

WAL MART STORES INC

FORM 8-K

(Current report filing)

Filed 06/09/05 for the Period Ending 06/03/05

Address	702 SOUTHWEST 8TH ST BENTONVILLE, AR 72716
Telephone	5012734000
CIK	0000104169
Symbol	WMT
SIC Code	5331 - Variety Stores
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

WAL MART STORES INC

FORM 8-K (Unscheduled Material Events)

Filed 6/9/2005 For Period Ending 6/3/2005

Address	702 SOUTHWEST 8TH ST BENTONVILLE, Arkansas 72716
Telephone	501-273-4000
CIK	0000104169
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
June 3, 2005

Wal-Mart Stores, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction
of Incorporation)

001-06991
(Commission File Number)

71-0415188
(IRS Employer
Identification No.)

702 S.W. 8th Street
Bentonville, Arkansas 72716
(Address of Principal Executive Offices) (Zip code)

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

Item 1.01. Entry into a Material Definitive Agreement.

Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, as amended effective January 1, 2005

On June 3, 2005, at the 2005 Annual Shareholders' Meeting, the shareholders of Wal-Mart Stores, Inc. ("Wal-Mart") approved the Wal-Mart Stores, Inc. Stock Incentive Plan of 2005 (the "2005 Stock Incentive Plan"), as it amends and restates the Wal-Mart Stores, Inc. Stock Incentive Plan of 1998 (the "1998 Stock Incentive Plan") to be effective January 1, 2005. The 2005 Stock Incentive Plan as well as the forms of the current award notices thereunder, which are Exhibits 10.1 through 10.4 to this Current Report on Form 8-K, are incorporated by reference into this description of the terms of the 2005 Stock Incentive Plan. The principal provisions of the 2005 Stock Incentive Plan are discussed below.

Purpose

The purpose of the 2005 Stock Incentive Plan is to provide incentives to certain Associates to enhance their job performance or to motivate them to remain with Wal-Mart, to motivate certain persons to become associated with Wal-Mart and its affiliates, and to increase the success of Wal-Mart. Associates of Wal-Mart or its affiliates, Executive Officers, and Non-Management Directors are eligible to receive awards under the 2005 Stock Incentive Plan.

Shares Authorized for Issuance

The number of shares of Wal-Mart common stock, \$0.10 par value per share ("Share" or "Shares"), authorized for issuance under the 2005 Stock Incentive Plan shall be 50,000,000 Shares plus the Shares remaining under the 1998 Stock Incentive Plan (approximately 87,258,684 Shares remain under the 1998 Stock Incentive Plan as of June 3, 2005). In addition, Shares forfeited, that are subject to options that lapse without exercise, that are withheld to pay the exercise price of an option or to pay related tax withholding obligations, or that are reacquired by Wal-Mart after such Shares have been issued shall (subject to the last sentence of this paragraph) be added back to the number of Shares authorized for issuance. In all instances, the number of Shares available for issuance under the plan shall be subject to adjustment for stock splits, the effects of corporate transactions, and other significant events. After June 3, 2015, Shares that are either owned by a recipient and used to pay all or a portion of the exercise price of a stock option or reacquired by Wal-Mart after being issued (or delivered, if open market Shares), other than Shares of restricted stock that are reacquired upon forfeiture prior to the lapse of restrictions, will not be added back to the number of Shares authorized for issuance.

Administration

The Compensation, Nominating and Governance Committee of the Board of Directors (the "Committee"), which is made up entirely of independent directors, will administer the 2005 Stock Incentive Plan with respect to individuals who are Executive Officers or who are covered employees under Section 162(m) of the Internal Revenue Code. In all other cases, the "Committee" refers to the Stock Option Committee of the Board of Directors, unless the Board of Directors delegates such administration of the 2005 Stock Incentive Plan or a particular feature of the 2005 Stock Incentive Plan to another committee of the Board of Directors.

The Committee will select the persons who receive awards, determine the type and size of awards, and the number of Shares covered by the award; whether, to what extent, and under what circumstances awards may be settled in cash, Shares, or other property; the restrictions applicable to the award; and subject to the terms of the 2005 Stock Incentive Plan, establish the

terms, conditions, and other provisions of the awards. The Committee may interpret and administer the 2005 Stock Incentive Plan; establish, amend, suspend, or waive any rules relating to the 2005 Stock Incentive Plan; and may make any other determination and take any other action that may be necessary or advisable for administration of the 2005 Stock Incentive Plan. Subject to the terms of the 2005 Stock Incentive Plan, the Committee also has the authority to make adjustments or modifications to 2005 Stock Incentive Plan awards with respect to individuals who are working outside of the United States as are advisable to fulfill the purposes of the 2005 Stock Incentive Plan or to comply with local law, including its ability to establish sub-plans for individuals working outside of the United States. Except as otherwise expressly provided in the 2005 Stock Incentive Plan, all determinations, designations, interpretations, and other decisions of the Committee are final, conclusive, and binding.

The 2005 Stock Incentive Plan provides that the Committee may delegate ministerial duties under the 2005 Stock Incentive Plan to one or more administrators, who may be Associates. In addition, the Committee may delegate non-ministerial duties to an officer of Wal-Mart; provided that such officer: (a) shall not be authorized to make 2005 Stock Incentive Plan awards to himself or herself, and (b) in any fiscal year, the officer shall not make 2005 Stock Incentive Plan awards in excess of 100,000 Shares in the aggregate or 1,000 Shares to any one recipient.

Awards

The 2005 Stock Incentive Plan allows the Committee to grant stock options, restricted stock, restricted stock rights, stock appreciation rights, and performance shares, any or all of which may be made contingent on continued employment and/or achievement of performance-based criteria. Subject to the 2005 Stock Incentive Plan limits, the Committee determines the size of awards. The Committee has discretion to specify in any award agreement the effect of the participant's termination of employment (including by reason of death or disability) upon the lapse of any restrictions or the period (if any) during which an award may be exercised following termination of employment.

Stock Options: Stock options may be granted by the Committee and may be either non-qualified stock options or incentive stock options. Stock options are subject to the terms and conditions, including vesting conditions, set by the Committee (and incentive stock options are subject to further statutory restrictions that are set forth in the 2005 Stock Incentive Plan). The term of an incentive stock option will be no longer than ten years. Each stock option gives the grantee the right to receive a specified number of Shares upon exercise of the stock option and payment of the stock option price. The stock option price may be paid in accordance with procedures established by the Committee from time to time.

Restricted Stock: Restricted stock awards comprise Shares that are forfeitable until the restrictions lapse. The Committee may impose restrictions on restricted stock awards, including time-based restrictions and performance-based restrictions.

Restricted Stock Rights: Restricted stock rights provide the right to receive either Shares, cash, or a combination thereof (as determined by the Committee at the time of grant) upon the lapse of restrictions. The Committee may impose restrictions on restricted stock rights awards, including time-based restrictions and performance-based restrictions.

Stock Appreciation Rights: Stock appreciation rights provide the right to receive, upon exercise thereof, an amount equal to the excess of the fair market value of one Share on the date of exercise, or at any time during a specified period before or after the date of exercise as determined by the Committee, over the fair market value of a Share on the award date, multiplied by the number of Shares with respect to which the stock appreciation rights are being exercised. Payment may be made in cash, Shares, or in any combination as the Committee shall determine. The Committee may provide that payment with respect to an exercised stock appreciation right may occur on a fixed date which may not be the same as the exercise date and may provide for additional payment in recognition of the time value of money and the delay between the exercise date and the payment date.

Performance Shares: Performance shares provide the right to receive a certain number of Shares or their equivalent upon satisfaction of performance goals specified by the Committee, which are based upon the performance measures described below. The Committee shall establish the threshold, target, and maximum bonus opportunities for each participant for the attainment of specified levels of performance goals. Performance goals and bonus opportunities may be weighted for different factors and measures. With respect to any award intended to be “qualified performance-based compensation” within the meaning of Section 162(m) of the Internal Revenue Code, the Committee will designate individuals eligible for an award of performance shares within the first 90 days of a year (or in the case of a performance period other than a year, no later than the date on which 25 percent of the performance period has lapsed).

The Committee will have discretion to make adjustments to a performance share award in certain circumstances, such as when a person is promoted into a position of eligibility for a performance share award, is transferred between eligible positions with different performance goals or bonus opportunities, terminates employment and is subsequently rehired, takes a leave of absence, or other similar circumstances deemed appropriate by the Committee. The Committee may also increase or decrease an award to any individual, except that, an award intended to be “qualified performance-based compensation” for purposes of Section 162(m) of the Internal Revenue Code, may not be increased. The Committee will certify the degree of attainment of performance goals within 90 days after the end of each applicable performance period, and performance share awards will be paid as soon as administratively practicable after the certification is made. Performance shares may be paid in cash, in Shares, or any combination thereof, as determined by the Committee.

Performance Criteria. The performance criteria will be selected from among the following, which may be applied to Wal-Mart as a whole, or to an individual recipient, or to a department, unit, division or function within Wal-Mart or an affiliate, and they may apply on a pre- or post-tax basis, either alone or relative to the performance of other businesses or individuals (including industry or general market indices): (a) earnings (either in the aggregate or on a per-Share basis, reflecting dilution of Shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends) before or after interest and taxes (“EBIT”) or before or after interest, taxes, depreciation, and amortization (“EBITDA”); (b) gross or net revenue or changes in annual revenues; (c) cash flow(s) (including either operating or net cash flows); (d) financial return ratios; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Shares of a specified value for a specified period of time, Share price, or Share price appreciation; (f) earnings growth or growth in earnings per Share; (g) return measures, including return or net return on assets, net assets, equity, capital,

investment, or gross sales; (h) adjusted pre-tax margin; (i) pre-tax profits; (j) operating margins; (k) operating profits; (l) operating expenses; (m) dividends; (n) net income or net operating income; (o) growth in operating earnings or growth in earnings per Share; (p) value of assets; (q) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (r) aggregate product price and other product measures; (s) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (t) reduction of losses, loss ratios or expense ratios; (u) reduction in fixed costs; (v) operating cost management; (w) cost of capital; (x) debt reduction; (y) productivity improvements; (z) average inventory turnover; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction based on specified objective goals or a Wal-Mart-sponsored customer survey; (cc) Associate diversity goals; (dd) Associate turnover; (ee) specified objective social goals; or (ff) safety record.

