UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended January 28, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number **1-6049**

TARGET

TARGET CORPORATION

(Exact name of registrant as specified in its charter)

Minnesota (State or other jurisdiction of incorporation or organization)	**41-0215170** (I.R.S. Employer Identification No.)
1000 Nicollet Mall, Minneapolis, Minnesota (Address of principal executive offices)	**55403** (Zip Code)

Registrant's telephone number, including area code: 612/304-6073

Securities Registered Pursuant To Section 12(B) Of The Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $0.0833 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Act). See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 126-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of July 30, 2016 was $43,242,921,133, based on the closing price of $75.33 per share of Common Stock as reported on the New York Stock Exchange Composite Index.

Indicate the number of shares outstanding of each of registrant's classes of Common Stock, as of the latest practicable date. Total shares of Common Stock, par value $0.0833, outstanding at March 2, 2017 were 552,675,341.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Target's Proxy Statement to be filed on or about May 1, 2017 are incorporated into Part III.

TABLE OF CONTENTS

PART I

Item 1. Business

General

Target Corporation (Target, the Corporation or the Company) was incorporated in Minnesota in 1902. We offer our customers, referred to as "guests," everyday essentials and fashionable, differentiated merchandise at discounted prices. Our ability to deliver a preferred shopping experience to our guests is supported by our supply chain and technology, our devotion to innovation, our loyalty offerings such as REDcard Rewards and Cartwheel, and our disciplined approach to managing our business and investing in future growth. We operate as a single segment designed to enable guests to purchase products seamlessly in stores or through our digital channels. Since 1946, we have given 5 percent of our profit to communities.

We perform account servicing and primary marketing functions for, and earn a substantial portion of the profits generated by, the Target Credit Card and Target MasterCard consumer receivables portfolio, which is underwritten, funded, and owned by TD Bank Group (TD). Refer to Note 9 of the Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data (the Financial Statements) for more information on the credit card profit sharing.

Prior to January 15, 2015, we operated a Canadian Segment. On January 15, 2015, we announced our exit from the Canadian market, and Target Canada Co. and certain other wholly owned subsidiaries of Target filed for protection (the Filing) in Canada under the Companies' Creditors Arrangement Act (CCAA) with the Ontario Superior Court of Justice in Toronto (the Court). Following the Filing, we no longer consolidate our former Canadian retail operation. Canadian financial results prior to the Filing are included in our financial statements and classified within discontinued operations. See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Note 7 of the Financial Statements for more information.

Prior to December 16, 2015, we operated 1,672 pharmacies and 79 clinics in our stores. On December 16, 2015, we sold our pharmacy and clinic businesses (Pharmacy Transaction) to CVS Pharmacy, Inc. (CVS). CVS now operates the pharmacy and clinic businesses in our stores under a perpetual operating agreement, subject to termination in limited circumstances. See MD&A and Note 6 of the Financial Statements for more information.

Discontinued operations in this Annual Report on Form 10-K refers only to our discontinued Canadian operations.

Financial Highlights

For information on key financial highlights and segment financial information, see the items referenced in Item 6, Selected Financial Data, MD&A, and Note 30 of the Financial Statements.

Seasonality

A larger share of annual revenues and earnings traditionally occurs in the fourth quarter because it includes the peak holiday sales period of November and December.

Merchandise

We sell a wide assortment of general merchandise and food. The majority of our general merchandise stores offer an edited food assortment, including perishables, dry grocery, dairy, and frozen items. Nearly all of our stores larger than 170,000 square feet offer a full line of food items comparable to traditional supermarkets. Our small, flexible format stores, generally smaller than 50,000 square feet, offer curated general merchandise and food assortments. Our digital channels include a wide assortment of general merchandise, including many items found in our stores, along with a complementary assortment such as additional sizes and colors sold only online.

A significant portion of our sales is from national brand merchandise. Approximately one-third of 2016 sales related to our owned and exclusive brands, including but not limited to the following:

Owned Brands

Archer Farms®	Market Pantry®	Sutton & Dodge®
Art Class™	Merona®	Threshold™
Ava & Viv®	Pillowfort™	up & up®
Boots & Barkley®	Room Essentials®	Wine Cube®
Cat & Jack™	Simply Balanced™	Wondershop™
Embark®	Smith & Hawken®	Xhilaration®
Gilligan & O'Malley®	Sonia Kashuk®	
Knox Rose™	Spritz™	

Exclusive Brands

C9 by Champion®	Hand Made Modern®	Mossimo®
DENIZEN® from Levi's®	Just One You® made by carter's®	Nate Berkus for Target
Fieldcrest®	Kid Made Modern®	Oh Joy!® for Target
Genuine Kids® from OshKosh®	Liz Lange® for Target	

We also sell merchandise through periodic exclusive design and creative partnerships and generate revenue from in-store amenities such as Target Café and Target Photo, and leased or licensed departments such as Target Optical, Starbucks, and other food service offerings. The majority of our stores also have a CVS pharmacy from which we will generate ongoing annual, inflation adjusted occupancy-related income (see MD&A and Note 6 of the Financial Statements for more information).

