

Understanding Walmart Stocks Program & Taxation

Walmart India Development Center (IDC)

April 2025



Agenda

- Stock Program at Walmart
- Taxation of Stocks –STCG / LTCG
- Q&A

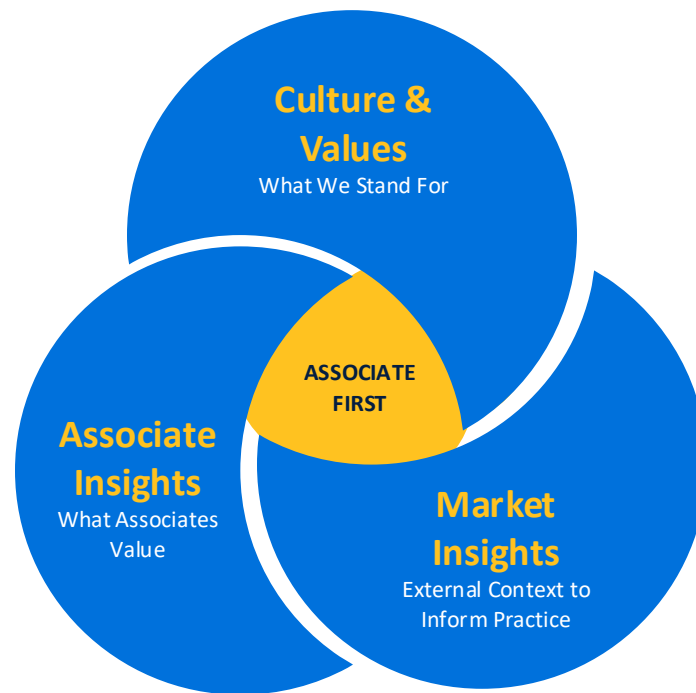


Total Rewards Philosophy

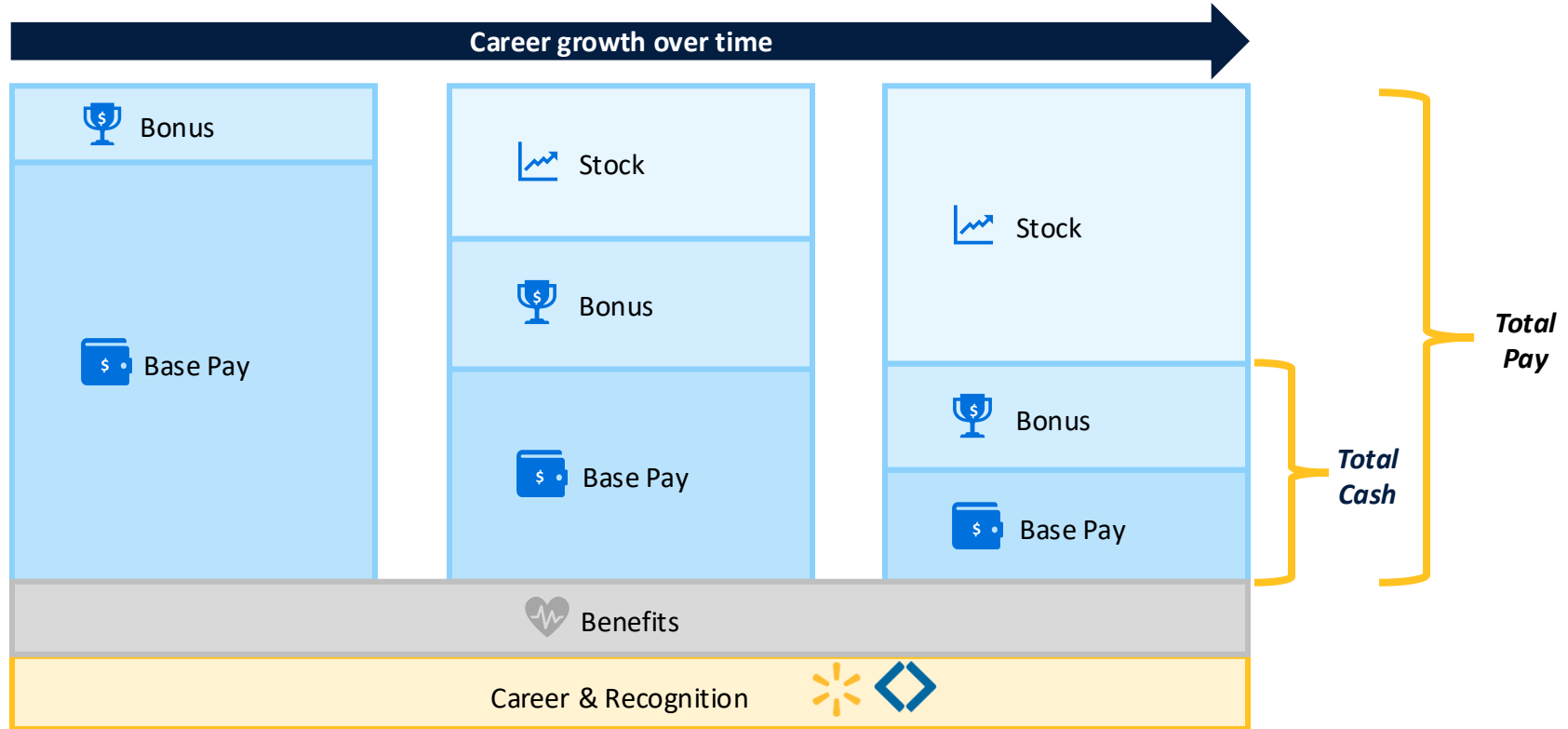
We exist to empower our associates to realize their full potential so they and their families can live better.