This list of performance measures for the 2005 Stock Incentive Plan was submitted for shareholder approval to assure that certain awards satisfy the conditions for deductibility under Section 162(m) of the Internal Revenue Code as “qualified performance-based compensation.” These performance criteria include the same performance measures provided for in the Wal-Mart Stores, Inc. Management Incentive Plan, as amended, which was approved by shareholders at the 2003 Annual Shareholders’ Meeting, and under which Wal-Mart established performance measures based on pre-tax profit and diversity objectives for the fiscal year ending January 31, 2006. In addition, and as discussed in Wal-Mart’s 2005 proxy statement, the Committee granted three cycles of performance shares to Wal-Mart officers in 2005, which will vest upon reaching pre-established performance measures based on average return on investment and average revenue growth through January 31, 2006, January 31, 2007, and January 31, 2008, respectively.

The Committee may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts, any unusual non-recurring gain or loss, and other items as the Committee determines to be required so that the operating results of Wal-Mart, a division of Wal-Mart, or an affiliate of Wal-Mart shall be computed on a comparative basis from performance period to performance period.

Amendments

The Board of Directors may amend or terminate the 2005 Stock Incentive Plan without stockholder approval unless stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange on which Shares are traded.

Adjustments

In the event a stock dividend, stock split, reorganization, recapitalization, spin-off, or other similar event affects Shares, the Committee may determine an adjustment is necessary to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2005 Stock Incentive Plan. In such event, the Committee may adjust the number and type of Shares available under the 2005 Stock Incentive Plan or subject to outstanding grants and,

subject to various limits set forth in the 2005 Stock Incentive Plan, the exercise price of outstanding stock options and other awards.

Wal-Mart Stores, Inc. Director Compensation Plan

On June 3, 2005, at the 2005 Annual Shareholders' Meeting, shareholders elected 14 directors, including a new director Linda S. Wolf. Ms. Wolf is an independent, non-management director who will serve on the Compensation, Nominating and Governance Committee. The non-management directors and Ms. Wolf currently receive an annual retainer and an annual stock award upon their election to the Board of Directors each June under the Wal-Mart Stores, Inc. Director Compensation Plan. The current composition of director compensation for all non-management directors upon their election on June 3, 2005 is as follows:

- **Annual Retainer:** The amount of the annual retainer awarded to non-management directors will be \$60,000 and may be taken in cash, Shares, deferred in an interest bearing account, or any combination thereof. The interest rate on the interest bearing account is 6.95 percent for the calendar year ending December 31, 2005. The annual retainer will be paid in quarterly installments at the end of each calendar quarter.
- **Annual Stock Award:** The annual stock award can be taken in Shares, deferred in stock units, or a combination thereof. Upon election on June 3, 2005, the non-management directors were granted \$140,000 in Shares.

In addition to the annual retainer and annual stock award received by the non-management directors, the annual chair retainer offered to the Audit Committee Chair will be \$25,000, the annual chair retainer for the Compensation, Nominating and Governance Committee Chair will be \$15,000, and the annual chair retainer offered to the Strategic Planning and Finance Committee Chair will be \$15,000. The annual chair retainers will be paid quarterly installments, which may be taken in cash, Shares, deferred in stock units, deferred in an interest bearing account, or any combination thereof.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

- 10.1 The Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, as amended effective January 1, 2005.
 - 10.2 Notice of Non Qualified Stock Option Grant
 - 10.3 Notification of Restricted Stock Award and Terms and Conditions of Award
 - 10.4 Notification of Performance Share Award and Terms and Conditions of Award
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 9, 2005

WAL-MART STORES, INC.

By: /s/ Jeffrey J. Gearhart

Jeffrey J. Gearhart
Vice President and General
Counsel, Corporate Division

INDEX TO EXHIBITS

Exhibit Number	Description
10.1	The Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, as amended effective January 1, 2005.
10.2	Notice of Non Qualified Stock Option Grant
10.3	Notification of Restricted Stock Award and Terms and Conditions of Award
10.4	Notification of Performance Share Award and Terms and Conditions of Award

Exhibit 10.1

WAL-MART STORES, INC. STOCK INCENTIVE PLAN OF 2005

As amended January 1, 2005

1.1 Purpose. Wal-Mart Stores, Inc. (“Wal-Mart”) believes it is important to provide incentives to Wal-Mart’s Associates through participation in the ownership of Wal-Mart and otherwise. This Wal-Mart Stores, Inc. Stock Incentive Plan of 2005 was established under the name Wal-Mart Stores, Inc. Stock Incentive Plan of 1998 (“1998 Plan”). The 1998 Plan has been amended from time to time and hereby is amended, restated, and renamed as set forth herein, effective January 1, 2005, subject to the approval of Wal-Mart stockholders. The purpose of the Plan is to provide incentives to certain Associates to enhance their job performance, to motivate them to remain or become associated with Wal-Mart and its Affiliates, and to increase the success of Wal-Mart. The Plan is not limited to executive officers of Wal-Mart but will be available to provide incentives to any Associate that the Committee believes has made or may make a significant contribution to Wal-Mart or an Affiliate of Wal-Mart.

DEFINITIONS

2.1 “Affiliate” means any corporation, partnership, limited liability company, business trust, other entity or other business association that is now or hereafter controlled by Wal-Mart.

2.2 “Associate” means any person employed by Wal-Mart or any Affiliate.

2.3 “Board” means the Board of Directors of Wal-Mart.

2.4 “Cause” means the Associate’s commission of any act deemed detrimental to the best interest of Wal-Mart or any Affiliate or failure to perform satisfactorily his or her assigned duties, each as determined in the sole discretion of the Committee.

2.5 “Code” means the Internal Revenue Code of 1986, as amended.

2.6 “Committee” means (a) as to Associates who are Section 16 Persons and as to Covered Employees whose awards are intended to be Qualified Performance Based Awards, the Compensation, Nominating and Governance Committee of the Board, and (b) as to all other Associates, the Stock Option Committee of the Board, unless the Board delegates such administration of the Plan or a particular feature of the Plan to another Committee of the Board.

2.7 “Continuous Status as an Associate” means the absence of any interruption or termination of the employment relationship between an Associate and Wal-Mart or an Affiliate. Continuous Status as an Associate shall not be considered interrupted in the case of (a) sick leave, (b) military leave, or (c) any other leave of absence approved by Wal-Mart or an Affiliate; provided that leave does not exceed one year, unless re-employment upon the expiration of that leave is guaranteed by contract or law or unless provided otherwise by a policy of Wal-Mart or an Affiliate.

2.8 “Covered Employee” has the meaning set forth in Code Section 162(m)(3).

2.9 “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations adopted thereunder.



2.10 “Fair Market Value” means, as of any date, the composite closing sales price for a Share (a) on the New York Stock Exchange (or if no trading in Shares occurred on that date, on the last day on which Shares were traded) or (b) if the Shares are not listed for trading on the New York Stock Exchange, the value of a Share as determined in good faith by Committee.

2.11 “Fiscal Year” means the 12-month period beginning on each February 1 and ending on the following January 31.

2.12 “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Code Section 422.

2.13 “Nonqualified Option” means an Option not intended to be treated as an Incentive Stock Option.

2.14 “Notice of Plan Award” means the agreement or other document evidencing and governing any Plan Award.

2.15 “NYSE” means the New York Stock Exchange or any successor organization thereto.

2.16 “Option” means a stock option to acquire a certain number of the Subject Shares granted pursuant to the Plan.

2.17 “Parent/Subsidiary Corporation” means a “parent corporation” (within the meaning of Code Section 424(e)) or a “subsidiary corporation” (within the meaning of Code Section 424(f)) of Wal-Mart, in each case determined as of the date of grant.

2.18 “Performance Goals” means the pre-established objective performance goals established by the Committee for each Performance Period. The Performance Goals may be based upon the performance of Wal-Mart, of any Affiliate, or a division thereof, or of an individual Recipient, using one or more of the Performance Measures selected by the Committee. Separate Performance Goals may be established by the Committee for Wal-Mart or an Affiliate, or division thereof, or an individual. The Performance Goals shall include one or more threshold Performance Goals under which no portion of the Plan Award shall become vested, be transferred, retained, or the value of which is to be paid as provided by the Plan and Notice of Plan Award, if the threshold goals or goals are not achieved. With respect to Recipients who are not Covered Employees, the Committee may establish other subjective or objective goals, including individual Performance Goals, which it deems appropriate. The preceding sentence shall also apply to Covered Employees with respect to any Plan Awards not intended at the time of grant to be Qualified Performance Based Awards.