Distribution

The vast majority of merchandise is distributed to our stores through our network of 40 distribution centers. Common carriers ship general merchandise to and from our distribution centers. Vendors or third party distributors ship certain food items and other merchandise directly to our stores. Merchandise sold through our digital channels is distributed to our guests via common carriers from our distribution centers, from vendors or third party distributors, from our stores or through guest pick-up at our stores. Using our stores as fulfillment points allows improved product availability and delivery times and also reduces shipping costs.

Employees

At January 28, 2017, we employed approximately 323,000 full-time, part-time and seasonal employees, referred to as "team members." During the 2016 holiday sales period our employment levels peaked at approximately 373,000 team members. We offer a broad range of company-paid benefits to our team members. Eligibility for and the level of benefits vary depending on team members' full-time or part-time status, compensation level, date of hire, and/or length of service. Company-paid benefits include a 401(k) plan, medical and dental plans, disability insurance, paid vacation, tuition reimbursement, various team member assistance programs, life insurance, a pension plan (closed to new participants, with limited exceptions), and merchandise and other discounts. We believe our team member relations are good.

Working Capital

Our working capital needs are greater in the months leading up to the holiday sales period, which we typically finance with cash flow provided by operations and short-term borrowings. Additional details are provided in the Liquidity and Capital Resources section in MD&A.

Effective inventory management is key to our ongoing success, and we use various techniques including demand forecasting and planning and various forms of replenishment management. We achieve effective inventory management by staying in-stock in core product offerings, maintaining positive vendor relationships, and carefully planning inventory levels for seasonal and apparel items to minimize markdowns.

Competition

We compete with traditional and internet retailers, including off-price general merchandise retailers, apparel retailers, wholesale clubs, category specific retailers, drug stores, supermarkets, and other forms of retail commerce. Our ability to positively differentiate ourselves from other retailers and provide a compelling value proposition largely determines our competitive position within the retail industry.

Intellectual Property

Our brand image is a critical element of our business strategy. Our principal trademarks, including Target, SuperTarget and our "Bullseye Design," have been registered with the U.S. Patent and Trademark Office. We also seek to obtain and preserve intellectual property protection for our owned brands.

Geographic Information

Virtually all of our revenues are generated within the United States. The vast majority of our long-lived assets are located within the United States.

Available Information

Our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge at investors.target.com as soon as reasonably practicable after we file such material with, or furnish it to, the U.S. Securities and Exchange Commission (SEC). Our Corporate Governance Guidelines, Business Conduct Guide, Corporate Social Responsibility Report, and the charters for the committees of our Board of Directors are also available free of charge in print upon request or at investors.target.com.

Item 1A. Risk Factors

Our business is subject to many risks. Set forth below are the material risks we face. Risks are listed in the categories where they primarily apply, but other categories may also apply.

Competitive and Reputational Risks

Our continued success is dependent on positive perceptions of Target which, if eroded, could adversely affect our business and our relationships with our guests and team members.

We believe that one of the reasons our guests prefer to shop at Target, our team members choose Target as a place of employment and our vendors choose to do business with us is the reputation we have built over many years for serving our four primary constituencies: guests, team members, shareholders, and the communities in which we operate. To be successful in the future, we must continue to preserve Target's reputation. Reputational value is based in large part on perceptions, and broad access to social media makes it easy for anyone to provide public feedback that can influence perceptions of Target. It may be difficult to control negative publicity, regardless of whether it is accurate. While reputations may take decades to build, any negative incidents can quickly erode trust and confidence, particularly if they result in negative mainstream and social media publicity, governmental investigations, or litigation. Negative incidents could lead to tangible adverse effects on our business, including consumer boycotts, lost sales, loss of new store and technology development opportunities, or team member retention and recruiting difficulties. In addition, vendors and others with whom we choose to do business may affect our reputation. For example, CVS operates clinics and pharmacies within our stores, and our guests' perceptions of and experiences with CVS may impact our reputation.

