customers also want to save time. Parents especially need shopping to be simple, easy and enjoyable.

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**Gisel Ruiz** {BIO 15323604 <GO>}

That's right. And by bringing together our fantastic e-commerce capabilities with our great stores (inaudible), customers can shop in a lot of different ways. And that, Dave, is what makes Walmart unique.

**David Cheesewright** {BIO 7334339 <GO>}

So whether they want to visit their local store, shop from a mobile device at their kid's soccer game or even get a healthy meal on-the-go, we have innovative solutions for every occasion. A great example of this is the expansion of Online Grocery to Pick up in the U.S. Yes. It's a huge timesaver for anyone with a busy schedule, especially a mum with small kids. She can order online, choose the pickup time and location and an associate will load everything into her car. And the best part? She never had to unbuckle a car seat. So let's meet Jackie, who just tried it for the first time. (Video plays)

**Gisel Ruiz** {BIO 15323604 <GO>}

I love that video. Isn't that great? And there's more to the story. You see, Jackie's other daughter was in the very back of the car. And you couldn't quite see here. She has cerebral palsy and autism. So she's easily upset by sounds and crowds. And it's because of this that Jackie told us that she's extra thankful to be able to shop this way.

**David Cheesewright** {BIO 7334339 <GO>}

You know what? The ability to make a difference in the lives of others is what makes Walmart so special. And that was a great example, Gisel.

**Gisel Ruiz** {BIO 15323604 <GO>}

Yes, I agree. Absolutely. And soon, busy moms will be able to get their items even faster with our free automated pickup. So you just drive up to the machine in the parking lot, you enter a code and it appears in, get this, Dave, 60 seconds. 60 seconds. After testing, it'll be available 24 hours a day, seven days a week. Imagine that. And we'll be the only retailer in the world to have this set up.

**David Cheesewright** {BIO 7334339 <GO>}

And you know what? The great thing is we've hired dedicated associates to fill the unit. So it's another terrific example of how technology incorporated into the business can create jobs.

Now in International, we've been doing Online Grocery a long time. 19 years in the U.K. and 16 years in Japan. In fact, 8 of our 11 markets offer pickup and delivery options. And one of our most recent innovations is Express delivery. Some

customers in Mexico and Canada can now have fresh produce, even frozen items, brought right to their door in just 1 hour.

In China, our delivery partner, Dada, has, get this, over 3 million drivers. Let's take a look. (Video plays)

Isn't that great? Did you see the clock in the corner? Store-to-door in less than an hour. You know what else I love about this, Gisel? By making shopping fast and easy, we're helping parents enjoy more quality time with their kids.

**Gisel Ruiz** {BIO 15323604 <GO>}

Yes. We are for sure. And with our Walmart app, mobile devices are quickly becoming their control center for shopping. So they're using it to shop the more than 50 million SKUs on walmart.com. They also love it to check inventory in their stores or to locate items as they shop. And with our new pharmacy features, customers everywhere will soon be able to use our Express lanes to save even more time in line.

**David Cheesewright** {BIO 7334339 <GO>}

That's great, Gisel. But you know what? We're also innovating to make paying even easier. Walmart Pay is quick and simple. There's no need to have a handy wallet. Simply scan the QR code at a checkout and never have to worry about where to put the change or losing a receipt.

**Gisel Ruiz** {BIO 15323604 <GO>}

Yes. And there's one more app in a very special place that our members absolutely love at Sam's Club. It happens to be -- yes, you're right. It happens to be my favorite app. And that's Scan & Go.

Our associates are excited about it. But also, our members are really excited about it. Check out this feedback. They're absolutely delighted. And associates are always telling me about how it's transformed the shopping experience from an errand to something that our members actually love doing.

And as a busy mom myself, I can completely appreciate that what we're working on together is not just about technology that makes life easier, Dave. You see, my challenge is always around dinner time and making sure that it's fast and healthy. And that's why I'm also a big fan of our take-and-bake meals.

Now let's take a look at how we're helping Shannon, one of our business members, solved her biggest challenges. (Video plays)

I love how Shannon is so happy about this. It's kind of inspiring, right? See, we're meeting Shannon's needs as a mom and as a business member. So we're giving her

entire family that wow experience.

**David Cheesewright** {BIO 7334339 <GO>}

Without a doubt, Gisel. Walmart's had a rich legacy of delighting customers all over the world for more than 50 years. The wonderful thing is that what we've talked about today is just a fraction of what we're doing. And I'm so excited about how much more we can do for customers.

But for all the new ways we find to serve customers, one thing remains consistent. And that's all of you. You get to touch lives. You get to make a difference. And together, we'll never stop trying to make every day easier for busy families.

**Gisel Ruiz** {BIO 15323604 <GO>}

So to all of our associates that are here today, I want you to remember this. Remember that every time you smile, every time you fill an order or every time you help a customer find the item that they need, you are helping make life easier for their families, too.

Thanks for all you do.

**David Cheesewright** {BIO 7334339 <GO>}

Thank you.

**Blake Shelton** {BIO 4216433 <GO>}

Hi. how you doing? How's it going? How are you doing? Come up here. Come here. Come here 1 second. Hi there. My name is Blake. What's your name?

**Unidentified Participant**

Jenny.

**Blake Shelton** {BIO 4216433 <GO>}

Jenny? Jenny what?

**Unidentified Participant**

Jenny Heintalf [ph].

**Blake Shelton** {BIO 4216433 <GO>}

Where are you from?

## Unidentified Participant

England?

**Blake Shelton** {BIO 4216433 <GO>}

England? Oh my gosh. We may not be able to communicate very well between my accent and your accent. Are you having a good time this week?