Performance Goals may be set at a specific level, or may be expressed as a relative percentage to the comparable measure at comparison companies or a defined index. Performance Goals shall, to the extent applicable, be based upon generally accepted accounting principles, but shall be adjusted by the Committee to take into account the effect of the following: changes in accounting standards that may be required by the Financial Accounting Standards Board after the Performance Goal is established; realized investment gains and losses; extraordinary, unusual, non-recurring, or infrequent items; currency fluctuations; acquisitions; divestitures; litigation losses; financing activities; expenses for restructuring or productivity initiatives; other non-operating items; new laws, cases or regulatory developments that result in unanticipated items of

gain, loss, income, or expense; executive severance arrangements; investment returns relating to investment vehicles which are unaffiliated with Wal-Mart, an Affiliate, or divisional operating strategy; and other items as the Committee determines to be required so that the operating results of Wal-Mart, a division, or an Affiliate shall be computed on a comparative basis from Performance Period to Performance Period. Determination by the Committee or its delegate shall be final and conclusive on all parties, but shall be based on relevant objective information or financial data.

2.19 “Performance Measures” means one or more of the following criteria, on which Performance Goals may be based: (a) earnings (either in the aggregate or on a per-Share basis, reflecting dilution of Shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends) before or after interest and taxes (“EBIT”) or before or after interest, taxes, depreciation, and amortization (“EBITDA”); (b) gross or net revenue or changes in annual revenues; (c) cash flow(s) (including either operating or net cash flows); (d) financial return ratios; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Shares of a specified value for a specified period of time, Share price, or Share price appreciation; (f) earnings growth or growth in earnings per Share; (g) return measures, including return or net return on assets, net assets, equity, capital, investment, or gross sales; (h) adjusted pre-tax margin; (i) pre-tax profits; (j) operating margins; (k) operating profits; (l) operating expenses; (m) dividends; (n) net income or net operating income; (o) growth in operating earnings or growth in earnings per Share; (p) value of assets; (q) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (r) aggregate product price and other product measures; (s) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (t) reduction of losses, loss ratios or expense ratios; (u) reduction in fixed costs; (v) operating cost management; (w) cost of capital; (x) debt reduction; (y) productivity improvements; (z) average inventory turnover; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction based on specified objective goals or a Wal-Mart-sponsored customer survey; (cc) Associate diversity goals; (dd) Associate turnover; (ee) specified objective social goals; or (ff) safety record.

Performance Measures may be applied on a pre-tax or post-tax basis, and based upon the performance of Wal-Mart, of any Affiliate, of a division thereof, or other business unit, or of an individual Recipient. The Committee may, at time of grant, in the case of a Plan Award intended to be a Qualified Performance Based Award, and in the case of other grants, at any time, provide that the Performance Goals for such Plan Award may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts, and any unusual nonrecurring gain or loss.

2.20 “Performance Period” means that period established by the Committee during which the attainment of Performance Goals specified by the Committee with respect to a Plan Award are to be measured. A Performance Period may be a 12-month period or a longer or shorter period.

2.21 “Performance Share” means the right to receive the value of a Share upon attainment of specified Performance Goals.

2.22 “Plan” means this Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, as amended from time to time.

2.23 “Plan Award” means an award or right granted under the plan consisting of an Option, Restricted Stock, Restricted Stock Right, Stock Appreciation Right, or Performance Share. The terms and conditions applicable to a Plan Award shall be set forth in the applicable Notice of Plan Award.

2.24 “Qualified Performance Based Award” means a Plan Award to a Covered Employee or to an Associate that the Committee determines may be a Covered Employee at the time the Wal-Mart or an Affiliate would be entitled to a deduction for such Plan Award, which is intended to provide “qualified performance-based compensation” within the meaning of Code Section 162(m). For any Performance Period for which a Plan Award is intended to be a Qualified Performance Based Award, Performance Goals shall be established by the Committee no later than 90 days after the beginning of the Performance Period to which the Performance Goals pertain and while the attainment of the Performance Goals is substantially uncertain, and in any event no later than the date 25% of the Performance Period has elapsed.

2.25 “Recipient” means an Associate who has received a Plan Award.

2.26 “Restricted Stock” means Shares awarded to a Recipient pursuant to a Plan Award of Restricted Stock that are subject to a Restriction and all non-cash proceeds of those Shares that are subject to a Restriction.

2.27 “Restricted Stock Right” means a right awarded to an Associate that, subject to Section 8.2, may result in Associate’s ownership of Shares upon, but not before, the lapse of Restrictions related thereto.

2.28 “Restriction” means any restriction on a Recipient’s free enjoyment of the Shares or other rights underlying a Plan Award. Restrictions may be based on the passage of time or the satisfaction of performance criteria or the occurrence of one or more events or conditions, and shall lapse separately or in combination upon such conditions and at such time or times, in installments or otherwise, as the Committee shall specify. Plan Awards subject to a Restriction shall be forfeited if the Restriction does not lapse prior to such date or the occurrence of such event or the satisfaction of such other criteria as the Committee shall determine.

2.29 “Section 16 Person” means any individual who is required to file reports under Section 16 of the Exchange Act.

2.30 “Securities Act” means the Securities Act of 1933, as amended and the rules and regulations adopted thereunder.

2.31 “Share” means a share of the common stock, \$.10 par value per share, of Wal-Mart.

2.32 “Stock Appreciation Right” means a right granted to a Recipient pursuant to the Stock Appreciation Rights feature of the Plan.

2.33 “Subject Shares” means such term as defined in Section 3.1.

SHARES SUBJECT TO THE PLAN

3.1 Shares Subject to the Plan. Subject to Section 11.8, the sum of (a) 50,000,000 Shares plus (b) the number of remaining Shares under the 1998 Plan (not subject to outstanding Plan Awards and not delivered out of Shares reserved thereunder) as of the date of stockholder approval of the Plan (collectively, the “Subject Shares”) are reserved for delivery under the Plan. The Subject Shares may be authorized, but unissued Shares, treasury Shares held by Wal-Mart or an Affiliate, or Shares acquired on the open market, including Shares acquired on the open market by forwarding cash to an independent broker who will purchase Shares on behalf, and in the name of the Recipient. Shares reserved for delivery pursuant to a Plan Award or any rights thereto, whether under the 1998 Plan or the Plan, that expire, are forfeited or otherwise are no longer exercisable or that are reacquired by Wal-Mart pursuant to the terms of the 1998 Plan, the Plan, or a Plan Award, may be the subject of a new Plan Award. No fractional Shares may be delivered under the Plan.

Notwithstanding the foregoing, (a) Shares already owned by a Recipient and used to pay all or a portion of the exercise price of Shares subject to an Option, and (b) any other Shares reacquired by Wal-Mart after such Shares have been issued (or, in the case of Open Market Shares, have been delivered), other than Restricted Stock that is forfeited or reacquired by Wal-Mart without lapse of the Restrictions, shall not become Subject Shares to the extent such Shares are withheld, tendered, or reacquired by Wal-Mart after June 3, 2015.

ADMINISTRATION

4.1 Administration. The Committee will administer the Plan and will grant all Plan Awards. The Plan and Plan Awards to Section 16 Persons shall be administered by the Committee in compliance with Rule 16b-3 adopted under the Exchange Act (“Rule 16b-3”).

4.2 Duties and Powers. The Committee shall have these duties and powers as to the Plan:

- (a) to establish rules, procedures, and forms governing the Plan;
 - (b) to interpret and apply the provisions of the Plan and any Plan Award;
 - (c) to recommend amendments of the Plan to the Board;
 - (d) to determine those Associates who will be Recipients and what Plan Awards will be made to them;
 - (e) to set the terms and conditions of any Plan Award and to determine and certify whether, and the extent to which, any such terms and conditions have been satisfied;
 - (f) to determine the Fair Market Value of the Shares;
 - (g) to amend the terms of any Plan Award or to waive any conditions or obligations of a Recipient under or with respect to any Plan Award;
 - (h) to make such adjustments or modifications to Plan Awards to Recipients who are working outside the United States as are advisable to fulfill the purposes of the Plan or to comply with applicable local law and to establish sub-plans for Associates outside
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the United States with such provisions as are consistent with the Plan as may be suitable in other jurisdictions;

- (i) to correct any defect or supply any omission; and
- (j) take any other action it deems necessary or advisable.

4.3 Delegation. Except for the administration of Qualified Performance Based Awards and matters under the Plan affected by Section 16 of the Exchange Act and the rules adopted thereunder, the Committee may delegate ministerial duties under the Plan to one or more administrators, who may be Associates of Wal-Mart, and may delegate non-ministerial duties to an officer of Wal-Mart; provided that the delegate of non-ministerial duties (a) shall not be authorized to make Plan Awards to himself or herself, and (b) in any Fiscal Year shall not make Plan Awards in excess of 100,000 Shares in the aggregate or 1,000 Shares to any one Recipient.

4.4 Determinations Binding. All actions taken or determinations made by the Committee, in good faith, with respect to the Plan, a Plan Award or any Notice of Plan Award shall not be subject to review by anyone, but shall be final, binding and conclusive upon all persons interested in the Plan or any Plan Award.

PARTICIPATION

5.1 All Associates whom the Committee determines have the potential to contribute significantly to the success of Wal-Mart or an Affiliate, are eligible to participate in the Plan as well as Non-Management Directors, except that Non-Management Directors may not receive Incentive Stock Options. An Associate or non-management director may be granted one or more Plan Awards, unless prohibited by applicable law and subject to the limitations under Code Section 422 with respect to Incentive Stock Options. For any Performance Period for which Plan Awards are intended to be Qualified Performance Based Awards, the Committee shall designate the Associates eligible to be granted Plan Awards no later than the 90th day of the Fiscal Year (or in the case of a Performance Period other than a Fiscal year, after not later than the date 25% of the Performance Period has elapsed).