Aligned with our culture (what we stand for), what our associates value, and the competitive market.










- 1 Associate opportunity
- 2 Competitive rewards
- 3 Valuing performance and experience



Total Rewards Mix



Total Rewards @ IDC

 Compensation	 Benefits	 Health & Wellness	 Recognition	 Professional Development
<ul style="list-style-type: none"> • Base Salary • Annual Bonus • Annual Stocks • Flexible Comp Plan • Provident Fund • Gratuity • National Pension System • Statutory Bonus • Leave Encashment • Shift Allowance • On-call Allowance 	<ul style="list-style-type: none"> • Leaves • Flexible work options • Leave of Absence • BYOD • Telephone/Internet • Creche benefit • Relocation Assistance • IT accessories • Food • Transport 	<ul style="list-style-type: none"> • Medical Insurance • Life Insurance • Accidental Insurance • Out-Patient Care • Health Check-up • Fitness reimbursement • Doctor Teleconsultation • Virtual self-paced programs • Happy Minds • Financial Wellbeing • Onsite wellness facilities 	<ul style="list-style-type: none"> • Bravo Award • Excellence Award • Impact Award • Team Award • Super Leader Award • Tech>FWD Award • Badgify • Service Award 	<ul style="list-style-type: none"> • Higher Education • Boot Camps • Hacker Events • Training or Certifications • Ulearn
<div> <div>Inclusive benefits</div> <div> <div>  Women Maternity, Pregnancy care program, Surrogacy coverage & Infertility treatments </div> <div>  LGBTQ Same-sex partners covered, Gender reassignment surgeries, Surrogacy coverage </div> <div>  Associates with disability Inclusion of house and vehicle modification under the insurance policies </div> <div>  Mental health Hospitalization & OPD consultations covered for mental health treatments </div> </div> </div>				

Overview of Walmart Stocks

Building connection and ownership

- Annual Stocks are applicable to job level H and above levels
- A promise to give shares of a company stock on a future date
 - Known as **Grant**
- Getting to own the shares is called **Vesting**. Upon vesting, the share's fair market value is considered as income, and taxes are deducted as per India income tax laws. ***In a share settled program a portion of the shares is withheld to pay income taxes.***
- ***Vesting Conditions***
 - Stock awards granted before Feb. 1, 2023, will vest annually over a four-year period
 - Stock awards granted on and after Feb. 1, 2023, vest quarterly over a three-year period
 - **Important: Associates need to accept their grants within one month else their vesting may be impacted**
- The accelerated vesting introduced in 2023 resulted in associates benefiting from Walmart's success at a faster rate (quarterly in 3 years instead of annually in 4 years)
- Once vested, the Stocks are just like any other shares of company stock and can be sold anytime outside of the insider trading window. Insider trading windows are applicable only to those associates in possession of non-public material.