## Unidentified Participant

Had a great time.

**Blake Shelton** {BIO 4216433 <GO>}

Good. Good. I want you to know that I have spent a lot of time preparing for the meeting this week. And as I was doing some research, I came across some long-lost photos of some of the people that you'll be seeing up here on the stage today. And so I thought it would be fun if we could put some of those photos up on the big screen and you could help us guess who's who. How about that? Is that cool?

## Unidentified Participant

I'm not sure.

**Blake Shelton** {BIO 4216433 <GO>}

Okay. Okay. So here's -- you're supposed to say yes. Okay.

## Unidentified Participant

Yes, (inaudible)

**Blake Shelton** {BIO 4216433 <GO>}

All right. So here's how it's going to work. We're going to put it up there and you're going to help us guess who it is. You guys ready? All right. Put it up there. Let's see if we can guess who this is. Do you have any idea who that is?

## Unidentified Participant

I have no clue. Dave Cheesewright.

**Blake Shelton** {BIO 4216433 <GO>}

Did you say Dave Cheesewright?

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**Gisel Ruiz** {BIO 15323604 <GO>}

It's not Dave Cheesewright...

**Blake Shelton** {BIO 4216433 <GO>}

No. It's not David Cheesewright. So who is it? Nobody? Yes? Look at him. Oh my God. That is pathetic. Oh, goodness gracious. Well let's go ahead.

Yes?

**Unidentified Participant**

We're not doing this in the show.

**Blake Shelton** {BIO 4216433 <GO>}

I'm fired? Well well -- okay. So I just found out we're not going to be doing the Walmart guess who this year. So you can go ahead and sit down. Sorry guys. I tell you, I know you guys would've nailed it, though, because you all doing so good.

Anyway, let's go ahead and introduce our next guest -- oh my God. That was my phone. That's embarrassing. I thought I had the sound turned. I'm getting a tweet. I just got a tweet there that's -- oh my God. Are you kidding? Take it down. Gwen? Gwen, take it -- she has got to be the worst co-host of all time. She's only been out here one second. You all please do me a favor and don't retweet that. That sucks.

Anyway, now to introduce his family, please welcome back Greg Penner. Take it down.

**Gregory Boyd Penner** {BIO 5585986 <GO>}

Good meeting so far? Great. I want to take a couple of minutes and just introduce some members of our Walton family who are here today. And first of all, my oldest son, Kevin. Stand up, Kevin. Father-in-law, Rob Walton; and his wife, Melanie. Rob's son, Ben; his wife, Luciana; and their girls, Alice, who we'll get up here in just a minute. We've got Jim; his wife, Lynne; and their son, Stewart; also, their oldest daughter, Annie; and her husband, Joey. Annie's younger brother, Tom; and his wife, Olivia. And their youngest son, James; and his fiancée, Dominique. And another member of our third generation, Lukas Walton. Uncle Frank Robson, great to have you here as always; and his son, Mark. And finally, Ann Kroenke; and her daughter, Whitney. Thank you, all for being here today.

Our family is really as passionate as ever about this company, its leaders and our incredible associates from around the world. And we know that the business Sam built continues to be in capable and caring hands.

Now we've got a special video with Rob, Jim and Alice about the origins and meaning of the Sam Walton Entrepreneur of The Year Award, which will be presented next. (Video plays)

Today, we recognize another great Walmart associate. And actually a great team, with the Sam M. Walton Entrepreneur Award.

Walmart Pay has helped create the kind of fast, easy, seamless shopping experience that our customers want. Since its launch, more than 7.3 million Walmart Pay transactions have taken place, about 3,000 new customers try it every day and 90% of them will use the service again.

This recognition isn't just about what Walmart Pay has achieved, it's also about how it was created. It went from concept to launch in only 18 months and it involved a 180-person team from across multiple departments. Walmart Pay stands out as a great innovation for our company and a great example of how our company can innovate.

Accepting the Sam M. Walton Entrepreneur Award on behalf of the Walmart Customer Technology team is Senior Vice President, Daniel Eckert. Come on up. Congratulations. Yes. Had a surprise for the family.

All right, Daniel, let's get a picture here. Line up and we'll get a picture. Okay, Rob and Alice, come in here.

Great. All right. Thank you. Yes, congratulations. Greg Penner. Nice to meet you. Thank you. All right. Thank you. Why don't we go down this way here?

## **Unidentified Speaker**

Hello, Walmart. My name is Tyrone Young [ph]. And I'm an overnight frozen dairy associate from Neighborhood Market 4413 in Lexington, Kentucky.

Our next special guest never gave up on making her dreams come true. And she's now a hit Top 40 artist. Please help me welcome to our stage, Rachel Platten. (Video plays)

## **Rachel Platten**

Thank you, guys. How are you all doing? You are so beautiful and sparkly. My name is Rachel Platten. It is so. So nice to be here. Thank you. So much for having me. I'm very honored to be on this stage. I hope you guys have been having an amazing weekend so far.

So this next song, I usually introduce it and ask people if there's anything that they've been struggling with or going after that someone else has told him is impossible. If they want this right now to be their sign that, that it's not true, that you can do absolutely anything that you put your heart to. I wrote this after 12 years of trying to



break through in the music industry. And I needed a reminder not to give up on myself. And this song was it. I wrote this song. And it changed my life. So I want it to be that for you tonight if you want that today, this morning.

Will you guys stand on your feet for me? If it's not too early? Shall we sing this together with everything we have? This is called Fight Song. (Video plays)

## **Unidentified Participant**

I'm Greg Benham [ph], Produce Supervisor from Sam's Club 6605, Gilbert, Arizona. I'm excited to introduce the Chief Sustainable Officer and Foundation President, Kathleen McLaughlin; and President of Sam's Club, John Furner.