STOCK OPTIONS

6.1 Term of Options. Wal-Mart may grant Options covering Subject Shares to Associates. The term of each Option shall be the term stated in the Notice of Plan Award; provided, however, that in the case of an Incentive Stock Option, the term shall be no more than 10 years from the date of grant unless the Incentive Stock Option is granted to a Recipient who, at the time of the grant, owns stock representing more than 10% of the voting power of all classes of stock of Wal-Mart or any Parent/Subsidiary Corporation, in which case the term may not exceed 5 years from the date of grant.

Each Option shall be a Nonqualified Option unless designated otherwise in the Notice of Plan Award. Notwithstanding the designation of an Option, if the aggregate Fair Market Value of Shares subject to Incentive Stock Options that are exercisable for the first time by a Recipient during a calendar year exceeds \$100,000 (whether due to the terms of the Plan Award, acceleration of exercisability, miscalculation or error), the excess Options shall be treated as Nonqualified Options.

6.2 Option Exercise Price and Consideration. The per Share exercise price of an Option shall be determined by the Committee in its discretion, except that the per Share exercise price for an Incentive Stock Option shall be 100% of the Fair Market Value of a Share on the date of grant except that, with respect to an Incentive Stock Option granted to an Associate who owns stock representing more than 10% of the voting power of all classes of stock of Wal-Mart or any Parent/Subsidiary Corporation at the time of the grant, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant. The type of consideration in which the exercise price of an Option is to be paid shall be determined by the Committee in its discretion, and, in the case of an Incentive Stock Option, shall be determined at the time of grant.

6.3 Exercise of Options. An Option shall be deemed to be exercised when the person entitled to exercise the Option gives notice of exercise to Wal-Mart in accordance with the Option's terms and Wal-Mart receives full payment for the Shares as to which the Option is exercised or other provision for such payment is made in accordance with procedures established by the Committee from time to time.

6.4 Termination of Employment. If a Recipient's Continuous Status as an Associate is terminated for any reason other than Cause, the Recipient may exercise Options that are not subject to Restrictions as of the termination date to the extent set out in Recipient's Notice of Plan Award. Incentive Stock Options may be exercised only within 60 days (or other period of time determined by the Committee at the time of grant of the Option and not exceeding 3 months) after the date of the termination (but in no event later than the expiration date of the term of that Option as set forth in the Notice of Plan Award), and only to the extent that Recipient was entitled to exercise the Incentive Stock Option at the date of that termination. To the extent the Recipient is not entitled to or does not exercise an Option at the date of that termination or within the time specified herein or in the Notice of Plan Award, the Option shall terminate. During a period for which the Recipient is subject to administrative suspension from employment, the Recipient's right to exercise Options will be suspended.

6.5 Disability of Recipient. Notwithstanding the provisions of the immediately preceding paragraph, in the case of a Recipient's Incentive Stock Option, if the Recipient's Continuous Status as an Associate is terminated as a result of his or her total and permanent disability (as defined in Code Section 22(e)(3)), the Recipient may, but only within 12 months from the date of that termination (but in no event later than the expiration date of the term of that Option as set forth in the Notice of Plan Award), exercise an Incentive Stock Option to the extent otherwise entitled to exercise it at the date of that termination. To the extent the Recipient is not entitled to exercise an Incentive Stock Option at the date of termination, or if Recipient does not exercise that Incentive Stock Option to the extent so entitled within the time specified herein, the Incentive Stock Option shall terminate.

6.6 Non-transferability of Options. An Option may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner except by testamentary devise or by the laws of descent or distribution or, in those circumstances expressly permitted by the Committee, to a Permitted Transferree. For this purpose, a "Permitted Transferree" means any member of the Immediate Family of the Recipient, any trust of which all of the primary beneficiaries are the Recipient or members of his or her Immediate Family or any partnership of which all of the

partners or members are the Recipient or members of his or her Immediate Family. The “Immediate Family” of a Recipient means the Recipient’s spouse, children, stepchildren, grandchildren, parents, stepparents, siblings, grandparents, nieces and nephews, or the spouse of any of the foregoing individuals.

6.7 Withholding. The Committee may withhold in accordance with Section 11.9 any amounts necessary to collect any withholding taxes upon any taxable event relating to an Option.

RESTRICTED STOCK

7.1 Grant of Restricted Stock. Wal-Mart may grant Restricted Stock to those Associates the Committee may select in its sole discretion. Each Plan Award of Restricted Stock shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and any other terms and conditions as the Committee may determine in its discretion.

7.2 Dividends; Voting. While any Restriction applies to any Recipient’s Restricted Stock, (a) unless the Committee provides otherwise, the Recipient shall receive the dividends paid on the Restricted Stock and shall not be required to return those dividends to Wal-Mart in the event of the forfeiture of the Restricted Stock, (b) the Recipient shall receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of Wal-Mart, which proceeds shall automatically and without need for any other action become Restricted Stock and be subject to all Restrictions then existing as to the Recipient’s Restricted Stock and (c) the Recipient shall be entitled to vote the Restricted Stock during the Restriction period.

7.3 Delivery of Restricted Stock. The Restricted Stock will be delivered to the Recipient subject to the understanding that while any Restriction applies to the Restricted Stock, the Recipient shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any shares of Restricted Stock or any interest therein. As a result of the retention of rights in the Restricted Stock by Wal-Mart, except as required by any law, neither any shares of the Restricted Stock nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors’ rights law. Any action attempting to effect any transaction of that type shall be void.

7.4 Forfeiture. Unless expressly provided for in the Plan Award, any Restricted Stock held by the Recipient at the time the Recipient ceases to be an Associate for any reason shall be forfeited by the Recipient to Wal-Mart and automatically re-conveyed to Wal-Mart.

7.5 Withholding. The Committee may withhold in accordance with Section 11.9 any amounts necessary to collect any withholding taxes upon any taxable event relating to Restricted Stock.

7.6 Compliance with Law. The making of Plan Award of Restricted Stock and delivery of any Restricted Stock is subject to compliance by Wal-Mart with all applicable laws. Wal-Mart need not issue or transfer Restricted Stock pursuant to the Plan unless Wal-Mart’s legal counsel has approved all legal matters in connection with the delivery of the Restricted Stock.

7.7 Evidence of Share Ownership. The Restricted Stock will be book-entry Shares only unless the Committee decides to issue certificates to evidence shares of the Restricted Stock. Any stock certificate(s) representing the Restricted Stock issued to a Recipient that is so issued shall bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THE WAL-MART STORES, INC. STOCK INCENTIVE PLAN OF 2005 (THE "PLAN") AND ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON THEIR TRANSFER AND TO FORFEITURE TO WAL-MART STORES, INC. IF CERTAIN CONDITIONS ARE NOT MET. THOSE RESTRICTIONS AND CONDITIONS ARE SET FORTH IN THE PLAN AND IN THE PLAN AWARD OF RESTRICTED STOCK PURSUANT TO WHICH THOSE SHARES WERE ISSUED TO THE REGISTERED HOLDER THEREOF.

Wal-Mart will place stop-transfer instructions with respect to all Restricted Stock on its stock transfer records.

7.8 Deferral of Restricted Stock. At the time of grant of Restricted Stock (or at such earlier or later time as the Committee determines to be appropriate in light of the provisions of Code Section 409A), the Committee may permit a) Recipient of a Restricted Stock Award to defer his or her Restricted Stock in accordance with rules and procedures established by the Committee. Alternatively, the Committee may, in its discretion and at the times provided above, permit an individual who would have been a Recipient of a Plan Award of Restricted Stock, to elect instead to receive an equivalent Plan Award of Restricted Stock Rights and may permit the Recipient to elect to defer receipt of Shares under the Restricted Stock Rights in accordance with Section 8.8.

RESTRICTED STOCK RIGHTS

8.1 Grant of Restricted Stock Rights. Wal-Mart may grant Restricted Stock Rights to those Associates as the Committee may select in its sole discretion. Each Plan Award of Restricted Stock Rights shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and the Notice of Plan Award, as the Committee may determine in its discretion. The Restrictions imposed shall take into account potential tax treatment under Code Section 409A.

8.2 Issuance of Restricted Stock Rights. Until the Restricted Stock Right is released from Restrictions and any Shares subject to that right are delivered to the Associate, the Associate shall not have any beneficial ownership in any Shares subject to the Restricted Stock Right, nor shall the Associate have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Stock Right or any interest therein. Except as required by any law, no Restricted Stock Right nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Associate, whether as the direct or indirect result of any action of the Associate or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

8.3 Payments to Recipients. Upon the lapse of the Restrictions, the Recipient of Restricted Stock Rights shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Shares subject to the Plan Award that are no longer subject to Restrictions, (b) in cash in an amount equal to the Fair Market Value on the date the Plan Award is settled of the number of Shares subject to the Plan Award that are no longer subject to Restrictions, or (c) any combination of cash and Shares, as the Committee shall determine in its sole discretion and specify at the time the Plan Award is granted. Where in the judgment of the Committee, it is in the interests of Wal-Mart to do so, a grant of Restricted Stock Rights may provide that Wal-Mart purchase Shares on the open market on behalf of an Associate in accordance with Section 11.1 (“Open Market Shares”).

8.4 Forfeiture. Restricted Stock Rights and the entitlement to Shares, cash, or any combination thereunder will be forfeited and all rights of an Associate to such Restricted Stock Rights and the Shares thereunder will terminate if the applicable Restrictions are not satisfied.

8.5 Limitation of Rights. A Recipient of Restricted Stock Rights is not entitled to any rights of a holder of the Shares (e.g., voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. The Committee may, however, provide in the Notice of Plan Award that the Recipient shall be entitled to receive dividend equivalent payments on Restricted Stock Rights, on such terms and conditions as the Notice of Plan Award shall specify.

8.6 Withholding. The Committee may withhold in accordance with Section 11.9 any amounts necessary to collect any withholding taxes upon any taxable event relating to the Restricted Stock Right.