If we are unable to positively differentiate ourselves from other retailers, our results of operations could be adversely affected.

In the past, we have been able to compete successfully by differentiating our guests' shopping experience through a careful combination of price, merchandise assortment, store environment, convenience, guest service, loyalty programs and marketing efforts. Our ability to create a personalized guest experience through the collection and use of accurate and relevant guest data is important to our ability to differentiate from other retailers. Guest perceptions regarding the cleanliness and safety of our stores, the functionality, reliability, and speed of our digital channels and fulfillment options, our in-stock levels, the effectiveness of our promotions, the attractiveness of our third party offerings, such as the clinics and pharmacies owned and operated by CVS, and other factors also affect our ability to compete. No single competitive factor is dominant, and actions by our competitors on any of these factors or the failure of our strategies could have an adverse effect on our sales, gross margins, and expenses.

We sell many products under our owned and exclusive brands. These brands are an important part of our business because they differentiate us from other retailers, generally carry higher margins than equivalent national brand products and represent a significant portion of our overall sales. If we are unable to successfully develop and support our owned and exclusive brands, if one or more of these brands experiences a loss of consumer acceptance or confidence, or if we are unable to successfully protect our intellectual property rights in these brands, our sales and gross margins could be adversely affected.

The continuing migration and evolution of retailing to digital channels has increased our challenges in differentiating ourselves from other retailers. In particular, consumers are able to quickly and conveniently comparison shop and determine real-time product availability using digital tools, which can lead to decisions based solely on price, the functionality of the digital tools or a combination of those and other factors. We must compete by offering a consistent and convenient shopping experience for our guests regardless of the ultimate sales channel. We must provide our guests and team members digital tools that have the right features and are reliable and easy to use. Failures to effectively execute in these efforts, actions by our competitors in response to these efforts, or failures of our vendors to manage their own channels, content and technology systems could hurt our ability to differentiate ourselves from other retailers and, as a result, have an adverse effect on sales, gross margins, and expenses.

If we are unable to successfully provide a relevant and reliable experience for our guests, regardless of where our guest demand is ultimately fulfilled, our sales, results of operations and reputation could be adversely affected.

Our business has evolved from an in-store experience to interaction with guests across multiple channels (in-store, online, mobile and social media, among others). Our guests are using computers, tablets, mobile phones and other devices to shop in our stores and online and provide feedback and public commentary about all aspects of our business. We must anticipate and meet changing guest expectations and counteract new developments and technology investments by our competitors. Our evolving retailing efforts include implementing new technology, software and processes to be able to fulfill guest orders directly from our vendors and from any point within our system of stores and distribution centers. Providing flexible fulfillment options is complex and may not meet guest expectations for accurate order fulfillment, faster and guaranteed delivery times, and low-price or free shipping. If we are unable to attract and retain team members or contract with third parties having the specialized skills needed to support these efforts, implement improvements to our guest-facing technology in a timely manner, collect accurate, relevant, and usable guest data to support our personalization efforts, allow real-time and accurate visibility to product availability when guests are ready to purchase, quickly and efficiently fulfill our guests orders using the fulfillment and payment methods they demand, or provide a convenient and consistent experience for our guests across all sales channels, our ability to compete and our results of operations could be adversely affected. In addition, if Target.com and our other guest-facing technology systems do not appeal to our guests, reliably function as designed, integrate across all sales channels, or maintain the privacy of guest data we may experience a loss of guest confidence and lost sales, which could adversely affect our reputation and results of operations.

If we fail to anticipate and respond quickly to changing consumer preferences, our sales, gross margins and profitability could suffer.

A large part of our business is dependent on our ability to make trend-right decisions and effectively manage our inventory in a broad range of merchandise categories, including apparel, accessories, home décor, electronics, toys, seasonal offerings, food and other merchandise. For example, our apparel and home décor assortment is continually evolving and in other areas of our product assortment, including food, we are supporting guest wellness goals and offering more items that appeal to local cultural and demographic tastes. Failure to obtain accurate and relevant data on guest preferences, predict changing consumer tastes, preferences, spending patterns and other lifestyle decisions, emphasize the correct categories, implement effective promotions, and personalize our offerings to our guests may result in lost sales, spoilage, and increased inventory markdowns, which would lead to a deterioration in our results of operations by hurting our sales, gross margins, and profitability.

Technology Investments and Infrastructure Risks

If our capital investments in technology, supply chain, new stores and remodeling existing stores do not achieve appropriate returns, our competitive position, financial condition and results of operations may be adversely affected.