## **Kathleen McLaughlin** {BIO 18336643 <GO>}

Howdy, Greg, nice to meet you. Thanks for being here. I'm from Arizona, too. I'm from Tucson. Hello, Walmart. I'm so -- I am honored to talk to you today here with John Furner. John?

## **John Furner** {BIO 19351533 <GO>}

Hi. Kathleen. Hey everyone. Good morning.

## **Kathleen McLaughlin** {BIO 18336643 <GO>}

Thanks for coming.

## **John Furner** {BIO 19351533 <GO>}

So Kathleen, sorry to be a bit late. I was back there in the green room with one of our performers. And I don't want to say who it is yet. But they've got an entire taco bar set up back there. Are you kidding me?

## **Kathleen McLaughlin** {BIO 18336643 <GO>}

I'm sure you love that. So just the other day, I was asking John if he had to eat just one food for the rest of his life, what would it be? And of course, he said...

## **John Furner** {BIO 19351533 <GO>}

Tacos, right? That's right. It's my favorite food. And plus, you'd have so many options. You could have beef, you could have chicken, pork or fish.

## **Kathleen McLaughlin** {BIO 18336643 <GO>}

Yes. That's right. We realized tacos would actually be the perfect thing to talk about today because everything we sell has a story: Where it came from, how it was made,

who made it. A single taco illustrates so many of the ways that Walmart helps people and the planet.

**John Furner** {BIO 19351533 <GO>}

So we thought we'd talk to you today about what our company is at our very core. We're merchants, right? We buy and we sell merchandise. And product is the hero in everything we do. And that's especially true at Sam's Club. Okay.

So before I get too far into this, I just want to say that we're off to a great start this year. Thank you, to the entire team. And thank you so much for the First Quarter. Way to go.

**Kathleen McLaughlin** {BIO 18336643 <GO>}

Good job.

**John Furner** {BIO 19351533 <GO>}

And Kathleen, with so much of our merchandise, we have the ability to make opportunities come to life. For example, these tasty tortillas, they come from a woman-owned supplier, Ole Mexican Foods. And Veronica Moreno, she started the business with just one machine in Atlanta, Georgia. But she worked hard. And today, her products are on thousands of shelves and she employs hundreds of women.

Walmart and Sam's Club do a lot to support (inaudible). We do a lot to support small and women-owned businesses. Don't we, Kathleen?

So we do a lot, right?

**Kathleen McLaughlin** {BIO 18336643 <GO>}

I think what John was trying to say is we do actually a lot to support small and women-owned businesses all around the world through our women's economic empowerment initiative. It's brought our customers and our members lots of really outstanding products. You'll hear more about that this morning.

Talking about tortillas makes me think about what goes in them. So corn, wheat and the work that we do with farmers all around the world to optimize fertilizer. Now that lowers costs and it also lowers emissions. So work like that, along with things like reducing packaging, reducing food waste, reducing energy in factories, creating innovative new products like LED light bulbs and cold water wash, Walmart and our suppliers have already taken out millions of metric tons of greenhouse gas from supply chains all around the world.

And we just announced a new goal. Walmart and suppliers aim to take out, in our supply chain by 2030, a gigaton of greenhouse gas emissions. Isn't that fantastic?

**John Furner** {BIO 19351533 <GO>}

Okay, Kathleen. I know everybody wants to know, how big is a gigaton?

**Kathleen McLaughlin** {BIO 18336643 <GO>}

So a gigaton is a billion, that is billion with a b, tons of emissions. So it's basically like taking 200 million cars off the road for an entire year.

**John Furner** {BIO 19351533 <GO>}

Wow. 200 million cars.

**Kathleen McLaughlin** {BIO 18336643 <GO>}

Yes.

**John Furner** {BIO 19351533 <GO>}

Okay. So let's keep going. I think a lot of people like beef in their tacos, right? Yes?

**Kathleen McLaughlin** {BIO 18336643 <GO>}

Yes. Yes.

**John Furner** {BIO 19351533 <GO>}

Well did you know that Walmart works with cattle farms in Brazil to help reduce deforestation. And we're using a mapping tool that lets a supplier look at 75,000 different farms to understand the impact those farms have on the environment. And we're working with a group called The World Resources Institute to help globalize this technology.

Okay. Maybe you'd like to have carnitas in your tacos, right?

**Kathleen McLaughlin** {BIO 18336643 <GO>}

That's what I like, carnitas.

**John Furner** {BIO 19351533 <GO>}

Well in China, we're doing a traceability pilot with pork using block chain technology. And what block chain does is it allows someone to track a product from the farm all the way to the shelf and then have a record of it each and every step along the way. And that's a really important part, Kathleen, of the new food safety collaboration center we launched in China just last year.

**Kathleen McLaughlin** {BIO 18336643 <GO>}

That's right. Go China. So if you're talking about a fish taco or a shrimp taco, we've been working hard to address the social and environmental challenges in the seafood industry.

So for example, the Walmart Foundation has supported the Sustainable Fisheries Partnership to address environmental risk and prevent disease with small-scale fish farms.

We're also working on promoting worker dignity. So in another example, we've supported Golden Dreams, which is coming up in a minute. It's a Burmese language app from the Issara Institute. So seafood workers can use this app to read and provide reviews about potential employers, recruiters, service providers.

**John Furner** {BIO 19351533 <GO>}

And Kathleen, it's such important work because it's changing lives for people who work in the supply chain.

**Kathleen McLaughlin** {BIO 18336643 <GO>}

Yes. That's right.

**John Furner** {BIO 19351533 <GO>}

Okay. I have another question. Can you have a taco without salsa?