8.7 Compliance with Law. The granting of Restricted Stock Rights and the delivery of any Shares or the purchase of Open Market Shares subject thereto is subject to compliance by Wal-Mart with all applicable laws.

8.8 Deferral of Restricted Stock Rights. At the time of grant of Restricted Stock Rights (or at such earlier or later time as the Committee determines to be appropriate in light of the provisions of Code Section 409A), the Committee may permit the Recipient to elect to defer receipt of the Shares or cash to be delivered upon lapse of the Restrictions applicable to the Restricted Stock Rights in accordance with rules and procedures established by the Committee. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Shares or cash.

STOCK APPRECIATION RIGHTS

9.1 Grant. Wal-Mart may grant Stock Appreciation Rights to those Associates as the Committee selects in its sole discretion, on any terms and conditions the Committee deems desirable. A Recipient granted a Stock Appreciation Right will be entitled to receive payment in an amount equal to (a) the excess of the Fair Market Value of a Share on the date on which the Recipient properly exercises Stock Appreciation Rights that are no longer subject to Restrictions over the Fair Market Value of a Share on the date of grant of the Recipient’s Stock Appreciation Rights, (b) a predetermined amount that is less than that excess, or (c) to the extent the Committee deems appropriate in light of potential taxes under Code Section 409A, any other amount as may be set by the Committee, multiplied by the number of Stock Appreciation Rights

as to which the Recipient exercises the Stock Appreciation Right. The Committee may provide that payment with respect to an exercised Stock Appreciation Right may occur on a date which is different than the exercise date, and may provide for additional payment in recognition of the time value of money and any delay between the exercise date and the payment date.

9.2 Award Vesting and Forfeiture. The Committee shall establish the Restrictions, if any, applicable to Stock Appreciation Rights. Stock Appreciation Rights and the entitlement to Shares thereunder will be forfeited and all rights of an Associate to such Stock Appreciation Rights and the Shares thereunder will terminate if any applicable Restrictions in the Plan or Notice of Plan Award are not satisfied.

9.3 Beneficial Ownership. The Recipient of any Stock Appreciation Rights shall not have any beneficial ownership in any Shares subject to such Plan Awards until Shares are delivered in satisfaction of the Plan Award nor shall the Recipient have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Stock Appreciation Rights or any interest therein. Except as required by any law, neither the Stock Appreciation Rights nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

9.4 Election to Receive Payments. A Recipient of a Stock Appreciation Right may elect to receive a payment to which the Recipient is entitled under the Plan Award by giving notice of such election to the Committee in accordance with the rules established by the Committee.

9.5 Payments to Recipients. Subject to the terms and conditions of the Notice of Plan Award granting the Stock Appreciation Rights, a payment to a Recipient with respect to Stock Appreciation Rights may be made (a) in cash, (b) in Shares having an aggregate Fair Market Value on the date on which the Stock Appreciation Rights are settled equal to the amount of the payment to be made under the Plan Award, or (c) any combination of cash and Shares, as the Committee shall determine in its sole discretion and specify at the time the Plan Award is granted. The Committee shall not make any payment in Shares if such payment would result in any adverse tax or other legal effect as to this Plan or Wal-Mart.

9.6 Limitation of Rights. A Recipient of Stock Appreciation Rights is not entitled to any rights of a holder of the Shares (e.g. voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan.

9.7 Withholding. The Committee may withhold in accordance with Section 11.9 any amounts necessary to collect any withholding taxes upon any taxable event relating to the Stock Appreciation Rights.

9.8 Deferral of Stock Appreciation Rights. At the time of grant of a Plan Award of Stock Appreciation Rights (or at such earlier or later time as would the Committee determines to be appropriate in light of the provisions of Code Section 409A), the Committee may permit a Recipient to elect to defer the Shares or cash to be delivered in settlement of a Stock

Appreciation Right in accordance with rules and procedures established by the Committee. Such rules and procedures shall take into account potential tax treatment under Code Section 409A.

PERFORMANCE SHARES

10.1 Grant. Wal-Mart may grant Performance Shares to such Associates as it may select in its sole discretion, on any terms and conditions the Committee deems desirable. Each Plan Award of Performance Shares shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and Notice of Plan Award.

10.2 Performance Goals. The Committee shall set Performance Goals which, depending on the extent to which they are met during a Performance Period, will determine the number of Performance Shares that will be delivered to the Recipient at the end of the Performance Period. The Performance Goals shall be set at threshold, target, and maximum performance levels, with the number of Performance Shares to be delivered tied to the degree of attainment of the various performance levels under the various Performance Goals during the Performance Period. No payment shall be made with respect to a Performance Share if the threshold performance level is not attained.

10.3 Beneficial Ownership. The Recipient of any Plan Award of Performance Shares shall neither have any beneficial ownership in any Shares subject to such Plan Awards until Shares are delivered in satisfaction of the Plan Award nor shall the Recipient have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Plan Award of Performance Shares or any interest therein. Except as required by any law, neither the Performance Shares nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

10.4 Determination of Achievement of Performance Goals. The Committee shall, promptly after the date on which the necessary financial, individual or other information for a particular Performance Period becomes available, determine and certify the degree to which each of the Performance Goals have been attained.

10.5 Payment of Performance Shares. After the applicable Performance Period has ended, the Recipient of a Plan Award of Performance Shares shall be entitled to payment based on the performance level attained with respect to the Performance Goals applicable to the Plan Award of Performance Shares. The Committee may, in its sole discretion, reduce, eliminate, or increase any amount or Shares under a Plan Award of Performance Shares for any individual or group, except that such amount or Shares intended to be a Qualified Performance Based Award may not be increased above the amount provided in the Notice of Plan Award. Unless deferred in accordance with Section 10.9, Performance Shares shall be settled as soon as practicable after the Committee determines and certifies the degree of attainment of Performance Goals for the Performance Period.

The Committee shall have the discretion and authority to make adjustments to any Plan Award of Performance Shares in circumstances where, during the Performance Period: (a) a

Recipient leaves Wal-Mart or an Affiliate and is subsequently rehired; (b) a Recipient transfers between eligible positions with different Incentive Percentages or Performance Goals; (c) a Recipient transfers to a position not eligible to participate in the Plan; (d) a Recipient becomes eligible, or ceases to be eligible, for an incentive from another incentive plan maintained by Wal-Mart or an Affiliate; (e) a Recipient is on a leave of absence; and (f) similar circumstances deemed appropriate by the Committee, consistent with the purpose and terms of the Plan; provided, however, that the Committee shall not be authorized to increase the amount of the Plan Award of Performance Shares payable to a Covered Employee that would otherwise be payable if the amount was intended to be Qualified Performance Based Award.

10.6 Payments to Recipients. Subject to the terms and conditions of the Notice of Plan Award, payment to a Recipient with respect to a Plan Award of Performance Shares may be made (a) in Shares, (b) in cash or by check equal to the Shares' Fair Market Value on the date the Performance Shares are settled, or (c) any combination of cash and Shares, as the Committee shall determine at any time in its sole discretion.

10.7 Limitation of Rights. A Recipient of a Plan Award of Performance Shares is not entitled to any rights of a holder of the Shares (e.g. voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. No dividend equivalents will be paid with respect to Performance Shares.

10.8 Withholding. The Committee may withhold in accordance with Section 11.9 any amounts necessary to collect any withholding taxes upon any taxable event relating to Performance Shares.

10.9 Deferral of Shares or Payout. At the time of grant of Performance Shares (or at such earlier or later time as the Committee determines to be appropriate in light of Code Section 409A), the Committee may permit the Recipient to elect to defer delivery of Shares (or payment of cash) with respect to the Plan Award in accordance with such rules and procedures established by the Committee. Such rules and procedures shall take into account potential tax treatment under Code Section 409A.

MISCELLANEOUS

11.1 Issuance of Stock Certificates; Book-Entry; or Purchase of Stock.

- (a) If a Recipient has the right to the delivery of any Shares pursuant to any Plan Award, Wal-Mart shall issue or cause to be issued a stock certificate or a book-entry crediting Shares to the Recipient's account promptly upon the exercise of the Plan Award or the right arising under the Plan Award.
 - (b) A Recipient's right to Open Market Shares pursuant to a Plan Award of Restricted Stock Rights, shall not be satisfied by Wal-Mart's delivery of Shares but rather Wal-Mart shall purchase the Shares on the open market on behalf of the Associate by forwarding cash to an independent broker who will in turn purchase the Shares on the open market on behalf, and in the name, of the Associate.
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11.2 Compliance with Code Section 162(m).

- (a) To the extent awards to Covered Employees are intended to be Qualified Performance Based Awards, the material terms of the Performance Goals under which awards are paid (and any material changes in material terms) shall be disclosed to and approved by Wal-Mart's stockholders in a separate vote. Material terms include the eligible Associates specified in Section 5.1, the Performance Measures pursuant to which the Performance Goals are set, and the maximum amount of compensation that could be paid to any Covered Employee or the formula used to calculate the amount of compensation to be paid to the Covered Employee if the Performance Goal is attained.
- (b) Performance Measures must be disclosed to and reapproved by the stockholders no later than the first stockholder meeting that occurs in the fifth year following the year in which stockholders previously approved the Performance Measures. If applicable laws change to permit Committee discretion to alter the governing Performance Measures without conditioning deductibility on obtaining stockholder approval (or reapproval) of any changes, the Committee shall have sole discretion to make changes without obtaining stockholder approval or reapproval.
- (c) Whenever the Committee determines that it is advisable to grant or pay awards that do not qualify as Qualified Performance Based Awards, the Committee may make grants or payments without satisfying the requirements of Code Section 162(m).
- (d) The Committee may establish rules and procedures providing for the automatic deferral of Shares or other Plan payouts of Recipients who are Covered Employees as necessary to avoid a loss of deduction under Code Section 162(m)(1). Settlement of Plan Awards after deferral shall be at a time consistent with not triggering taxes under Section 409A of the Internal Revenue Code.
- (e) No Recipient may be granted a Plan Award denominated in Shares with respect to a number of Shares in any one Fiscal Year which when added to the Shares subject to any other Plan Award denominated in Shares granted to such Recipient in the same Fiscal Year would exceed 2,000,000 Shares; provided, however, that if the Performance Period applicable to a Plan Award exceeds twelve months, the 2,000,000 Share limit shall apply to each 12-month period in the Performance Period. If an Award denominated in Shares is cancelled, the cancelled Award continues to count against the maximum number of Shares for which an Award denominated in Shares may be granted to a Recipient in any Fiscal Year. The Share limit shall be adjusted to the extent necessary to reflect adjustments to Shares required by Section 11.8.

