

TARGET CORP
Form DEF 14A
April 27, 2015
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

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

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

TARGET CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PROXY STATEMENT

**AND NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS**

Wednesday, June 10, 2015 at 8:00 a.m. PDT

**Bently Reserve
400 Sansome Street
San Francisco, California 94111**

Dear Fellow Shareholder,

We are providing the enclosed proxy materials in preparation for our 2015 Annual Meeting of Shareholders. At last year's meeting, we were in a period of significant transition, and I am pleased to report that your Board and Company have made significant progress since that time. In particular:

The Board named Brian Cornell as Chairman & Chief Executive Officer in July, 2014. Mr. Cornell is the first ever CEO hired directly from outside the organization and brings a wealth of experience in both retailing and consumer product marketing to Target.

The Board supported management's recommendation to discontinue our Canadian operations. Although this decision was difficult, your Board believes that it will lead to improved financial results and, most importantly, allow the management team to focus its energy on accelerating profitable growth in the U.S. market.

Given the evolving environment around risk oversight, during 2014 we embarked on a comprehensive review of risk oversight at the management, Board and Committee levels, with the assistance of a third-party strategy, risk management and regulatory compliance consultant. As a result of that comprehensive review, in January 2015 we clarified and enhanced existing practices to provide more transparency about how risk oversight is exercised at the Board and Committee levels.

We also experienced a significant transition at the Board level. After nearly 20 years of dedicated service, Jim Johnson, who had been our Lead Independent Director, will be retiring from our Board at the end of his current term. The Board is grateful to Jim for his leadership, wisdom and exemplary service.

In light of Jim's retirement, the Board engaged in an in-depth process to select a new Lead Independent Director, and it is with a mix of honor and humility that I have agreed to take on this role. In this role I will work to support and enable the Board and management as we work to deliver on our responsibilities to our shareholders of continuing Target's long history of profitable growth, great citizenship and shareholder responsiveness.

On behalf of the Board of Directors, I invite you to attend Target Corporation's 2015 Annual Meeting of Shareholders. The accompanying proxy statement and 2014 Annual Report on Form 10-K contain information about:

- The date, location, and time of the meeting.
- Business matters on which you are encouraged to vote.
- Governance and executive compensation disclosures, including the changes we made this past year in response to developments in our business and our continuing shareholder outreach efforts.
- Our 2014 financial results.

We value your feedback and thank you for your continued support of Target.

Douglas M. Baker, Jr.

Lead Independent Director

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**Notice of 2015 Annual Meeting
of Shareholders**

Wednesday, June 10, 2015

8:00 a.m. Pacific Daylight Time

Bently Reserve located at 400 Sansome Street, San Francisco, California 94111

TO OUR SHAREHOLDERS

You are invited to attend Target Corporation's 2015 Annual Meeting of Shareholders to be held at Bently Reserve located at 400 Sansome Street, San Francisco, California 94111 on Wednesday, June 10, 2015 at 8:00 a.m. Pacific Daylight Time.

PURPOSE

Shareholders will vote on the following items of business:

- 1.** Election of all 10 directors named in our proxy statement to our Board of Directors for the coming year;
- 2.** Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm;
- 3.** Approval, on an advisory basis, of our executive compensation;
- 4.** Approval of the Target Corporation Amended & Restated 2011 Long-Term Incentive Plan;
- 5.** The shareholder proposals contained in this proxy statement, if properly presented at the meeting; and
- 6.** Transaction of any other business properly brought before the meeting or any adjournment.

You may vote if you were a shareholder of record at the close of business on **April 13, 2015**. We hope you will be able to attend the Annual Meeting, but if you cannot do so, it is important that your shares be represented. If you plan to attend the meeting, please follow the instructions provided in Question 12 "How can I attend the Annual Meeting?" on page 85 of the proxy statement.

Following the formal business of the meeting, our Chairman and CEO will provide prepared remarks, followed by a question and answer session.

We urge you to read the proxy statement carefully, and to vote in accordance with the Board of Directors' recommendations by telephone or Internet, or by signing, dating, and returning the enclosed proxy card in the postage-paid envelope provided, whether or not you plan to attend the Annual Meeting.

Thank you for your continued support.