**Kathleen McLaughlin** {BIO 18336643 <GO>}

Of course not. So for some of the people who farm the tomatoes, the cilantro, other produce that people like to have in their tacos, we've been working to really improve their lives. Take a look at this story about a farmer in Mexico who is supported by a program, the Fundaci3n Walmart de Mexico. (Video plays)

That farmer's name is Emiliano. And he told us that program lifted him out of poverty and has helped him send his 5 children, you saw in that video, to school.

**John Furner** {BIO 19351533 <GO>}

Isn't that amazing? I'm so proud of this company and I'm proud of the work we do, I'm proud of the work you do. And I'm proud of the work we do in stores, in clubs and online, each and every day, all around the world, because it truly makes a difference.

**Kathleen McLaughlin** {BIO 18336643 <GO>}

With everything we do, we want to serve our customers in a way that builds a stronger business and a stronger society.

**John Furner** {BIO 19351533 <GO>}

And we hope that you can see that even with just one taco, we can help people, we can help the planet and we can help our company all at the same time.

**Kathleen McLaughlin** {BIO 18336643 <GO>}

Yes.

**John Furner** {BIO 19351533 <GO>}

Thank you. So much. Have a great morning.

**Kathleen McLaughlin** {BIO 18336643 <GO>}

Thank you for all you do. You're the best.

**Unidentified Participant**

Ladies and gentlemen, please welcome back your host, Blake Shelton.

**Blake Shelton** {BIO 4216433 <GO>}

Thank you. Thank you, John and Kathleen. Man, all this talk about tacos is starting to make me hungry.

Hi. I know I've been messing around up here a lot this morning and having some fun. But I do want to take a minute and point out something that I think is really important. And that's the fact that you all haven't lost sight of what really matters. And that's people.

Man, like I said in the beginning, man, I just -- I grew up over here in Ada, Oklahoma. My dad was a car salesman and my mom was a hairdresser. They shaped who I am today.

And my journey to be here, about a-million-to-one shot. And you all's journey to be here, about the same odds. Yes. You guys have more than 2 million people who work for Walmart around the world. You all earned the right to be here today by making a difference to people around you. We can't lose sight of things like that.

That's why I still live in Oklahoma and it's why I still love visiting the big towns and the small towns and doing concerts. It's why I still love to give back to our military service men and women, just like Walmart does. It's why I get a thrill out of coaching and mentoring people, just like you all do.

I know I'm going to keep doing what I'm doing. But can I count on you guys to keep doing what you're doing? Yes. I know I can. Let's take just a minute and see what you guys have been up to this week. (Video plays)

## Unidentified Participant

Good morning, Walmart. And a very good morning to my e-commerce folks over there. Hi. My name is Victoria Bokel [ph]. And I'm one of the grocery buyers for Jet.com and walmart.com in Hoboken, New Jersey. I am very, very proud to be helping to make customers' shopping experiences easier. And now, please help me welcome our Chief Operating Officer of Walmart U.S., Judith McKenna.

## Judith McKenna {BIO 4806787 <GO>}

Thank you, Victoria. Good morning, everybody. It's a real privilege to be with you all today and to represent all of our associates from the U.S.

At Walmart, we're finding different ways to serve customers by combining the passion of our people with the power of technology. And no one knows that better than our associates themselves. And the very best bit of my job is I get to see it firsthand, with associates just like Rhonda Diggs [ph], who's here with us today. Rhonda [ph], tell everybody where you're from.

## Unidentified Participant

Willis, Texas.

## Judith McKenna {BIO 4806787 <GO>}

Willis, Texas. Rhonda is actually from our Academy store, which is supercenter 3213 in Woodlands, Texas. She's a Personnel Coordinator doing an incredible job for us. How's your Shareholders Week?

## Unidentified Participant

It has been fabulous. I've met so many people from everywhere. I'm honored to be here.

## Judith McKenna {BIO 4806787 <GO>}

Well we're glad that you are. There is nothing quite like a Shareholders Week, is there?

## Unidentified Participant

No, ma'am.

**Judith McKenna** {BIO 4806787 <GO>}

No. There isn't. Would you do us the honor of introducing our next speaker?

**Unidentified Participant**

I would love to. Please welcome our U.S. E-commerce President and CEO, Marc Lore.

**Marc E. Lore** {BIO 3597588 <GO>}

Hello, Walmart. Wow. This is amazing. How you all doing? You having fun? Me too. The energy in here is absolutely contagious, just like that e-commerce growth, 63% last quarter. Thank you. Thank you, all, especially to the E-commerce group. Great job, guys.

So does everyone want to keep this growth going? Me, too. So let's continue empowering our customers to shop smarter so they can save money and time. We're doing that on Jet.com by showing customers how to build bigger, smarter baskets. And we're doing that on walmart.com too. Take a look.

When you go to walmart.com, you can immediately see the items you most commonly buy, even the ones you buy in store. That's my account. Hi. wait. Shampoo and conditioner? There must be somebody else in my family. I haven't needed those in a long time.

Notice, with just a couple of taps, you can get free 2-day shipping with no membership fee. But what if you want to save even more? Well you can pick up the same order in a store and get a discount. We offer that discount because pickup avoids the most expensive part of shipping, last mile delivery. And so we share those savings with our customers.

But what if you want items sooner than two days? What if you need it today? Well that's where Walmart really has the advantage because we have stores everywhere. Almost 90% of Americans live within 10 miles of a Walmart. And because of this network, customers can pick up products in a matter of hours. We have been testing same-day delivery from a number of our stores.

Talking about stores. Judith, wow.