11.3 Termination of Employment. Except as otherwise expressly set forth in the Plan, the Committee shall determine the effect of the termination of a Recipient's employment, or a Recipient's disability or death, on the lapse of any Restrictions contained in a Plan Award made to the Recipient. During a period for which the Recipient is subject to administrative suspension, a Recipient's right to exercise or receive payment for any rights under any Plan Award or the vesting of any rights under any Plan Award shall be suspended.

11.4 Forfeiture for Cause. Notwithstanding anything to the contrary contained in the Plan, any Recipient upon a finding of "Cause" by the Committee shall forfeit all Plan Awards

(and rights thereunder) and Restricted Stock granted under the Plan, whether or not vested or otherwise exercisable.

11.5 Death of Recipient. If a Recipient dies, the Recipient's Plan Award may be exercised, in accordance with its terms or as allowed by law, by the Recipient's estate or by a person who acquired the right to exercise the Plan Award by bequest or inheritance, but only to the extent provided in the Notice of Plan Award, or as the Committee may otherwise permit consistent with the terms of the Plan. Unless otherwise provided in Notice of Plan Award, (a) Plan Awards may be exercised after death only to the extent the Recipient was otherwise entitled to exercise the Plan Award at the date of the Recipient's death and only if exercised within 12 months after the Recipient's death, and (b) to the extent a Plan Award was unvested at the date of death, the Plan Award shall terminate.

11.6 Limitations on Liability and Award Obligations. Receiving a Plan Award or being the owner of any Plan Award of an Option, Restricted Stock, Restricted Stock Rights, Stock Appreciation Right, or Performance Share shall not:

- (a) give a Recipient any rights except as expressly set forth in the Plan or in the Plan Award and except as a stockholder of Wal-Mart as set forth herein as to the Restricted Stock only;
- (b) as to Shares deliverable on the exercise of an Option, Stock Appreciation Rights or Performance Shares payable in Shares, until the delivery (as evidenced by the appropriate entry on the books of Wal-Mart of a duly authorized transfer agent of Wal-Mart) of the Shares issued upon settlement of an Option, Stock Appreciation Right, or Performance Share give the Recipient the right to vote, or receive dividends on, the Shares to be delivered upon settlement or any other rights as a stockholder with respect to the Shares underlying such Plan Awards, notwithstanding the exercise of the Option, Stock Appreciation Right, or Performance Share;
- (c) be considered a contract of employment or give the Recipient any right to continued employment, or to hold any position, with Wal-Mart or any Affiliate;
- (d) create any fiduciary or other obligation of Wal-Mart or any Affiliate to take any action or provide to the Recipient any assistance or dedicate or permit the use of any assets of Wal-Mart or any Affiliate that would permit the Recipient to be able to attain any performance criteria stated in the Recipient's Plan Award;
- (e) create any trust, fiduciary or other duty or obligation of Wal-Mart or any Affiliate to engage in any particular business, continue to engage in any particular business, engage in any particular business practices or sell any particular product or products; or
- (f) create any obligation of Wal-Mart or any Affiliate that shall be greater than the obligations of Wal-Mart or that Affiliate to any general unsecured creditor of Wal-Mart or the Affiliate.

If Wal-Mart or an Affiliate terminates a Recipient's employment with Wal-Mart or the Affiliate, the potential value of any Plan Award that must be returned to Wal-Mart will not be an

element of any damages that the Recipient may have for any termination of employment or other relationship in violation of any contractual or other rights the Recipient may have.

11.7 No Liability of Committee Members. Consistent with Article VI of Wal-Mart's Amended and Restated Bylaws, Wal-Mart shall indemnify and hold harmless each member of the Committee and each other officer and director of Wal-Mart or any Affiliate that has any duty or power relating to the administration of the Plan against any liability, obligation, cost, or expense incurred by that person arising out of any act or omission to act in connection with the Plan or any Plan Award if he or she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of Wal-Mart. Indemnification of Associates and agents shall be determined pursuant to the requirements Article VI of Wal-Mart's Amended and Restated Bylaws.

11.8 Adjustments upon Changes in Capitalization or Merger. Subject to any required action by the Wal-Mart stockholders, the number and type of Shares (or other securities or property) covered by each Plan Award, and the number and type of Shares (or other securities or property) which have been authorized for delivery under the Plan, but as to which no Plan Awards have yet been granted or which have been returned to the Plan upon cancellation or expiration of a Plan Award, the price per Share covered by any outstanding Plan Award that includes in its terms a price per Share, and the number of Shares with respect to which Plan Awards may be granted to an individual shall be proportionately adjusted to reflect an extraordinary dividend or other distribution (whether in the form of cash, Shares, or other securities or property), stock split, reverse stock split, merger, reorganization, subdivision, consolidation or reduction of capital, recapitalization, consolidation, split-up, spin-off, combination or reclassification of the Shares, or any other increase or decrease in the number of outstanding Shares effected without receipt of consideration by Wal-Mart, issuance or warrants or other rights to purchase Shares or other securities of Wal-Mart or other similar corporate transaction or event that affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. That adjustment shall be made by the Committee, whose determination shall be final, binding and conclusive as to every person interested under this plan. Except as expressly provided herein, no issuance by Wal-Mart of Shares of stock of any class, or securities convertible into Shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to a Plan Award.

11.9 Tax Withholding. Whenever taxes are to be withheld in connection with the exercise or settlement of a Plan Award or for any other reason in connection with a Plan Award, the Committee may permit the Recipient to elect to make payment for the withholding of federal, state, and local taxes (including Social Security and Medicare ("FICA") taxes by one or a combination of the following methods: (a) payment in cash of the amount to be withheld, (b) requesting Wal-Mart to withhold from Shares that would otherwise be delivered in settlement of a Plan Award payable in Shares (or upon the lapse of Restrictions on a Plan Award) a number of Shares having a Fair Market Value on the date the withholding obligation arises no greater than the amount to be withheld, (c) transfer of unencumbered Shares owned by the Recipient in circumstances permitted by the Committee, or (d) withholding from any cash compensation otherwise due to the Recipient. The Committee may set limits on the amount of withholding to be satisfied through withholding of Shares, e.g., the Committee may require that only the

minimum withholding be satisfied in Shares, and may prohibit withholding from Open Market Shares in Canada or other countries. Any fractional Share amount must be paid in cash or withheld from compensation otherwise due to the Recipient.

11.10 Amendment and Termination of the Plan. The Board may amend or terminate the Plan at any time without the approval of the Recipients or any other person, except to the extent any action of that type is required to be approved by the stockholders of Wal-Mart under applicable law, listing standards, or in connection with any outstanding Qualified Performance Based Awards.

11.11 Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Arkansas, except that any matters relating to the internal governance of Wal-Mart shall be governed by the Delaware General Corporation Law, as amended.

11.12 Superseding Existing Plans. Effective Date and Transition. The Plan, as set forth herein, was approved by the Board on March 3, 2005, to be effective January 1, 2005, subject to the approval of a majority of the outstanding Shares at Wal-Mart's 2005 Annual Shareholders' Meeting. The 1998 Plan was initially approved by the Board on, and was effective as of, March 5, 1998, and was subsequently approved by the holders of a majority of the outstanding Shares at Wal-Mart's 1998 Annual Shareholders' Meeting, with 80,000,000 Shares made available for delivery in settlement of Plan Awards, of which up to 16,000,000 Shares were made available for grant as Restricted Stock.

11.13 Funding. To the extent the Plan is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), it is intended to be (and will be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. It is intended that the Plan be "unfunded" for federal tax purposes and for purposes of Title I of ERISA.

**WAL*MART STORES
Stock Incentive Plan
Notice of Non Qualified Stock Option Grant**

Name	Social Security Number	Department	
«Name»	«Social»	«Department»	
Grant Date	Shares Granted	Price per Share	Expiration Date
«GrantDate»	«SharesGranted»	«PricePerShare»	«ExpirationDate»

Grant of Option: You have been granted an option to purchase up to the above-designated number of shares of Common Stock of Wal-Mart Stores, Inc., ("Shares") at the designated price per Share, on or before the designated Expiration Date, subject to the terms of the Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, as amended from time to time. Capitalized terms used in the notice have the same meanings as in the Plan.

Vesting. This Option shall cumulatively vest and become exercisable as follows, except that no Options shall vest after you cease to be an associate of the company for any reason whatsoever other than on account of death in which case all Options shall immediately vest. The unexercised portion of each vested installment may be accumulated from year to year.