Sincerely,

Timothy R. Baer

Corporate Secretary

Approximate Date of Mailing of Proxy Materials or

Notice of Internet Availability:

April 27, 2015

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PROXY STATEMENT

Annual Meeting of Shareholders June 10, 2015

The Board of Directors of Target Corporation solicits the enclosed proxy for the 2015 Annual Meeting of Shareholders, and for any adjournment thereof.

PROXY SUMMARY

This summary highlights information described in other parts of this proxy statement, and does not contain all of the information you should consider in voting. Please read the entire proxy statement carefully before voting.

TARGET 2015 ANNUAL MEETING OF SHAREHOLDERS

June 10, 2015
8:00 a.m. Pacific Daylight Time

Bently Reserve
400 Sansome Street
San Francisco, California 94111

ITEMS OF BUSINESS

ITEM	BOARD'S RECOMMENDATION
Election of 10 Directors (page 17)	FOR
Ratification of Independent Registered Public Accounting Firm (page 68)	FOR
Advisory Approval of Executive Compensation (page 70)	FOR
Approval of the Target Corporation Amended & Restated 2011 Long-Term Incentive Plan (page 72)	FOR
Shareholder Proposals, if Properly Presented (pages 79-81)	AGAINST

QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING AND VOTING

We encourage you to review the "Questions and Answers About Our Annual Meeting and Voting" beginning on page 82 for answers to common questions on the rules and procedures surrounding the proxy and annual meeting process, as well as the business to be conducted at our Annual Meeting.

ADMISSION AT THE MEETING

If you plan to attend the Annual Meeting in person, please see the information in Question 12 “How can I attend the Annual Meeting?” on page 85. We strongly encourage you to pre-register. If you plan to bring a guest you must pre-register by June 5, 2015. **Any person who does not present identification and establish proof of ownership will not be admitted to the Annual Meeting.**

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VOTING

If you held shares of Target common stock as of the record date (**April 13, 2015**) you are entitled to vote at the Annual Meeting.

Your vote is important. Thank you for voting.

ADVANCE VOTING METHODS AND DEADLINES

METHOD INSTRUCTION

DEADLINE

- Go to website identified on proxy card, voter instruction form or Notice of Internet Availability of Proxy Materials

Internet

- Enter Control Number on proxy card, voter instruction form or Notice of Internet Availability of Proxy Materials

- Follow instructions on the screen

Internet and telephone voting are available 24 hours a day, seven days a week up to these deadlines:

- Call the toll-free number identified on the enclosed proxy card or voter instruction form or, after viewing the proxy materials on the website provided in your Notice of Internet Availability of Proxy Materials, call the toll-free number for telephone voting identified on the website

• **Registered Shareholders or Beneficial Owners** –11:59 p.m. Eastern Daylight Time on June 9, 2015

Telephone

- Enter Control Number on the proxy card, voter instruction form or Notice of Internet Availability of Proxy Materials

• **Participants in the Target 401(k) Plan** – 6:00 a.m. Eastern Daylight Time on June 8, 2015

- Follow the recorded instructions

- Mark your selections on the enclosed proxy card or voter instruction form

Mail

- Date and sign your name exactly as it appears on the proxy card or voter instruction form

- Promptly mail the proxy card or voter instruction form in the enclosed postage-paid envelope

Return promptly to ensure proxy card or voter instruction form is received before the date of the Annual Meeting or, for participants in the Target 401(k) Plan, by 6:00 a.m. Eastern Daylight Time on June 8, 2015

If you received a Notice of Internet Availability of Proxy Materials and would like to vote by mail, you must follow the instructions on the Notice to request a written copy of the proxy materials, which will include a proxy card or voter instruction form.

Any proxy may be revoked at any time prior to its exercise at the Annual Meeting. Please see the information in Question 3 “What is a proxy and what is a proxy statement?” on page 82.

VOTING AT THE MEETING

All registered shareholders may vote in person at the Annual Meeting. Beneficial owners may vote in person at the Annual Meeting if they have a legal proxy. Please see the information in Question 6 “How do I vote?” on page 82. In either case, shareholders wishing to attend the meeting must follow the procedures under “Admission at the Meeting.”

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to be held on June 10, 2015.

The proxy statement and annual report are available at www.proxyvote.com.