**Judith McKenna** {BIO 4806787 <GO>}

Thank you, Mark. Wow indeed. Because of the hard work of our associates absolutely everywhere, we're delivering strong results for our company and we're delivering great service for our customers however they want to shop. All around the world, we're thinking about what's possible and trying out new innovations.

In one of our stores in Texas, Tomball, customers are using interactive displays to shop and learn about new technologies like connected home. In Michigan, one of our customers can use an automated pick-up machine, which is completely self-service. You simply walk up to it, scan a bar code and your delivery comes to you instantly.

In Mexico, we've got digital kiosks, that allow anybody to place an online order in-store even if they want to pay with cash. And in the U.K., we're testing new robotic technologies and automated solutions in our distribution centers. But that's not all. Right across the U.S., we are using data and analytics to change the way that work gets done in our stores. Routine processes like price changes or stocking the shelves are becoming faster and easier. And new mobile apps and tools, such as information on sales, markdowns, customer feedback are available at your fingertips without ever having to leave the sales floor.

Marc, technology is helping us in so many ways. It's providing convenience for our customers. But it's helping to make sure that the work that our associates do is simpler and more valuable. And most importantly, that gives them time to serve our customers.

**Marc E. Lore** {BIO 3597588 <GO>}

It definitely does, Judith. Walmart has a strong history of innovation. But the real difference maker has always been our people. Let's look at that map again. We have over 5,000 stores and clubs in the U.S. and at each store, there are hundreds of associates commuting to work every day, many of them are driving.

**Judith McKenna** {BIO 4806787 <GO>}

That's true.

**Marc E. Lore** {BIO 3597588 <GO>}

So this has us thinking, doesn't it Judith?

**Judith McKenna** {BIO 4806787 <GO>}

It certainly does. And you're right about our associates making the real difference. So what if associates, like Rhonda [ph] for example, wanted to make a stop on their way home, deliver a dotcom order and earn a little more for doing that?

So that's an idea that we wanted to test a little bit more. So we've began testing associate delivery program in just a few stores that gives our people that option. Associates can download an app mark, receive notifications if there's a customer along their route home that wants to wait [ph] an online order. And then if the associate wants to, they can deliver that order. It's quite simple.



Now we've got quite a lot to learn about the idea. But I think it's a great example and one of many innovative ideas that we're looking at that leverages being Walmart.

**Marc E. Lore** {BIO 3597588 <GO>}

I'm so excited about this, Judith. Just imagine, associates all over the world delivering orders to our customers on their way home from work. That could be a real game changer.

**Judith McKenna** {BIO 4806787 <GO>}

Good.

**Marc E. Lore** {BIO 3597588 <GO>}

I feel so fortunate and proud to work with all of you. And I'm looking forward to shaping the future of retail together. Thank you. So much for making me feel welcome.

**Judith McKenna** {BIO 4806787 <GO>}

We are very glad that you're here as well. So thank you. One of the things I love most about Walmart is that we're always thinking about the future. And it is our people, our innovation and our creativity that make the difference. Thank you.

**Marc E. Lore** {BIO 3597588 <GO>}

Thank you.

**Blake Shelton** {BIO 4216433 <GO>}

Hi. folks. I really appreciate you guys having me here today. But I've got to be honest, I'm a little bit hurt because I have been practicing my squiggly all week. And you guys have not once invited me to join in on the cheer. Then. And then to top it all off, a while ago, I read this freaking tweet -- where's this tweet at, put it up here. Listen to this. Come on, Blake Shelton. Let's see some moves. Don't be afraid to show us your squiggly, SMH, whatever in the hell that means. Shaking my head. Shaking my head. Yes.

Let me tell you something, you better stop it because I am not afraid to do the freaking squiggly, okay? In fact, I am willing to let you guys grade me on my squiggly. I need some experts. You, in the orange shirt right here. He's the guy. And you too, the girl right next to him. All 3 of you all, just come up here. You are just sitting there.

Come up here, I need some help. Here you go. Look at that. I happen to (inaudible). I'm like Bob Barker up here or something. Good to see you guys. Good to see you. How are you doing? What's your name?

## Unidentified Participant

Tina [ph].

**Blake Shelton** {BIO 4216433 <GO>}

What's you guys names?

## Unidentified Participant

Sarah [ph], from 5797 Albany, Georgia.

**Blake Shelton** {BIO 4216433 <GO>}

She said Sarah [ph], yes. How about you?

## Unidentified Participant

I'm Steve [ph] from 3629 Daytona Beach, Florida.

By the way, my name is Eva Ria [ph] I go by Tina [ph]. I'm from 4185, Cumming, Georgia.

**Blake Shelton** {BIO 4216433 <GO>}

I don't know my number. So look, here's the deal. I'm going to practice -- I'm not going to practice, I'm going to do my squiggly. And you tell me how I'm doing, because remember, not even one of you all have invited me to do this. So this is my first time. Are you ready? Are you ready?

## Unidentified Participant

Oh no.

No. No. No.

**Blake Shelton** {BIO 4216433 <GO>}

What do you mean no? Bull crap. How do you do it? How do you do it? Show me. Let me see you. What do you got? That's it? What do you -- that's it. Don't be so cocky over there. He's like. Let me see. Let me see it.

## Unidentified Participant

No. No. No.

**Blake Shelton** {BIO 4216433 <GO>}

What are you talking about? Do it again. Do it one more time. Let me just see. All 3 of you all at the same time. Let's just -- ready?

**Unidentified Participant**

Ready. Okay. You got it.

**Blake Shelton** {BIO 4216433 <GO>}

I got it?

**Unidentified Participant**

You've got it.