Shares Vesting	Date
«Vest1»	«Date1»
«Vest2»	«Date2»
«Vest3»	«Date3»

«Vest4»	«Date4»
«Vest5»	«Date5»
«TotalShrGranted»	Total

Time to Exercise Vested Options: You may exercise all or any portion of your vested Options only (i) while you are employed by the Company, or (ii) within 3 months after termination of employment, or (iii) within one year after death if you die before otherwise terminating employment or within 3 months thereafter. However, in no event shall this Option be exercisable (a) after the Expiration Date, (b) during any administrative suspension, or (c) if your employment was terminated for cause.

Payment of Exercise Price: You must pay the Option price in full in any one or a combination of the following, subject to the approval of the Committee: (i) through a broker-dealer selected by you to whom you have submitted an irrevocable exercise notice including an irrevocable instruction to deliver the Option price promptly to the Company by check or wire transfer; (ii) by cash, check, or wire transfer; or (iii) in unencumbered Shares which you have held for at least 6 months.

Tax Withholding: The Company's required federal, state and local tax withholding must be satisfied when you exercise an Option by any one or a combination of the following means: (i) by cash, check, or wire transfer; (ii) withholding of Shares otherwise deliverable to you as a result of the exercise of an Option; or (iii) in unencumbered Shares, which have been held for at least six months. All Shares shall be valued at their Fair Market Value as of the date the withholding tax obligation arises.

Successors Bound by this Notice: This Notice and the terms of the Plan bind you and your heirs, personal representatives, successors and assigns.

Arkansas Law Governs this Notice: This Notice shall be governed by and interpreted according to Arkansas law.

Exhibit 10.3

Name of Grantee:

Grant Date

Number of Shares

Social Security Number:

**WAL-MART STORES, INC.
STOCK INCENTIVE PLAN OF 2005**

**RESTRICTED STOCK AWARD
NOTIFICATION OF AWARD AND TERMS AND CONDITIONS OF AWARD**

This Restricted Stock Award Agreement (the "Agreement") contains the terms and conditions of the restricted stock award granted to you by Wal-Mart Stores, Inc., a Delaware corporation ("Wal-Mart") under the Wal-Mart Stores, Inc. Stock Incentive Plan of 2005.

1. Grant of Restricted Stock. Wal-Mart has granted to you, effective on the Grant Date (shown above), the right to receive the number of shares shown above of the common stock of Wal-Mart, par value \$0.10 per share ("Shares") at the end of the vesting period (as defined below). Before the Shares are vested, they are referred to in this Agreement as "Restricted Stock."

2. Stock Incentive Plan Governs. The award and this Agreement are subject to the terms and conditions of the Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, as amended from time to time (the "Plan"). The Plan is incorporated in this Agreement by reference and all capitalized terms used in this Agreement have the meaning set forth in the Plan, unless this Agreement specifies a different meaning. By signing this Agreement, you accept this award, acknowledge receipt of a copy of the Plan and the prospectus covering the Plan and

acknowledge that the award is subject to all the terms and provisions of the Plan and this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Committee of the Plan upon any questions arising under the Plan.

3. Payment. The Restricted Stock is granted without requirement of payment. However, if the Shares have not been previously issued, you must pay the par value (\$0.10) per Share no later than 10 business days after the Grant Date. You will be advised if this is the case and you will be given payment instructions at that time.

4. Stockholder Rights. Your Restricted Stock will be held for you by Wal-Mart until the applicable Vesting Date. You shall have all the rights of a stockholder on shares of Restricted Stock that vest. With respect to your unvested Restricted Stock,

A. You shall have the right to vote such shares at any meeting of stockholders of Wal-Mart;

B. You shall have and the right to receive, free of vesting restrictions (but subject to applicable withholding taxes) all cash dividends paid with respect to such shares; and

C. Any non-cash dividends and other non-cash proceeds of such shares, including stock dividends and any other securities issued or distributed in respect of such shares shall be subject to the same vesting and forfeiture conditions as the shares of Restricted Stock to which they relate, and the term "Restricted Stock" when used in this Agreement shall also include any related stock dividends and other securities issued or distributed in respect of such shares.

5. Vesting of Restricted Stock.

A. Vesting. Your Restricted Stock will vest as follows, provided you have not incurred a Forfeiture Condition described below:

Percentage of shares vesting	Cumulative percentage vested	Vesting Date

B. Forfeiture Conditions. Subject to Paragraph 5C. below, the shares of your Restricted Stock that would otherwise vest on a Vesting Date will not vest and shall be forfeited if, after the Grant Date and prior to the Vesting Date your continuous status as an Associate terminates or after the Grant Date and on or prior to the Vesting Date,

1. you (a) have become or (b) are discussing or negotiating the possibility of becoming, or (c) are considering an offer to become, or have accepted an offer or entered into an agreement to become an employee, officer, director, partner, manager, consultant to, or agent of, or otherwise becoming affiliated with, any entity competing or seeking to compete with Wal-Mart or an Affiliate; or
2. you are subject to an administrative suspension, unless you are reinstated as an Associate in good standing at the end of the administrative suspension period, in which case the applicable number of shares of Restricted Stock would vest as of the date of such reinstatement.

C. Accelerated Vesting; Vesting Notwithstanding Termination. Your Restricted Stock will vest earlier than described in Paragraph 5A, and such earlier vesting date shall also be considered a "Vesting Date," under the following circumstances:

1. If your Continuous Status as an Associate is terminated by your Disability, your Restricted Stock that would have become vested on a Vesting Date occurring no more than 3 months after your Continuous Status as an Associate is so terminated will become vested on the date your Continuous Status as an Associate is so terminated. "Disability" for this purpose means you have a physical or

mental condition resulting from bodily injury, disease or mental disorder that constitutes total disability under the Federal Social Security Act and for which you have actually been approved for Social Security disability benefits.

2. If you Retire, your Restricted Stock that would have become vested on a Vesting Date occurring no more than 3 months after you Retire will become vested on the day you Retire. "Retire" means that you cease to be a full-time Associate (other than for Cause) upon or after reaching age 65.

3. If your Continuous Status as an Associate is terminated by your death on or after ten years of service or on or after the third anniversary of the Grant Date, your Restricted Stock shall immediately become fully vested.

4. The Committee may, in its discretion, at any time accelerate the vesting of your Restricted Stock on such terms and conditions as it deems appropriate.

D. Mandatory Deferral of Vesting . If the vesting of Restricted Stock in any year could, in the Committee's opinion, when considered with your other compensation, result in Wal-Mart's inability to deduct the value of your Shares because of the limitation on deductible compensation under Internal Revenue Code Section 162(m), then Wal-Mart in its sole discretion may defer the Vesting Date applicable to your Restricted Stock (but only to the extent that, in the Committee's judgment, the value of your Restricted Stock would not be deductible) until six months following the termination of your Associate status.

6. Forfeiture of Restricted Stock . If you suffer a forfeiture condition (i.e., if your Continuous Service as an Associate is terminated prior to the Vesting Date and the vesting is not accelerated under Paragraph 5C), you will immediately forfeit your Restricted Stock (including any cash dividends and non-cash proceeds related to the Restricted Stock for which the record date occurs on or after the date of the forfeiture), and all of your rights to and interest in the Restricted Stock shall terminate upon forfeiture without payment of consideration (except that if you paid par value for the Restricted Stock the par value of the forfeited shares of Restricted Stock will be returned to you). Forfeited Restricted Stock, shall be reconveyed to Wal-Mart.

7. Taxes and Tax Withholding .

A. Upon the vesting of your Restricted Stock, you will have income in the amount of the value of the Shares that become vested on the Vesting Date, and you must pay income tax on that income.

B. You agree to consult with any tax consultants you think advisable in connection with your Restricted Stock and acknowledge that you are not relying, and will not rely, on Wal-Mart for any tax advice. Please see Section 9.F. regarding Section 83(b) elections.

C. Whenever any Restricted Stock becomes vested under the terms of this Agreement, you must remit, on or prior to the due date thereof, the minimum amount necessary to satisfy all of the federal, state and local withholding (including FICA) tax requirements

imposed on Wal-Mart (or the Affiliate that employs you) relating to your Shares. The Committee may require you to satisfy these minimum withholding tax obligations by any (or a combination) of the following means: (i) a cash, check, or wire transfer; (ii) authorizing Wal-Mart to withhold from the Shares otherwise deliverable to you as a result of the vesting of the Restricted Stock, a number of Shares having a Fair Market Value, as of the date the withholding tax obligation arises, less than or equal to the amount of the withholding obligation; or (iii) in unencumbered shares of Wal-Mart common stock, which have been held for at least six months.

8. Restricted Stock Not Transferable . Neither Restricted Stock, nor your interest in the Restricted Stock, may be sold, conveyed, assigned, transferred, pledged or otherwise disposed of or encumbered at any time prior to vesting applicable to any award of Restricted Stock issued in your name. Any attempted action in violation of this paragraph shall be null, void, and without effect.

9. Other Provisions .

A. The value of the Shares under this Agreement will not be taken into account in computing the amount of your salary or other compensation for purposes of determining any pension, retirement, death or other benefit under any employee benefit plan of Wal-Mart or any Affiliate, except to the extent such plan or another agreement between you and Wal-Mart specifically provides otherwise.

B. Wal-Mart may, without liability for its good faith actions, place legend restrictions upon the Restricted Stock or unrestricted Shares obtained upon vesting of the Restricted Stock and issue “stop transfer” instructions requiring compliance with applicable securities laws and the terms of the Restricted Stock.

C. Determinations regarding this Agreement (including, but not limited to whether an event has occurred resulting in the forfeiture of or vesting of Restricted Stock) shall be made by the Committee in accordance with this Agreement, and all determinations of the Committee shall be final and conclusive and binding on all persons.

