

WAL MART STORES INC
Form DEF 14A
April 20, 2016
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

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

Check the appropriate box:

Preliminary Proxy Statement

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Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

WAL-MART STORES, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Filing Party:

(4) Date Filed:

2016

**Notice of Annual
Shareholders' Meeting and
Proxy Statement**

Friday, June 3, 2016

8:00 a.m., Central time

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

April 20, 2016

Dear Fellow Shareholders:

We are pleased to invite you to attend Walmart's 2016 Annual Shareholders' Meeting on June 3, 2016 at 8:00 a.m. Central Time. If you plan to attend, please see page 94 for admission requirements. For those unable to join in-person, the meeting will also be webcast at www.stock.walmart.com.

Walmart is going through a period of transformation as we make strategic investments to better serve customers and drive shareholder value. Over the past year, we have actively engaged with many of our largest institutional shareholders to understand their perspectives on a variety of topics, including corporate strategy, governance, and compensation. We both participated in this engagement effort and we would like to take this opportunity to update you on some of the themes from these discussions, which are also key focus areas for our Board.

Our Board is actively engaged in company strategy

We remain focused on the execution of our enterprise strategy – working to win with stores, deepening digital relationships with customers, and bolstering critical capabilities such as our next generation supply chain, technology and data, our talent, and how we work. The Board believes that this strategy positions the company for sustainable growth in the future. We have challenged management to accelerate the pace of change even further, and we are tracking various metrics such as comp sales and customer satisfaction scores to monitor progress in delivering the strategy. In our conversations with shareholders, they expressed strong support for our investments in our people and technology, as we seek to deliver a seamless shopping experience for our customers.

Our Board has the right skills and experience to support the company's strategy

We believe that Board refreshment and succession planning are critical as Walmart continues to change for our customer. We've added 5 new independent directors to the Board in the last 4 years, and we've made changes to the way the Board operates to maximize our effectiveness as we adapt to evolving customer needs. These changes include reducing the size of the Board while maintaining its independence, changing the composition of Board committees, and ensuring that Board and committee agendas are focused on Walmart's strategic priorities. We have revised the Corporate Governance section of our proxy statement to provide more information on these topics (see page 12). Your Board is committed to continuous improvement, and in early 2016 we engaged a third party consulting firm to help us think about ways to further improve our effectiveness. The sentiment from shareholders has been consistent – that the value, quality, and diversity of our directors are strategic assets for Walmart.

Our compensation program is aligned with our strategy

The Compensation, Nominating and Governance Committee of our Board regularly reviews the performance metrics used in our incentive plans and has determined that they are appropriately aligned with shareholder interests. We have revised the disclosure in the Compensation Discussion and Analysis section of our proxy statement to address some of the frequently asked questions from shareholders, and to more clearly describe the direct link between executive compensation and corporate strategy (see page 39). In our conversations, shareholders expressed a variety of viewpoints on our executive compensation program, but most felt it was appropriately performance-based and aligned with our strategy.

The Board greatly values shareholder feedback and thanks those of you who contributed to the constructive dialogue. You have challenged us to continue to improve our proxy statement disclosure, and we hope that you will find this year's proxy statement even better than the last. Thank you for being a Walmart shareholder and we look forward to seeing many of you at the meeting in June. Regardless of whether or not you attend the meeting in person, your vote is important to us. For instructions on how to vote, please see page 91 of our proxy statement.

Gregory B. Penner **Dr. James I. Cash, Jr.**
Chairman *Lead Independent Director*

Notice of 2016 Annual Shareholders' Meeting

Friday, June 3, 2016

8:00 a.m., Central time

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

Please join our Board of Directors, senior leadership, and other shareholders for the Wal-Mart Stores, Inc. 2016 Annual Shareholders' Meeting.

ITEMS OF BUSINESS

1. To elect as directors the 12 nominees identified in the accompanying proxy statement;
2. To vote on a non-binding, advisory resolution to approve the compensation of the company's named executive officers;
3. To vote on the approval of the Wal-Mart Stores, Inc. 2016 Associate Stock Purchase Plan;
4. To ratify the appointment of Ernst & Young LLP as the company's independent accountants for the fiscal year ending January 31, 2017;
5. To vote on the 3 shareholder proposals described in the accompanying proxy statement, if properly presented at the meeting; and
6. To transact any other business properly brought before the 2016 Annual Shareholders' Meeting.

RECORD DATE

The record date for the meeting is April 8, 2016. This means that you are entitled to receive notice of the meeting and vote your shares at the meeting if you were a shareholder of record as of the close of business on April 8, 2016.

HOW TO CAST YOUR VOTE (PAGE 91)

You can vote by any of the following methods:

on the internet at www.proxyvote.com;

calling toll-free (U.S. and Canada) at 1-800-690-6903;

on your mobile device by scanning the QR code on your proxy card, notice of internet availability of proxy materials, or voting instruction form;

mailing in your signed proxy card or voting instruction form (if you received one); or
in person at the 2016 Annual Shareholders' Meeting.