**Blake Shelton** {BIO 4216433 <GO>}

Yes. Take that, whoever tweeted that. Anyway, thank you guys for being up here. And I thought it'd be cool while you're here. You all want to help me introduce this next artist?

**Unidentified Participant**

Sure.

**Blake Shelton** {BIO 4216433 <GO>}

Okay. Here's how you do it. Look into that teleprompter, do it all at the same time. And say it.

**Unidentified Participant**

Please welcome, 9-time Grammy Award winner, Mary J. Blige. (Video plays)

**Willie Perkins** {BIO 16694424 <GO>}

Good morning, Walmart. My name is Willie Perkins. I am proud to be an associate from store 4460 Maumelle, Arkansas. And I thank God that I have the honor and the privilege to announce the next speaker. And Walmart, I want you to join me in welcoming -- I said I want you to join me in welcoming, welcoming our President and Chief Executive Officer, Doug McMillon.

**C. Douglas McMillon** {BIO 17082935 <GO>}

Willie. Willie. Willie. Let me tell you about him. First of all, I've already figured out, the only thing anybody's going to remember about today is Willie. And I'm good with that. Mr. Willie has been delighting his customers for almost 10 years. And we want to show you how he does it. Watch this. (Video plays)

Mr. Willie, can I get a bam?

**Willie Perkins** {BIO 16694424 <GO>}

Bam.

**C. Douglas McMillon** {BIO 17082935 <GO>}

Now wait. Wait, wait, wait. There's more. There's more. The kids call him the bam man. Some people call him Mr. Willie. He has 8 kids, one of his daughters, Gwen [ph], is here today. Wave, Gwen . Say hi -- hello to everybody. He has 19 grandkids. He's been married for 60 years.

**Willie Perkins** {BIO 16694424 <GO>}

To one woman.

**C. Douglas McMillon** {BIO 17082935 <GO>}

To one woman, he says. What I didn't know, until just like this week is, that he was also formerly a preacher, if you couldn't tell. God is good. God is good. And he's a veteran of the United States Marine Corps. No. No. No. Don't go yet. Wait, wait, wait there's more. There's more. Mr. Willie has been remixed and gone viral. This has been viewed on YouTube more than 1.4 million times. Check this out. (Video plays)

What's the word for it? Bam. What's the word for it? Bam. Thank you, Mr. Willie. Show him your appreciation one more time. Thank you, sir. Great job. I don't know if you could see his feet during that introduction. But they almost left the ground a few times. It scared me.

Good morning, everybody. How are you doing? Have you had a good week? Well congratulations on making your way here. Reach over to your neighbors and give them a bam. What's the word for it? Bam. Oh, it's got the bam echo. You guys sound like a remix. I really do love that remix because it's got a great beat. But also because it's about one of you. And it has gotten stuck in my head. Good music will do that. Songs are made up of music and the lyrics. They have verses. And they tell stories. And the best songs have a chorus you remember. You've got that bam stuck in your head right now, don't you? Now you do.

That's the chorus in Willie's song. And together, as a company, we write verses that tell a story. And the thing that connects the verses, the chorus for Walmart, is our people. People like you and people like Willie. It's your beat. The work you do that

brings it all together. And I don't know how you feel. But to me, it feels like we've been writing some pretty good music together these days. Because of you.

So here's the verse we've written with our results so far, just last year. Customer visits are up, we're bringing prices down, we're managing inventory and in-stock well, sales were up over \$13 billion last year in constant currency and total revenue reached \$486 billion. Earnings per share were higher than we expected coming into the year. \$31.5 billion in cash flow gives us the fuel to grow. And we returned \$14.5 billion to shareholders. Well done. And thank you.

What's the word for it? We're also writing a verse with our service to communities around the world. We're using our strength to help others, to create shared value for our business and for society. Customers have always trusted us for low prices. But they also want to know that the products they buy are good for their families, the people that made them and the planet. Many of the suppliers that produce these products are women. In 2011, we pledged to source \$20 billion from women-owned businesses. And we met that goal last year.

That's a big number. And one of those women is Sarah Frey [ph]. Sarah [ph], would you please stand up? She's down here in front of me. Sarah's [ph] a farmer. And she started -- could your son stand up for a second, too? Hi, guys. Her boys came with her today. She's a farmer. And she started selling watermelons to one of our stores in Illinois out of her pickup truck when she was 19 years old. And guess what? Last year, she sold us over 5 million watermelons. She's promised me those didn't all come out of her pickup truck, because that's a big number. When it comes to watermelons and pumpkins, we don't know of a larger grower in the United States. And she's a job creator in 7 states. Way to go, Sarah. Congratulations. And thank you.

Last year, we met another goal that we started in 2011. We supported training in retail, in factories and on farms for 1 million women around the world. You belong to a company that is making a difference in people's lives. How do those results feel? What's the word for it? Bam. So we're not stopping there. We recently set new goals to increase the use of renewable energy, to take a gigaton of emissions out of our supply chain, to create 0 waste in our operations and to sell more sustainable products. Here in the U.S., we're really proud that we're on track to achieve a 10-year commitment to source an additional \$250 billion in products that support American jobs.

Now our -- obviously, we don't do all that by ourselves. Our suppliers work with us on all of these efforts related to sustainability and U.S. manufacturing and other things. And I want to ask them to stand up. If you're a supplier to our company today and you're in this arena, would you please get on your feet and let us appreciate you. Thank you for the great products that you sell to us. They're scattered around. I hope that you know we mean that and we appreciate your partnership.

Our world is increasingly transparent. And we are out to earn trust. When people shine a light on Walmart, a light on our decisions, the jobs we create, the activities in

our supply chain, we want them to like what they see. So we'll make good choices, not only as it relates to creating shared value. But also when it comes to ethics and compliance. We would rather have a bad financial result than to take a shortcut.