Our business is becoming increasingly reliant on technology investments, and the returns on these investments can be less predictable than building new stores and remodeling existing stores. We are currently making, and will continue to make, significant technology investments to provide a consistent and improved guest experience across all sales channels and improve our supply chain and inventory management systems. These technology initiatives might not provide the anticipated benefits or desired return or may provide them on a delayed schedule or at a higher cost. Our business also depends, in part, on our ability to build new stores and remodel existing stores in a manner that achieves appropriate returns on our capital investment. We compete with other retailers and businesses for suitable locations for our stores. Many of our expected new store sites are smaller and non-standard footprints located in fully developed markets, which require changes to our supply chain practices and are generally more time-consuming, expensive and uncertain undertakings than expansion into undeveloped suburban and ex-urban markets. Targeting the wrong technology or store opportunities, failing to make the best investments, being unable to make new concepts scalable or making an investment commitment significantly above or below our needs could result in the loss of our competitive position and adversely impact our financial condition or results of operations.

A significant disruption in our computer systems and our inability to adequately maintain and update those systems could adversely affect our operations and our ability to maintain guest confidence.

We rely extensively on our computer systems to manage and account for inventory, process guest transactions, manage and maintain the privacy of guest data, communicate with our vendors and other third parties, service REDcard accounts, and summarize and analyze results. We also rely on continued and unimpeded access to the Internet to use our computer systems. Our systems are subject to damage or interruption from power outages, telecommunications failures, computer viruses, malicious attacks, security breaches, and catastrophic events. If our systems are damaged or fail to function properly or reliably, we may incur substantial repair or replacement costs, experience data loss or theft and impediments to our ability to manage inventories or process guest transactions, engage in additional promotional activities to retain our guests, and encounter lost guest confidence, which could adversely affect our results of operations.

We continually make significant technology investments that are intended to help maintain and update our existing computer systems. Implementing significant system changes increases the risk of computer system disruption. The potential problems and interruptions associated with implementing technology initiatives could disrupt or reduce our operational efficiency, and could negatively impact guest experience and guest confidence.

Data Security and Privacy Risks

If our efforts to protect the security of information about our guests, team members and vendors are unsuccessful, we may face additional costly government enforcement actions and private litigation, and our sales and reputation could suffer.

We regularly receive and store information about our guests, team members, and vendors. We have programs in place to detect, contain and respond to data security incidents. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time, we may be unable to anticipate these techniques or implement adequate preventive measures. In addition, hardware, software, or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities, or those of third parties with whom we do business, through fraud, trickery, or other forms of deceiving our team members, contractors, vendors, and temporary staff.

Until the data breach we experienced in the fourth quarter of 2013, all incidents we encountered were insignificant. The data breach we experienced in 2013 was significant and went undetected for several weeks. Both we and our vendors had data security incidents subsequent to the 2013 data breach; however, to date these other incidents have not been material to our consolidated financial statements. Based on the prominence and notoriety of the 2013 data breach, even minor additional data security incidents could draw greater scrutiny. If we, our vendors, or other third parties with whom we do business experience additional significant data security breaches or fail to detect and appropriately respond to significant data security breaches, we could be exposed to additional government enforcement actions and private litigation. In addition, our guests could lose confidence in our ability to protect their information, which could cause them to discontinue using our REDcards or loyalty programs, or stop shopping with us altogether.

Supply Chain and Third Party Risks

Changes in our relationships with our vendors, changes in tax policy or trade relations, interruptions in our supply chain or increased commodity or supply chain costs could adversely affect our results of operations.

We are dependent on our vendors to supply merchandise to our distribution centers, stores and guests. As we continue to add capabilities, our fulfillment network becomes increasingly complex and operating it becomes more challenging. If our fulfillment network does not operate properly or if a vendor fails to deliver on its commitments, we could experience merchandise out-of-stocks, delivery delays or increased delivery costs, which could lead to lost sales and decreased guest confidence, and adversely affect our results of operations.

A large portion of our merchandise is sourced, directly or indirectly, from outside the United States, with China as our single largest source. The results of the recent United States elections may signal a change in trade policy between the United States and other countries. Because a large portion of our merchandise is sourced, directly or indirectly, from outside the United States, major changes in tax policy or trade relations, such as the disallowance of tax deductions for imported merchandise or the imposition of additional tariffs or duties on imported products, could adversely affect our business, results of operations, effective income tax rate, liquidity and net income.