Note: This is applicable for Non-Officers only

Overview of Stocks

- **Dividends** are applicable only on vested shares – The amount is credited in the brokerage account as cash.
- **Sell your shares**, if you choose, at a price that allows you the greatest return (vs. the rate at the time of vesting).
- It is mandatory for all India-based associates to transfer any income generated from dividends and/or the sale of Walmart shares from their brokerage accounts to their Indian bank accounts. This process must be completed within 180 days of the receipt of funds.
- Exit from Company:
- If the associate's last working day is before the conclusion of their vesting schedule, they **forfeit the remaining unvested shares** to the company. Please read the Stock grant details on Fidelity site.
- In 2021, we shifted our Brokerage partner **from Merrill Lynch to Fidelity**.
 - All vested shares of past grants before Jun. 14, 2021, will continue with Merrill Lynch
 - All future grants and vesting on or after Jun. 14, 2021, will happen on Fidelity.
 - You cannot transfer your shares from one brokerage to another (from Merrill Lynch to Fidelity).

Faster Rate of Vesting Schedule

All shares granted after Feb. 1, 2023, will vest **quarterly** over a **three-year** period.
Any grants given prior to Feb. 1, 2023, will vest over a **four-year** period, with **25% increments** starting in the first year following the grant.

Illustration

Type of Vesting	Date of Grant	FY24 2023	FY24 2023	FY24 2023	FY24 2023	FY25 2024	FY25 2024	FY25 2024	FY25 2024	FY26 2025	FY26 2025	FY26 2025	FY26 2025	FY27 2026	FY27 2026	FY27 2026	FY27 2026	FY28 2027
		Q1 Mar	Q2 June	Q3 Sept	Q4 Dec	Q1 Mar	Q2 June	Q3 Sept	Q4 Dec	Q1 Mar	Q2 June	Q3 Sept	Q4 Dec	Q1 Mar	Q2 June	Q3 Sept	Q4 Dec	Q1 Mar
Before 1 st Feb '23- 4 years Annual	Apr-23					25%				25%				25%				25%
After 1 st Feb '23- 3 years Quarterly	Apr-23		8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%				

Note: This is applicable for Non-Officers only


Our associates benefited through faster cash flow and the major benefit in cashflow will happen in 2024, 2025

How to access your Fidelity and ML accounts


Fidelity

Link:

<https://nb.fidelity.com/public/nb/worldwide/home>



Refer the [user manual](#) to set up your “Stock Plan Account” on Fidelity.




First-time Net Benefits users: If you haven’t visited NetBenefits before, you’ll need to set up an account. Select “Register as a new user” and use your work email address to create your USER ID


Merrill Lynch

Link:

<http://benefits.ml.com/>



Follow the [step-by-step guide](#) to access your Merrill Lynch account



Go to your brokerage account > recertify your W8-Ben form

Resetting your password on Fidelity and ML

Fidelity

Use the 'Forgot Password' option while logging in.

In case of any technical challenges, to reset user id, password and for any assistance, please follow the below steps to connect to a Fidelity representative. For more click [here](#)

Before you call, please ensure you have your Net Benefits username

Free call from your mobile

Dial the access code 000 117 and allow several seconds to connect. When prompted, enter 800 544 0275

Paid call from a phone with international dialing capabilities Dial 000 800 050 4058 and allow several seconds to connect

Resource: [How to contact Fidelity](#)

Merrill Lynch

Use the 'Forgot Password' option while logging in.

In case of any technical challenges, to reset user id, password and for any assistance, please follow the below steps to connect to a Merrill Lynch representative.

Before you call, please ensure you have your Option ID and responses to the Security Questions ready. To know your 9-digit Merrill Lynch Option ID please refer to the Merrill Lynch Welcome Email. You may have received this when you first opened your brokerage account.