We want your children and mine to be proud of the choices you and I make in the things that we do. We have a strong set of values at Walmart, don't we? And the verse that we're writing today is about more than just financial results. We value more than that, right? Now while our values and those kinds of commitments aren't changing, a lot of other things are. As we often say, the only thing that's constant at Walmart is...

## Unidentified Participant

Change.

## C. Douglas McMillon {BIO 17082935 <GO>}

Isn't that amazing? Everywhere I go around the world, everybody knows the answer to that question. It's because it's true. And technology is changing what customers expect and how they shop.

The next verse in our song is about them, our customers. They are the reason that we have jobs. If we don't get ahead of where they're going, they'll choose to shop somewhere else. So where are they headed? Well they've always wanted the best prices. They want value for their hard earned money. And they should. And they want great merchandise, high quality, something new, something that's just flat out awesome.

And today, more than ever, customers expect and deserve to save time. Time is a currency like money. They want an easy, enjoyable experience without friction and it has got to be fast. The historic trade-off between price and service doesn't really exist anymore. So we're creating a better shopping experience for customers and a better working experience for ourselves as we strive to serve them. I want to give you an example. Toni Hayes [ph] started as an overnight stocker. But now she manages the grocery department in store 622 in Oklahoma City. Toni [ph], would you please stand up? She's right here in front of me.

So a few weeks ago, a group of us are in her store. And she showed me how she drives modular accuracy and in-stock with a new app we've developed for our mobile devices. With this new app, Toni enjoys her work more. And she's getting her work done faster, which gives her more time to serve customers. She impressed me with her desire to learn and to adopt new tools. There's something I want to say to Toni . What's the word for it? Bam. Nice job. Way to go.

Let's talk about some more examples. Sherpa Manaharan [ph] is a Personalization Engineer using machine learning to monitor the weather. And make sure we're sending swimsuits to Florida and raincoats to Seattle at the right time. Carlos Kirk [ph] is an Internet of Things Engineer. He's experimenting with in-store sensors to

provide real-time inventory and price changes. Bowen Gong [ph] is a data scientist on the Sam's Club technology team. He leads computer vision efforts. He leads computer vision efforts that are aimed at eliminating the checkout process altogether. We're experimenting and we're inventing.

We have tests going on with digital endless-aisle shopping, automated pickup towers in stores, automated pickup stations in the parking lot, robotics and image analytics to scan aisles for outs, the use of block chain for food safety. And machine learning in our pricing systems to assist merchants. And we're doing more than just testing. We're scaling things, like 2-day free shipping with no membership fee on millions of items. A Pickup discount when customers want to pick it up. Grocery pickup around the world, including a grocery pick up business at Sam's Club. We're piloting the use of stores as shipping locations in China and Japan. And Jet fresh delivery is now available to half the U.S. population and growing.

We have started to invent the future of shopping, again. We are making every day easier for busy families. And we are using new ways of working to do it.

You're writing a really great song right now. And it is awesome to hear. What's the word for it? And there'll be more where that came from. And as exciting as all that stuff is, I want to be clear that we don't believe technology is the answer to everything. The secret to our success will always be our people.

Now no doubt, our work will be different in the future. Robots, drones, algorithms, we'll do some of the work that we used to have to do. And some people are afraid of what those changes will bring. But I don't think we should be. Instead, I think we should recognize that we'll be able to learn, grow and change together. All of us at Walmart. And more broadly, in business, education and government, must work together to ensure that this generation and the next are trained and ready with the skills they need to succeed.

From the invention of the steam engine, to putting a man on the moon, to mobile devices, as technology has changed, society has adapted and our lives have gotten better. But sometimes, change can be hard. And we must be prepared to embrace change and learn new ways of living and working. We're all doing that now. It would be hard for me to find anyone in this arena that doesn't have their smartphone within reach. It's now integrated into your life and mine.

Well we see the opportunity to improve our business and help lead this change. Today, together, we're building a new Walmart. As we're reinventing how we serve customers, we're preparing you with the latest tools and training to serve them and grow in your career. Let's all be lifelong learners.

You can see the beginning of our work in the academies in the U.S. and the U.K. and the technology we're placing into your hands. Looking ahead, we'll compete with technology. But we'll win with people. We'll be people-led and tech empowered. We'll win because we're purpose-driven, with clear and meaningful values and an

effective and resilient culture. It will be our humanity that drives our creativity, powers our competitive spirit and keeps us out in front.

Now we want everyone to be part of this. We embrace diversity in this company. And we are committed to creating inclusive environments in every store and in every part of our business. We have all kinds of jobs. And we want the most talented people in them. You can learn to run a store, be a leader in a distribution center, drive a truck, run a tire center or lead a customer care center. We're growing jobs in new areas. We have data scientists, machine learning engineers. And mobile app developers, to name a few. More than ever, Walmart will be a ladder of opportunity, a place where you can build your dreams and grow.

Now let me introduce you to a few other people I've come across this year who are doing just that. And I want to start with Amanda Sykes [ph] and Susan Chyna [ph]. Now let me warn you, kind of like Willie, these people are a little bit crazy, too. But in the best way.

I met them a while back in the U.K. -- stand up, guys. They work in England, they lead our meat and seafood business in their store. And between them, they have 55 years of service. It doesn't look like that's possible. And they wanted me to tell you that during their careers that the company has given them flexibility. So not only would they be great colleagues. But they'd also be great moms. They've raised kids over that period of time.