Political or financial instability, currency fluctuations, changes in trade policy, trade restrictions, tariffs or duties, the outbreak of pandemics, labor unrest, transport capacity and costs, port security, weather conditions, natural disasters or other events that could slow or disrupt port activities and affect foreign trade are beyond our control and could materially disrupt our supply of merchandise, increase our costs, and/or adversely affect our results of operations. There have been periodic labor disputes impacting the United States ports that have caused us to make alternative arrangements to continue the flow of inventory, and if these types of disputes recur, worsen, or occur in other countries through which we source products, it may have a material impact on our costs or inventory supply. Changes in the costs of procuring commodities used in our merchandise or the costs related to our supply chain, including vendor costs, labor, fuel, tariffs, duties, currency exchange rates, and supply chain transparency initiatives, could have an adverse effect on gross margins, expenses, and results of operations. Changes in our relationships with our vendors also have the potential to increase our expenses and adversely affect results of operations.

A disruption in relationships with third party service providers could adversely affect our operations.

We rely on third parties to support our business, including portions of our technology development and support, our digital platforms and fulfillment operations, credit and debit card transaction processing, extensions of credit for our 5% REDcard Rewards loyalty program, the clinics and pharmacies operated by CVS within our stores, the infrastructure supporting our guest contact centers, and aspects of our food offerings. If we are unable to contract with third parties having the specialized skills needed to support those strategies or integrate their products and services with our business, if we fail to properly manage those third parties, if they fail to meet our performance standards and expectations, including with respect to data security, then our reputation, sales, and results of operations could be adversely affected. In addition, we could face increased costs associated with finding replacement providers or hiring and retaining team members to provide these services in-house. An example of our reliance on third parties is our relationship with CVS. If our guests do not react favorably to CVS's operations or if our relationship with CVS is ineffective, our ability to discontinue the relationship is limited and our results of operations may be adversely affected. In addition, if we wish to have clinics and pharmacies in any new stores, those clinics and pharmacies must be owned and operated by CVS, which limits our flexibility in designing and operating new stores and new store concepts.

<u>**Legal, Regulatory, Global and Other External Risks**</u>

Our earnings are highly susceptible to the state of macroeconomic conditions and consumer confidence in the United States.

Virtually all of our sales are in the United States, making our results highly dependent on United States consumer confidence and the health of the United States economy. In addition, a significant portion of our total sales is derived from stores located in five states: California, Texas, Florida, Minnesota and Illinois, resulting in further dependence on local economic conditions in these states. Deterioration in macroeconomic conditions or consumer confidence could negatively affect our business in many ways, including slowing sales growth, reducing overall sales, and reducing gross margins.

These same considerations impact the success of our credit card program. Although we no longer own a consumer credit card receivables portfolio, we share in the economic performance of the credit card program with TD, which owns the receivables generated by our proprietary credit cards. Deterioration in macroeconomic conditions could adversely affect the volume of new credit accounts, the amount of credit card program balances and the ability of credit card holders to pay their balances. These conditions could result in us receiving lower profit-sharing payments.

Uncharacteristic or significant weather conditions, alone or together with natural disasters, could adversely affect our operations.

Uncharacteristic or significant weather conditions can affect consumer shopping patterns, particularly in apparel and seasonal items, which could lead to lost sales or greater than expected markdowns and adversely affect our short-term results of operations. In addition, our three largest states by total sales are California, Texas and Florida, areas where natural disasters are more prevalent. Natural disasters in those states or in other areas where our sales are concentrated could result in significant physical damage to or closure of one or more of our stores, distribution centers or key vendors, and cause delays in the distribution of merchandise from our vendors to our distribution centers, stores, and directly to guests, which could adversely affect our results of operations by increasing our costs and lowering our sales.

We rely on a large, global and changing workforce of team members, contractors and temporary staffing. If we do not effectively manage our workforce and the concentration of work in certain global locations, our labor costs and results of operations could be adversely affected.

With over 300,000 team members, our workforce costs represent our largest operating expense, and our business and regulatory compliance is dependent on our ability to attract, train, and retain the appropriate mix of qualified team members, contractors, and temporary staffing and effectively organize and manage those resources as our business and strategic priorities change. Many team members are in entry-level or part-time positions with historically high turnover rates. Our ability to meet our changing labor needs while controlling our costs is subject to external factors such as labor laws and regulations, unemployment levels, prevailing wage rates, collective bargaining efforts, health care and other be nefit costs, changing demographics, and our reputation and relevance within the labor market. If we are unable to attract and retain adequate numbers and an appropriate mix of qualified team members, contractors and temporary staffing, our operations, guest service levels, support functions, and competitiveness could suffer. Those factors, together with increasing wage and benefit costs, could adversely affect our results of operations. We are periodically subject to labor organizing efforts. If we become subject to one or more collective bargaining agreements in the future, it could adversely affect our labor costs and how we operate our business.