Free call from your mobile

- Dial the AT&T access number 000-117 (toll-free)
- Wait for the operator, they will ask you for the number you are trying to be connected to - 888-968-4015
- Wait for the operator and select option 3 for equity

Paid call from a phone with international dialing capabilities
Call direct +1 609-818-8894

Note: Call charges may apply as per your telephone service provider

Selling your shares on Fidelity & Merrill Lynch

Fidelity

Step 1: Setting up your wire transaction (for non-US associates)

- Login to [Netbenefits.com](https://netbenefits.com) and select the 'Outside U.S. Employees' tab to log in
- Recertify your W8-Ben form, checking the notifications in inbox
- Go to Summary tab, click on 'View Positions & Sell Shares' and then go to tab "Transfer Instructions" to update your withdrawal preferences.
- Update IFSC and Swift code
- The Payment purpose code will be P0021
- Choose the method and currency
- You can wire funds to a bank or other financial institution

Step 2: Selling your shares

- Select the 'Sell Request' button for the stocks you want to sell
- Enter the order information in the trade ticket
- Follow the prompts to sell your stock and choose your withdrawal method

Resource: To sell your vested shares, please follow the [step-by-step guide](#) on ME site. If you're facing any issues, please call the Fidelity contact center (refer slide 12)

Merrill Lynch

Step 1: Setting up your wire transaction (for non-US associates)

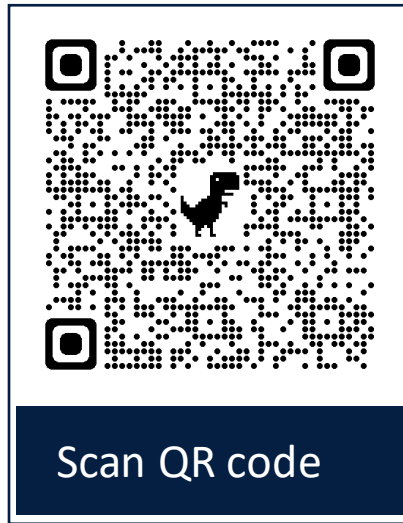
- Login to benefits.ml.com
- Recertify your W8-Ben form, checking the notifications in inbox
- Go to your brokerage account > Brokerage/Sell Shares > Wire Instructions
- Click on 'Add'
- Put in the swift code. Talk to your bank to know about your swift code for your bank.
- Put in your bank details, IFSC code, etc.
- Click on 'Continue'; Review your inputs and click on 'Submit'

Step 2: Selling your shares

- Follow the steps 1 (page 8) and 2 (page 9) in the guide to your Merrill Lynch account.


Resource: Click [here](#) for the guide. If you're facing any issues, please call the ML contact center (refer slide 12)

Check the global Stock resources



Walmart's Stock Award Program

Learn more about this important part of your compensation.




Walmart's annual stock award program, administered by Fidelity, lets you share in our broader success by aligning your pay with the company's performance and shareholder value. Together as our actions drive business growth and the stock price increases, the value of your stock award also increases. As a leader in stock administration, Fidelity offers innovative tools, exceptional customer service, and extensive resources to you plan for your future.

Getting started

Learn how your stock awards work.

How Restricted Stock Units (RSUs) are granted

Learn what RSUs are and how they're granted.



Watch this short video to understand how your Restricted Stock Units (RSUs) are granted.

https://one.walmart.com/content/uswire/en_us/me/money/International-Equity-Resources.html

Contact Center Details of Fidelity & Merrill Lynch

Fidelity

Free call from your mobile

Dial the access code 000 117 and allow several seconds to connect.
When prompted, enter 800 544 0275

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Need to reach a Walmart POC?

Raise a ServiceNow ticket, for other queries: <http://wmlink/IDCHRFinance>

An example – Overview of vesting schedule



Meet Amit

Amit joined Walmart IDC in Oct 2019. Look at his vesting schedule below

Year of vesting										
Grant Date	Shares Granted	Vesting Date	2021	2022	2023	2024	2025	2026	2027	2028
April 2020	100	12th March 2024	25	25	25	25				
April 2021	100	12th March 2024		25	25	25	25			
April 2022	100	12th March 2024			25	25	25	25		
April 2023	100				25	33.3	33.3	8.3		
April 2024	100					25	33.3	33.3	8.3	
April 2025	100						25	33.3	33.3	8.3
Total			25	50	100	133.3	141.6	100	41.6	8.3
			Merrill Lynch		Fidelity					

- We benefit the most post the completion of the three years for all future grants and four years for past grants prior to Feb 1, 2023
- In 2021, we shifted our Brokerage partner from Merrill Lynch to Fidelity. All vested shares of past grants before 14th of June 2021, will continue with Merrill Lynch and all future grants and vesting on or after 14th of June will happen on Fidelity.