And when I was in their store, it kind of went like this. There was a pizza counter. And we were selling a bunch of pizzas. And they were bragging about how much they were doing in volume. And the pizzas look great. And all of a sudden, I hear these voices down the aisle. And these ladies are like, "Hi. if you want to see something, come on down here with us, because we got it going on." So I go down there. And their meat and seafood counter is gorgeous. Take a look at it behind us.

Now it looked like that on the day that I was there. And then they laid the big news on me, that they had been voted the best meat and seafood counter in the country, not just within Asda. But the entire U.K. I'm proud of you both. You had a good week?

## Unidentified Participant

Yes. Fantastic week. Fantastic. Everything's great.

## C. Douglas McMillon {BIO 17082935 <GO>}

So I thought it might be good if they came to the shareholder's meeting. And I'd like to give them a bam. What's the word for it? Bam. Bam. Thank you, both for being here.



Our customers love it when we have personality, when you talk to them, have a conversation with them when you're walking to an item, they've got customers who keep coming back because they love them. That's what we're all out to do. That's the way that we're going to win. Now I mentioned earlier that customers are looking for great merchandise. Raise your hand if you're a merchant. Right now everyone's hand should be up.

Let me introduce you to another merchant. This is Ricardo Costa [ph]. Ricardo [ph], come up here and stand by me. So Ricardo is the store manager in our Heartland store in Toronto. He started 19 years ago in Lawn and Garden, now he runs a store. And he's done such a good job of being an item merchant that he's earned what they call Maverick status in Canada. That word sounds familiar, doesn't it? And he reminded me of Sam Walton, because he was grabbing me by the arm. And running me from one place to the other. And he'd go to a side counter and he would say -- now let me remind you, he's a Maverick. So he gets to make more choices about what he features. He's earned some freedom. So he's dragging me to a side counter item. And he's saying, "I know we can sell more of this." And he's bringing it out, building a big feature. And sales are going up by multiples. And he was just doing it over and over again in his store. He's a merchant. We all need to be merchants like Ricardo .

And by the way, I heard that you recently applied for a promotion to lead more stores in your market. And I just wanted you to let you know that you got that job. Congratulations. (inaudible) All right. Go get them. So now your job is to spread that, right, to all the stores you're responsible for. Way to go. Congratulations. Thank you.

We all need to be merchants like Ricardo , every single one of us. So folks, it's pretty simple. This is our moment. Our plan to win is clear. And it will be you that will make the difference. But it's always been that way, our people make the difference. Have you heard that before?

## Unidentified Participant

Yes.

## C. Douglas McMillon {BIO 17082935 <GO>}

It's your beat. You form the chorus of our song. It will be people like you that make it happen, people like Toni [ph] -- put your phone down for a second. And Ricardo [ph], Susan and Amanda [ph] and Mr. Willie. (Video plays)

Hi. let's go make some beautiful music together. Thank you.

## Unidentified Participant

Ladies and gentlemen, please welcome back, Jeff Gearhart.

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**Jeffrey J. Gearhart** {BIO 16355444 <GO>}

Hey all. Okay. So at this time, I can now inform you that the polls have closed. If you filled out a ballot and have not handed it in, please pass it to an usher now. We will now announce the unofficial preliminary voting results from today's meeting.

Proposal #1, election of directors. All 11 director-nominees were elected. Proposal #2, a nonbinding advisory resolution to establish the frequency of say-on-pay votes. For this proposal, the majority of the shares present and eligible to vote were voted in favor of holding our say-on-pay vote annually. Proposal #3, a nonbinding advisory resolution to approve the compensation of Walmart's named executive officers. This proposal was approved by a majority vote. And Proposal #4, the selection of Ernst & Young as independent accountants. This proposal was also approved by a majority vote. Proposals 5, 7 and 8 did not receive the required votes. And therefore, each of them failed.

No presenter was made available today to present Proposal #6. We will issue an announcement later today with the approximate voting percentages for each of these proposal. The official results for each of the proposals will be disclosed in a filing next week with the Securities and Exchange Commission.

The business portion of this -- our meeting is now adjourned. And let me please welcome back to the stage, our Chairman, Greg Penner.

**Gregory Boyd Penner** {BIO 5585986 <GO>}

That was a fine morning, wasn't it? Doug, I just want to let you know that next year, I've got dibs on Mr. Willie to introduce me.

I want to close the meeting by saying thank you to all of our shareholders for your support of our company. Today, I hope you've seen why your Board believes we are so well positioned to once again deliver the future of retail. I'd also like to again appreciate each of our 6,000 associates here today. Please share with your fellow associates at home how grateful we are for everything they do to make the difference every day. You all are truly amazing. And that, more than anything, is what has been on display here today.

This adjourns the official business portion of Walmart's 47th Annual Shareholders Meeting. But before we go, I'd like to thank one last person. Let's bring out our host to send us off, ladies and gentlemen, Blake Shelton.

**Blake Shelton** {BIO 4216433 <GO>}

Thank you. So let me ask you, is this what all you all's shareholder meetings are like? Because I got to admit that this has been pretty good. I may have a new gig here.

I've had a great time hanging out with you guys today. You guys are awesome, seriously. So what do you say we finish things off with a bang? I've saved the best for last. This next artist has sold over 2 trillion albums. She has won over 10,000 Grammys. And a bunch of other awesome stuff. And she happens to be my favorite person in the world.

Please put your hands together for the wonderful and talented, Gwen Stefani. (Video plays)

### **Gwen Stefani** {BIO 3222761 <GO>}

Thank you. How lucky am I to be here. You guys are so incredible. I just -- okay, I'm just kind of scared because of the energy that you have that this next song, I'm afraid of what's going to happen. I'm scared. Should we do it? (Video plays)

## **Questions And Answers**

### **Operator**

There are no questions.

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