D. Neither this Agreement nor the Plan creates any contract of employment, and nothing in this Agreement or the Plan shall interfere with or limit in any way the right of Wal-Mart or an Affiliate to terminate your employment or service at any time, nor confer upon you the right to continue in the employ of Wal-Mart and/or Affiliate. Nothing in this Agreement or the Plan creates any fiduciary or other duty to you owed by Wal-Mart, any Affiliate, or any member of the Committee except as expressly stated in this Agreement or the Plan.

E. Wal-Mart reserves the right to amend the Plan at any time. The Committee reserves the right to amend this Agreement at any time.

F. By accepting this award Agreement,

1. You agree to provide any information reasonably requested from time to time, and

2. You agree not to make an Internal Revenue Code Section 83(b) election with respect to this award of Restricted Stock.

G. This Agreement shall be construed under the laws of the State of Delaware.

Grantee:

I acknowledge having received, read and understood the Plan and this Agreement. I accept the terms and conditions of my Restricted Stock award as set forth in this Agreement, subject to the terms and conditions of the Plan

Signature

Name (please print): _____

Agreed to and accepted this ____ day of _____, 200__.

Exhibit 10.4

Name of Grantee:

Grant Date:

Number of Shares:

Social Security Number:

Performance Period:

Vesting Date:

**WAL-MART STORES, INC.
STOCK INCENTIVE PLAN OF 2005**

**PERFORMANCE SHARE AWARD
NOTIFICATION OF AWARD AND TERMS AND CONDITIONS OF AWARD**

This Performance Share Award Agreement (the "Agreement") contains the terms and conditions of the Performance Share Award granted to you by Wal-Mart Stores, Inc. ("Wal-Mart"), a Delaware corporation, under the Wal-Mart Stores, Inc. Stock Incentive Plan of 2005.

1. Grant of Performance Share Award. Wal-Mart has granted to you, effective on the Grant Date (shown above), the right to receive the Fair Market Value of the number of Shares shown above (or such greater or smaller number of Shares as determined in accordance with Paragraph 6) as of the Vesting Date (as defined below). Such Fair Market Value shall be paid as soon as administratively feasible after the later of the Vesting Date or the Committee's determination of whether, and the extent to which, the performance goals described in Paragraph 6 have been satisfied. At your election, the form of payment may be in: (A) in cash, (B) in Shares, or (C) in any combination of cash and Shares. In determining the amount of any cash payout hereunder, Fair Market Value shall be determined as of the date the payment is processed.

2. Stock Incentive Plan Governs. The award and this Agreement are subject to the terms and conditions of the Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, as amended from time to time (the "Plan"). The Plan is incorporated in this Agreement by reference and all capitalized terms used in this Agreement have the meaning set forth in the Plan, unless this Agreement specifies a different meaning. By signing this Notification, you accept this award, acknowledge receipt of a copy of the Plan and the prospectus covering the Plan and

acknowledge that the award is subject to all the terms and provisions of the Plan and this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Committee of the Plan upon any questions arising under the Plan, including whether, and the extent to which, the performance goals described in Paragraph 6 have been satisfied.

3. Subject to Shareholder Approval. To the extent you are a “covered employee” within the meaning of Code Section 162(m), the award and this Agreement are subject to, and conditioned upon, shareholder approval of the material terms of the performance goals stated in Paragraph 6 below.

4. Payment. You are not required to pay for this Performance Share Award.

5. Stockholder Rights. Until your Performance Share Award vests and, if applicable, Shares have been delivered to you:

- A. You do not have the right to vote your Performance Share Award; and
- B. You will not receive, or be entitled to receive, cash or non-cash dividends on your Performance Share Award.

6. Vesting of Performance Share Award.

A. Vesting. On the Vesting Date set forth above, you shall become vested in a number of Shares determined by multiplying the total number of Shares subject to your Performance Share Award (as shown above) by a percentage based on performance goals established by the Committee for the Performance Period, provided you have not incurred a Forfeiture Condition described below. You will, by separate writing incorporated into this notice, be notified of the applicable percentages and performance goals for the Performance Period.

B. Forfeiture Conditions. Subject to Paragraph 6C below, your Performance Share Award that would otherwise vest in whole or in part on the Vesting Date will not vest and shall be immediately forfeited if, prior to the Vesting Date:

- 1. your Continuous Status as an Associate terminates for any reason (other than your death or Disability, to the extent provided in Paragraph 6C below); or
- 2. you (a) have become or (b) are discussing or negotiating the possibility of becoming, or (c) are considering an offer to become, or have accepted an offer or entered into an agreement to become an employee, officer, director, partner, manager, consultant to, or agent of, or otherwise becoming affiliated with, any entity competing or seeking to compete with Wal-Mart or an Affiliate; or
- 3. you are subject to an administrative suspension, unless you are reinstated as an Associate in good standing at the end of the administrative suspension period, in which case your Performance Share Award would vest (as provided in Paragraph 6A) as of the date of such reinstatement.

C. Accelerated Vesting; Vesting Notwithstanding Termination. Your Performance Share Award will vest earlier than described in Paragraph 6A under the following circumstances:

- 1. If your Continuous Status as an Associate is terminated by your Disability, you will become vested in a number of Shares equal to the number of Shares that would have become vested under Paragraph 6A had your Continuous Status as an Associate continued through the Vesting Date described in Paragraph 6A, prorated based upon the number of full calendar months during the Performance Period (as shown above) in which you had Continuous Status as an Associate. "Disability" for this

purpose means you have a physical or mental condition resulting from bodily injury, disease or mental disorder that constitutes total disability under the Federal Social Security Act and for which you have actually been approved for Social Security disability benefits.

2. If your Continuous Status as an Associate is terminated by your death on or after ten years of service, you will become vested in a number of Shares equal to the number of Shares that would have become vested under Paragraph 6A had your Continuous Status as an Associate continued through the Vesting Date described in Paragraph 6A. If your Continuous Status as an Associate is terminated by your death before you have completed ten years of service, you will become vested in a number of Shares equal to the number of Shares that would have become vested under Paragraph 6A had your Continuous Status as an Associate continued through the Vesting Date described in Paragraph 6A, prorated based upon the number of full calendar months during the Performance Period (as shown above) in which you had Continuous Status as an Associate.

In the event of accelerated vesting under this Paragraph 6C, the Fair Market Value of vested Shares, as determined above, shall be paid as soon as administratively feasible after the later of the Vesting Date or the Committee's determination of whether, and the extent to which, the performance goals described in Paragraph 6 have been satisfied. Payment shall be made: (A) in cash or by check, (B) in Shares, or (C) in any combination of cash and Shares. At the time of payment, the Committee may determine the form of payment or whether to extend to you the option of electing the form of payment. In determining the amount of any cash payout hereunder, Fair Market Value shall be determined as of the date the payment is processed.

7. Taxes and Tax Withholding .

A. You will have taxable income in the amount of any cash or the Fair Market Value of any Shares paid to you under this Agreement.

B. You must remit, on or prior to the due date thereof, the minimum amount necessary to satisfy all of the federal, state and local withholding (including FICA) tax requirements imposed on Wal-Mart (or the Affiliate that employs you) relating to this Agreement. The Committee may require you to satisfy these minimum withholding tax obligations by any (or a combination) of the following means: (i) a cash payment; (ii) withholding from compensation otherwise payable to you; (iii) authorizing Wal-Mart to withhold from the Shares otherwise deliverable to you under this Agreement as a result of the vesting of the Performance Share Award, if any, a number of Shares having a Fair Market Value, as of the date the withholding tax obligation arises, less than or equal to the amount of the withholding obligation; or (iv) authorizing Wal-Mart to withhold from cash otherwise deliverable to you under this Agreement as a result of the vesting of the Performance Share Award, if any, any amount less than or equal to the amount of the withholding obligation.

8. Performance Share Award Not Transferable . Neither a Performance Share Award, nor your interest in a Performance Share Award, may be sold, conveyed, assigned, transferred, pledged or otherwise disposed of or encumbered at any time. Any attempted action in violation of this paragraph shall be null, void, and without effect.

9. Other Provisions .

A. The value of the Performance Share Award will not be taken into account in computing the amount of your salary or other compensation for purposes of determining any pension, retirement, death or other benefit under any employee benefit plan of Wal-Mart or any Affiliate, except to the extent such plan or another agreement between you and Wal-Mart specifically provides otherwise.

B. Determinations regarding this Agreement (including, but not limited to, whether, and the extent to which, the performance goals described in Paragraph 6 have been satisfied, and whether an event has occurred resulting in the forfeiture of or vesting of a Performance Share Award) shall be made by the Committee in accordance with this Agreement, and all determinations of the Committee shall be final and conclusive and binding on all persons.

C. Neither this Agreement nor the Plan creates any contract of employment, and nothing in this Agreement or the Plan shall interfere with or limit in any way the right of Wal-Mart or an Affiliate to terminate your employment or service at any time, nor confer upon you the right to continue in the employ of Wal-Mart and/or Affiliate. Nothing in this Agreement or the Plan creates any fiduciary or other duty to you owed by Wal-Mart, any Affiliate, or any member of the Committee except as expressly stated in this Agreement or the Plan.

D. Wal-Mart reserves the right to amend the Plan at any time. The Committee reserves the right to amend this Agreement at any time.

E. By accepting this award Agreement, you agree to provide any information reasonably requested from time to time.

F. You acknowledge that you are not relying, and will not rely, on Wal-Mart for any tax advice.

G. This Agreement shall be construed under the laws of the State of Delaware.

Grantee:

I acknowledge having received, read and understood the Plan and this Agreement. I accept the terms and conditions of my Performance Share Award as set forth in this Agreement, subject to the terms and conditions of the Plan

By: _____
Name (please print): _____
Agreed to and accepted this ____ day of _____, 200__.