We maintain a headquarters location in India and sourcing offices in China where there has generally been greater political, financial, environmental and health instability than the United States. An extended disruption of our operations in India or offices in China could adversely affect certain operations supporting stability and maintenance of our digital channels, information technology development, and sourcing operations.

Failure to address product safety and sourcing concerns could adversely affect our sales and results of operations.

If our merchandise offerings do not meet applicable safety standards or Target's or our guests' expectations regarding safety, supply chain transparency and integrity of sources of supply, we could experience lost sales and increased costs and be exposed to legal and reputational risk. All of our vendors must comply with applicable product safety laws, and we are dependent on them to ensure that the products we buy comply with all safety standards. Events that give rise to actual, potential or perceived product safety concerns, including food or drug contamination, could expose us to government enforcement action or private litigation and result in costly product recalls and other liabilities. All of our vendors must also comply with our Standards of Vendor Engagement, which cover a variety of expectations across multiple areas of social compliance, including supply chain transparency and sources of supply. We have a social compliance audit process, but we are also dependent on our vendors to ensure that the products we buy comply with our standards. Negative guest perceptions regarding the safety of the products we sell and events that give rise to actual, potential or perceived social compliance concerns could hurt our reputation and result in lost sales. For example, we recently terminated a relationship with a vendor that supplied us with cotton sheets that were represented to be 100 percent Egyptian cotton after we discovered that the vendor substituted non-Egyptian cotton. If that event or if similar events in the future cause our guests to seek alternative sources for their needs, we could lose sales and it may be difficult and costly for us to regain the confidence of our guests.

Our failure to comply with federal, state, local, and international laws, or changes in these laws could increase our costs, reduce our margins, and lower our sales.

Our business is subject to a wide array of laws and regulations in the United States and other countries in which we operate. Significant workforce-related legislative changes could increase our expenses and adversely affect our operations. Examples of possible workforce-related legislative changes include changes to an employer's obligation to recognize collective bargaining units, the process by which collective bargaining agreements are negotiated or imposed, minimum wage requirements, advance scheduling notice requirements, and health care mandates. In addition, changes in the regulatory environment affecting privacy and information security, product safety, payment methods and related fees, responsible sourcing, supply chain transparency, or environmental protection, among others, could cause our expenses to increase without an ability to pass through any increased expenses through higher prices. In addition, if we fail to comply with other applicable laws and regulations, including wage and hour laws, the Foreign Corrupt Practices Act and local anti-bribery laws, we could be subject to legal risk, including government enforcement action and class action civil litigation, which could adversely affect our results of operations by increasing our costs, reducing our margins, and lowering our sales.

<u>Financial Risks</u>

Changes in our effective income tax rate could adversely affect our business, results of operations, liquidity, and net income.

A number of factors influence our effective income tax rate, including changes in tax law, tax treaties, interpretation of existing laws, and our ability to sustain our reporting positions on examination. Changes in any of those factors could change our effective tax rate, which could adversely affect our net income. In addition, our operations outside of the United States may cause greater volatility in our effective tax rate.

If we are unable to access the capital markets or obtain bank credit, our financial position, liquidity, and results of operations could suffer.

We are dependent on a stable, liquid, and well-functioning financial system to fund our operations and capital investments. In particular, we have historically relied on the public debt markets to fund portions of our capital investments and the commercial paper market and bank credit facilities to fund seasonal needs for working capital. Our continued access to these markets depends on multiple factors including the condition of debt capital markets, our operating performance, and maintaining strong credit ratings. If rating agencies lower our credit ratings, it could adversely impact our ability to access the debt markets, our cost of funds, and other terms for new debt issuances. Each of the credit rating agencies reviews its rating periodically, and there is no guarantee our current credit rating will remain the same. In addition, we use a variety of derivative products to manage our exposure to market risk, principally interest rate and equity price fluctuations. Disruptions or turmoil in the financial markets could reduce our ability to meet our capital requirements or fund our working capital needs, and lead to losses on derivative positions resulting from counterparty failures, which could adversely affect our financial position and results of operations.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