Tax Liability and Responsibility

Event	Tax Liability	Responsibility
Grant of Stock	None	-
Vesting of Stock	Yes	Company does TDS and pays taxes on behalf of associates
Selling of Stock	Yes	Associate
Dividend Income	Yes	Associate

It is mandatory for all India-based associates to transfer any income generated from dividends and/or the sale of Walmart shares from their brokerage accounts to their Indian bank accounts. This process must be completed within 180 days of the receipt of funds.

Fair Market Price

Fair market price while vesting

Share settled: In India we are mandated to use a merchant banker (WMT uses SPA capital) to provide the fair market price and this price is based on the **first trading date of each month** and applied to all the share settled vesting for the month. In this case on March, the FMP is **\$97.79**

Fair market price while grant

The fair market price for the grant is the **3 Month Average Stock Price for January, February & March'25**.

The grant date for FY26 grant is on April 1, 2025, and will be communicated to associates by April end.

How is the tax rate determined?

1

Tax Deduction at Source

While vesting, the transfer of ownership of Stock happens and it is treated as income for the associate as per the income tax law. The tax deduction is based on the assumed tax rate dependent on the associate's projected income for the year.

Tax Rates for Apr. 1, 2024 - Mar. 31, 2025 (New Tax Regime)					
Income from	Income up to	Base tax rate	Surcharge (on base tax)	Education Cess (on base tax & surcharge)	Effective tax rate
-	3,00,000	0%	-	-	0.00%
3,00,001	7,00,000	5%	-	4%	5.20%
7,00,001	10,00,000	10%	-	4%	10.40%
10,00,001	12,50,000	15%	-	4%	15.60%
12,00,001	15,00,000	20%	-	4%	20.80%
15,00,001	50,00,000	30%	-	4%	31.20%
50,00,001	1,00,00,000	30%	10%	4%	34.32%
1,00,00,001	2,00,00,000	30%	15%	4%	35.88%
2,00,00,001	5,00,00,000	30%	25%	4%	39.00%
5,00,00,001	onwards	30%	25%	4%	39.00%

2

Shares withheld to pay your taxes

Shares to cover any income taxes due will be deducted from the gross vested shares and the net number of shares are deposited into the associate's brokerage account

Tax Rates for Apr. 1, 2024 - Mar. 31, 2025 (Old Tax Regime)					
Income from	Income up to	Base tax rate	Surcharge (on base tax)	Education Cess (on base tax & surcharge)	Effective tax rate
-	2,50,000	0%	-	-	0.00%
2,50,001	5,00,000	5%	-	4%	5.20%
5,00,001	10,00,000	20%	-	4%	20.80%
10,00,001	50,00,000	30%	-	4%	31.20%
50,00,001	1,00,00,000	30%	10%	4%	34.32%
1,00,00,001	2,00,00,000	30%	15%	4%	35.88%
2,00,00,001	5,00,00,000	30%	25%	4%	39.00%
5,00,00,001	onwards	30%	37%	4%	42.74%

How is tax deducted for my stock income?

All taxes are deducted by way of shares during vesting and paid to the Indian Tax department and through the India payroll team

An Illustration								
Associate Name	Tax rate	Gross Units Vested	Fair Market Price	Fair Market Value of Vested Shares	Taxes due as per tax rate	Units to be withheld for Taxes	Actual Stock Units Withheld	Net Units in Brokerage Account
	(T)	(GUV)	(FMP)	(FMV = GUV * FMP)	(TDS = FMV * T)	TDS/FMP		
Amith	31.20%	8	100	800	250	2.5	2.5	5.5
Shreya	34.30%	16	100	1600	549	5.5	5.5	10.5
Miracle	35.90%	24	100	2400	862	8.6	8.6	15.4
Prasath	39.00%	32	100	3200	1248	12.5	12.5	19.5

- Since Stock is a taxable income so shares are withheld and shared with the IDC payroll team for the month.
- *Fidelity allows fractional vesting of shares which ensures that most precise calculation of your equity award value and TDS*

Thank you!();