HOW TO ATTEND THE MEETING

If you plan to attend the meeting in person, please see page 94 for admission requirements.

The proxy statement and our Annual Report to Shareholders for the fiscal year ended January 31, 2016, are available in the "Investors" section of our corporate website at <http://stock.walmart.com/annual-reports>.

April 20, 2016

By Order of the Board of Directors

Jeffrey J. Gearhart

*Executive Vice President, Global Governance
and Corporate Secretary*

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You have received these proxy materials because the Board is soliciting your proxy to vote your Shares at the 2016 Annual Shareholders' Meeting. This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references ("XX") are supplied to help you find further information in this proxy statement. Please refer to the Table of Abbreviations on page 96 for the meaning of certain terms used in this summary and the rest of this proxy statement. This proxy statement and the related proxy materials were first released to shareholders and made available on the internet on April 20, 2016.

ANNUAL SHAREHOLDERS' MEETING

Date and Time	Place	Record Date	Admission
June 3, 2016, 8:00 a.m., Central time	Bud Walton Arena, University of Arkansas Campus, Fayetteville, Arkansas 72701	You can vote if you were a shareholder of record of the company at the close of business on April 8, 2016 (page 89).	You must have proof of ownership of your Shares as of the record date to attend the 2016 Annual Shareholders' Meeting (page 94).

If you are unable to attend in person, you can view a live webcast of the 2016 Annual Shareholders' Meeting at <http://stock.walmart.com>.

SUMMARY OF VOTING MATTERS

The Board is not aware of any matter that will be presented for a vote at the 2016 Annual Shareholders' Meeting other than those shown below.

	Board Vote Recommendation	Page Reference (for more detail)
Item 1: Election of 12 Directors	FOR each	
	Director Nominee	12
Item 2: Advisory Vote to Approve Named Executive Officer Compensation	FOR	74
Item 3: Approval of the Wal-Mart Stores, Inc. 2016 Associate Stock Purchase Plan	FOR	77
Item 4: Ratification of Independent Accountants	FOR	82
Items 5-7: Shareholder Proposals	AGAINST each	
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BOARD OVERVIEW

Highly Engaged Board

- Actively involved in Walmart's strategy
- 98% overall attendance rate at Board and committee meetings
- 31 committee meetings during fiscal 2016

Thoughtful Board Refreshment

- 12-year term limit for Independent Directors
- 5 new Independent Directors in the last 4 years
- Reducing size of Board to promote effectiveness
- Ongoing Board succession planning

Experience and Expertise

Our 12 director nominees bring a variety of backgrounds, qualifications, skills, and experiences that contribute to a well-rounded Board uniquely positioned to effectively oversee our strategy and operations in a rapidly evolving retail industry.

9 Senior leadership 4 Retail Technology or e-commerce 5 4 Marketing or brand management Regulatory or legal 4
Global or international business 12 5 Finance, accounting, or financial reporting

Tenure, Age, and Gender Diversity

Our 12 nominees represent an effective mix of deep company knowledge and fresh perspectives.

TENURE MEDIAN: 4 YRS AVERAGE: 7 YRS 10 yrs 2 0-3 yrs 5 7-10 yrs 2 4-6 yrs 3 AGE MEDIAN: 57
AVERAGE: 54 5 50 3 50-59 3 60-69 1 70-75 GENDER Female Male

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8 of our 12 Board nominees are independent, all members of the Audit Committee and CNGC are independent, and our key committee chairs are independent. Despite their significant Share ownership, only three members of the Walton family are Board nominees.

Name	Director		Principal Occupation	Independent	Key Committee Membership				Other Public Company Boards
	Age	Since			AC	CNGC	SPFC	TeCC	
Jim Cash*	68	2006	James E. Robison Professor of Business Administration Emeritus, Harvard Business School					1	
Pam Craig	59	2013	Retired CFO, Accenture plc					2	
Tim Flynn	59	2012	Retired Chairman and CEO, KPMG					1	
Tom Horton	54	2014	Senior Advisor, Warburg Pincus LLC, and retired Chairman and CEO, AMR Corporation					1	
Marissa Mayer	40	2012	President and CEO, Yahoo! Inc.					1	
Doug McMillon	49	2013	President and CEO, Walmart					0	
Greg Penner**	46	2008	Chairman, Walmart and Partner, Madrone Capital Partners					1	
Steve Reinemund	68	2010	Retired Dean of Business, Wake Forest University, and retired Chairman and CEO, PepsiCo., Inc.					2	
Kevin Systrom	32	2014	CEO and Co-Founder, Instagram					0	
Rob Walton	71	1978	Retired Chairman, Walmart						