

Resolved: Shareholders call on the board of directors to ensure that for every dollar that the company spends on share repurchases, the company shall grant an equal amount to the Associate Stock Purchase Plan for the purchase of shares to be distributed evenly among Plan participants based on the number of hours worked among the company's U.S. workforce.

This program would be enacted immediately, so for example, when the buybacks are conducted for the \$18.8 billion remaining of the \$20 billion authorized for share repurchases for 2018 and 2019 an equal amount should additionally be dedicated to reviving stock grants to associates. If spread evenly across Walmart's 1.5 million employees in the U.S., this would be worth approximately \$12,500 per employee in stock grants.¹ Walmart could continue to repurchase shares in order to prevent undue dilution for Walmart's existing shareholders. The company could also generate a significant tax savings by allocating the funds in this way.

Whereas, In the past ten years,² Walmart has returned more than \$121.6 billion in cash to shareholders in the form of dividends (\$53.8 billion) and share repurchases (\$67.9 billion).³ The amount of cash paid out to shareholders in dividends and share repurchases has accelerated in recent years, exceeding net income the past two years.

The amount of cash dedicated to share buybacks in particular has ballooned in the past year, with buybacks alone accounting for a figure equal to 84 percent of the company's net income. Given Walmart's recent announcement that it will return a further \$20 billion in cash to shareholders in 2018-2019, this trend is likely to continue.⁴

Whereas, Walmart is the largest corporate employer in the U.S. and country's largest corporate employer of women, Black and Latino people. Walmart's pay is so low that a full time associate (at 34 hours a week, Walmart's definition of full time) earning Walmart's average wage still falls below the federal poverty line for a family of four.⁵ Associates who work part time and make up least half of Walmart's hourly workforce, fare considerably worse.

¹ Assumes \$18.8 billion is shared evenly between 1.5 million workers.

² Due to Walmart's off-calendar financial year, this incorporates dates Feb 1st, 2008 through Jan 31st, 2018.

³ All financial information sourced from Walmart's SEC Form 10-K and 10-Qs for the periods referenced

⁴ <https://seekingalpha.com/news/3300095-wal-mart-update-includes-new-buybacks-plus-3-percent-growth-forecast>

⁵ <https://corporate.walmart.com/our-story/our-locations#/united-states>

Whereas, founder Sam Walton's heirs ('the Walton heirs') have more wealth than about 40% of all Americans combined and the Walton heirs are the wealthiest family in the U.S. and among the wealthiest in the world.⁶

Whereas, the Walton heirs own approximately 50% of Walmart's outstanding shares and three Walton heirs sit on the company's board of directors: S. Robson (Rob) Walton, his son-in-law and board chairman, Greg Penner, and Rob Walton's nephew, Stuart Walton.

Whereas, increasing workers' wages at Walmart to at least \$15 per hour could cost the company approximately \$1.2 billion per year – a small fraction of the amount the company is currently spending on share repurchases.⁷

Whereas, after the company cancelled its profit sharing program in 2011, hourly associates have lost the opportunity to participate in the successes of the company.⁸ Under that profit sharing plan, an associate who started in 2011, earning \$10 per hour, would have lost approximately \$6,300 in Walmart shares as a result of this plan being cancelled.

Whereas, instead of continuing to engage in financial engineering to inflate the share price in the short run, Walmart should reinvest in its operations, starting with its workforce. Such an investment in employees would allow for improved operational execution and would improve the company's reputation, all of which would boost both sales and profits.⁹

⁶ <https://www.bloomberg.com/billionaires/>

⁷ <http://thehill.com/opinion/finance/370728-walmart-workers-should-be-happy-but-not-as-happy-as-shareholders#.WmpcOzq3ra4.facebook>

⁸ <https://www.bloomberg.com/news/articles/2010-10-09/wal-mart-to-end-worker-profit-sharing-contributions-in-february>

⁹ <https://hbr.org/2012/01/why-good-jobs-are-good-for-retailers>