Stores at January 28, 2017	Stores	Retail Sq. Ft. (in thousands)
Alabama	22	3,150
Alaska	3	504
Arizona	46	6,136
Arkansas	9	1,165
California	273	35,575
Colorado	41	6,215
Connecticut	20	2,672
Delaware	3	440
District of Columbia	1	179
Florida	122	17,135
Georgia	51	6,916
Hawaii	6	971
Idaho	6	664
Illinois	92	12,361
Indiana	31	4,174
Iowa	20	2,835
Kansas	18	2,473
Kentucky	13	1,551
Louisiana	16	2,246
Maine	5	630
Maryland	39	4,952
Massachusetts	40	5,188
Michigan	55	6,603
Minnesota	75	10,634
Mississippi	6	743
Missouri	35	4,609

	Stores	Retail Sq. Ft. (in thousands)
Montana	7	780
Nebraska	14	2,006
Nevada	17	2,230
New Hampshire	9	1,148
New Jersey	46	5,929
New Mexico	10	1,185
New York	75	9,961
North Carolina	49	6,496
North Dakota	4	554
Ohio	61	7,659
Oklahoma	15	2,168
Oregon	19	2,280
Pennsylvania	69	8,741
Rhode Island	4	517
South Carolina	19	2,359
South Dakota	5	580
Tennessee	31	3,990
Texas	147	20,726
Utah	13	1,953
Vermont	—	—
Virginia	58	7,689
Washington	37	4,328
West Virginia	6	755
Wisconsin	37	4,560
Wyoming	2	187
Total	**1,802**	**239,502**

Stores and Distribution Centers at January 28, 2017	Stores	Distribution Centers [a]
Owned	1,535	33
Leased	107	7
Owned buildings on leased land	160	—
Total	**1,802**	**40**

[a] The 40 distribution centers have a total of 51,831 thousand square feet.

We own our corporate headquarters buildings located in and around Minneapolis, Minnesota, and we lease and own additional office space elsewhere in the United States. We also lease office space in 12 countries for various support functions. Our properties are in good condition, well maintained, and suitable to carry on our business.

For additional information on our properties, see the Capital Expenditures section in MD&A and Notes 14 and 22 of the Financial Statements.

Item 3. Legal Proceedings

The following proceedings are being reported pursuant to Item 103 of Regulation S-K:

Federal Securities Law Class Actions

On May 17, 2016 and May 24, 2016, Target Corporation and certain present and former officers were named as defendants in two purported federal securities law class actions filed in the United States District Court for the District of Minnesota. The actions subsequently were consolidated under the caption *In re: Target Corporation Securities Litigation*, Case No. 0:16-cv-01315-JNE-BRT. The plaintiffs filed a Consolidated Amended Class Action Complaint (Consolidated Complaint) on November 14, 2016, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 relating to certain prior disclosures of Target about its expansion of retail operations into Canada (Canada Disclosure).Target, its former chief executive officer, its present chief operating officer, and the former president of Target Canada are named as defendants in the Consolidated Complaint. The plaintiff seeks to represent a class consisting of all purchasers of Target common stock between March 20, 2013 and August 4, 2014. The plaintiff seeks damages and other relief, including attorneys' fees, based on allegations that the defendants misled investors about the performance and prospects of Target Canada and that such conduct affected the value of Target common stock. On February 10, 2017, Target and the other defendants moved to dismiss the Consolidated Complaint. That motion has not yet been heard or decided. Target intends to vigorously defend this consolidated action.

ERISA Class Actions

On July 12, 2016 and July 15, 2016, Target Corporation, the Plan Investment Committee and Target's current chief operating officer were named as defendants in two purported Employee Retirement Income Security Act of 1974 (ERISA) class actions filed in the United States District Court for the District of Minnesota. The actions subsequently were consolidated under the caption *In re: Target Corporation ERISA Litigation*, Case No. 0:16-cv-02400-JNE-BRT. The plaintiffs filed an Amended Class Action Complaint (Amended Complaint) on December 14, 2016, alleging violations of Sections 404 and 405 of ERISA relating to the Canada Disclosure. Target, the Plan Investment Committee, and seven present or former officers are named as defendants in the Amended Complaint. The plaintiffs seek to represent a class consisting of all persons who were participants in or beneficiaries of the Target Corporation 401(k) Plan or the Target Corporation Ventures 401(k) Plan (collectively, the Plans) at any time between February 27, 2013 and May 19, 2014 and whose Plan accounts included investments in Target stock. The plaintiffs seek damages, an injunction and other unspecified equitable relief, and attorneys' fees, expenses, and costs, based on allegations that the defendants breached their fiduciary duties by failing to take action to prevent Plan participants from continuing to purchase Target stock during the class period at prices that allegedly were artificially inflated. On February 24, 2017, Target and the other defendants moved to dismiss the Amended Complaint. That motion has not yet been heard or decided. Target intends to vigorously defend this consolidated action.