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GENERAL INFORMATION ABOUT CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

CORPORATE GOVERNANCE HIGHLIGHTS

At Target, we have actively supported strong corporate governance practices for decades. Our Board of Directors recognizes that our corporate governance practices must continually evolve to appropriately balance the interests of our stakeholders in order to effectively serve our guests, team members, shareholders and the communities in which we do business. Supporting that philosophy, we have adopted a balanced set of corporate governance practices, including:

PRACTICE	DESCRIPTION	MORE INFORMATION
BOARD COMPOSITION AND ACCOUNTABILITY		
Independence	A majority of our directors must be independent. Currently, all of our directors other than our CEO are independent, and all of our Committees consist exclusively of independent directors.	▪
Diversity of Relevant Experiences	The composition of our Board represents broad perspectives, experiences and knowledge relevant to our business while maintaining a balanced approach to gender and ethnic diversity.	▪
Lead Independent Director	Our Corporate Governance Guidelines require a Lead Independent Director position with specific responsibilities to ensure independent oversight of management whenever our CEO is also the Chair of the Board. The Lead Independent Director is elected annually by the independent directors.	▪
Annual Management Succession Planning Review	Our Board conducts an annual review of management development and succession planning, with the Nominating & Governance Committee coordinating the Board's review of CEO succession planning.	▪
Director Tenure Policies	Our director tenure policies include mandatory retirement at age 72, a maximum term limit of 20 years and a separate five-year term limit for directors who retire from active employment in order to ensure the Board regularly benefits from a balanced mix of perspectives and experiences. In addition, a director is required to submit an offer of resignation for consideration by the Board upon any change in the director's principal employment.	▪
Director Overboarding Policy	Any director who is not serving as CEO of a public company is expected to serve on no more than five public company boards (including our Board), and any director serving as a CEO of a public company is expected to serve on no more than two outside public company boards (including our Board).	
Committee Membership and Leadership Rotations	The Board appoints members of its Committees on an annual basis, with the Nominating & Governance Committee reviewing and recommending Committee membership, and assignments rotate periodically. The guideline for rotating Committee chair assignments and the Lead Independent Director position is four to six years.	▪

Board Evaluations and Board Refreshment	To enhance Board functioning and the effectiveness of the Board-management relationship for the benefit of Target and its shareholders, the Board regularly evaluates its performance through self-evaluations, corporate governance reviews and periodic charter reviews. Those evaluations, changes in our business strategy or operating environment and the future needs of the Board in light of anticipated director retirements are used to identify desired backgrounds and skillsets for future Board members.
Risk Oversight	During 2014, we clarified and enhanced existing practices to provide more transparency about how risk oversight is exercised at the Board and Committee levels, and reallocated and clarified risk oversight responsibilities among the Committees.

SHAREHOLDER RIGHTS

Annual Election of Directors	All directors are elected annually, which reinforces our Board’s accountability to shareholders.
Majority Voting Standard for Director Elections	Our Articles of Incorporation mandate that directors be elected under a “majority voting” standard in uncontested elections—each director must receive more votes “For” his or her election than votes “Against” in order to be elected.
Director Resignation Policy	An incumbent director who is not re-elected must promptly offer to resign. The Nominating & Governance Committee will make a recommendation on the offer and the Board must accept or reject the offer within 90 days and publicly disclose its decision and rationale.
Single Voting Class	Target common stock is the only class of voting shares outstanding.
10% Threshold for Special Meetings	Shareholders holding 10% or more of Target’s outstanding stock have the right to call a special meeting of shareholders.
No Poison Pill	We do not have a poison pill.

COMPENSATION

Follow Leading Practices	See “Target’s Executive Compensation Practices.”
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NAME	AGE	DIRECTOR SINCE	COMPANY	TITLE	INDEPENDENT	OTHER CURRENT PUBLIC COMPANY BOARDS
Roxanne S. Austin	54	2002	Austin Investment Advisers	President	Yes	4
Douglas M. Baker, Jr.	56	2013	Ecolab Inc.	Chairman & CEO	Yes	2
Brian C. Cornell	56	2014	Target Corporation	Chairman & CEO	No	1
Calvin Darden	65	2003	Darden Putnam Energy & Logistics, LLC	Chairman	Yes	2
Henrique De Castro	49	2013	Yahoo! Inc. (Until January 2014)	Former COO	Yes	0
Mary E. Minnick	55	2005	Lion Capital	Partner	Yes	2
Anne M. Mulcahy	62	1997	Save The Children Federation, Inc.	Chairman of the Board of Trustees	Yes	3
Derica W. Rice	50					