The following governmental enforcement proceedings relating to environmental matters are reported pursuant to instruction 5(C) of Item 103 of Regulation S-K because they involve potential monetary sanctions in excess of $100,000:

On February 27, 2015, the California Attorney General sent us a letter alleging, based on a series of compliance checks, that we have not achieved compliance with California's environmental laws and the provisions of the injunction that was part of a settlement reached in 2011. Representatives of Target have had a series of meetings with representatives of the Attorney General's Office and certain California District Attorneys' Offices to discuss the allegations and attempt to resolve the matter. No formal legal action has been commenced, nor has any specific relief been sought, to date.

For a description of other legal proceedings, see Note 19 of the Financial Statements.

Item 4. Mine Safety Disclosures

Not applicable.

Item 4A. Executive Officers

Executive officers are elected by, and serve at the pleasure of, the Board of Directors. There are no family relationships between any of the officers named and any other executive officer or member of the Board of Directors, or any arrangement or understanding pursuant to which any person was selected as an officer.

Name	Title and Business Experience	Age
Casey L. Carl	Executive Vice President and Chief Strategy and Innovation Officer since December 2014. President, Omnichannel and Senior Vice President, Enterprise Strategy from July 2014 to December 2014. President, Multichannel, from November 2011 to July 2014.	41
Brian C. Cornell	Chairman of the Board and Chief Executive Officer since August 2014. Chief Executive Officer of PepsiCo Americas Foods, a division of PepsiCo, Inc., a multinational food and beverage corporation, from March 2012 to July 2014.	58
Rick H. Gomez	Executive Vice President and Chief Marketing Officer since January 2017. Senior Vice President, Brand and Category Marketing from April 2013 to January 2017. Vice President, Brand Marketing at MillerCoors, a multinational brewing company, from April 2011 to April 2013.	47
Don H. Liu	Executive Vice President, Chief Legal Officer and Corporate Secretary since August 2016. Executive Vice President, General Counsel and Corporate Secretary of Xerox Corporation from July 2014 to July 2016, and Senior Vice President, General Counsel and Corporate Secretary from March 2007 to August 2014.	55
Stephanie A. Lundquist	Executive Vice President and Chief Human Resources Officer since February 2016. Senior Vice President, Human Resources from January 2015 to February 2016. Senior Vice President, Stores and Distribution Human Resources from February 2014 to January 2015. From March 2011 to January 2014, Ms. Lundquist held several leadership positions with Target Canada.	41
Michael E. McNamara	Executive Vice President, Chief Information and Digital Officer since September 2016. Executive Vice President and Chief Information Officer from June 2015 to September 2016. Chief Information Officer of Tesco PLC, a multinational grocery and general merchandise retailer, from March 2011 to May 2015.	52
John J. Mulligan	Executive Vice President and Chief Operating Officer since September 2015. Executive Vice President and Chief Financial Officer from April 2012 to August 2015.	51
Janna A. Potts	Executive Vice President and Chief Stores Officer since January 2016. Senior Vice President, Stores and Supply Chain Human Resources from February 2015 to January 2016. Senior Vice President, Target Canada Stores and Distribution from March 2014 to January 2015. Senior Vice President, Store Operations from August 2009 to March 2014.	49
Jacqueline Hourigan Rice	Executive Vice President and Chief Risk and Compliance Officer since December 2014. Chief Compliance Officer of General Motors Company, a vehicle manufacturer, from March 2013 to November 2014. Executive Director, Global Ethics & Compliance of General Motors Company from January 2010 to February 2013.	45
Cathy R. Smith	Executive Vice President and Chief Financial Officer since September 2015. Executive Vice President and Chief Financial Officer of Express Scripts Holding Company, a pharmacy benefit manager, from February 2014 to December 2014. Executive Vice President of Strategy and Chief Financial Officer for Walmart International, a division of Wal-Mart Stores, Inc., a discount retailer, from March 2010 to January 2014.	53
Mark J. Tritton	Executive Vice President and Chief Merchandising Officer since June 2016. President of Nordstrom Product Group, of Nordstrom Inc., a fashion specialty retailer, from June 2009 to June 2016.	53
Laysha L. Ward	Executive Vice President and Chief External Engagement Officer since January 2017. Chief Corporate Social Responsibility Officer from December 2014 to January 2017. President, Community Relations and Target Foundation from July 2008 to December 2014.	49

PART II

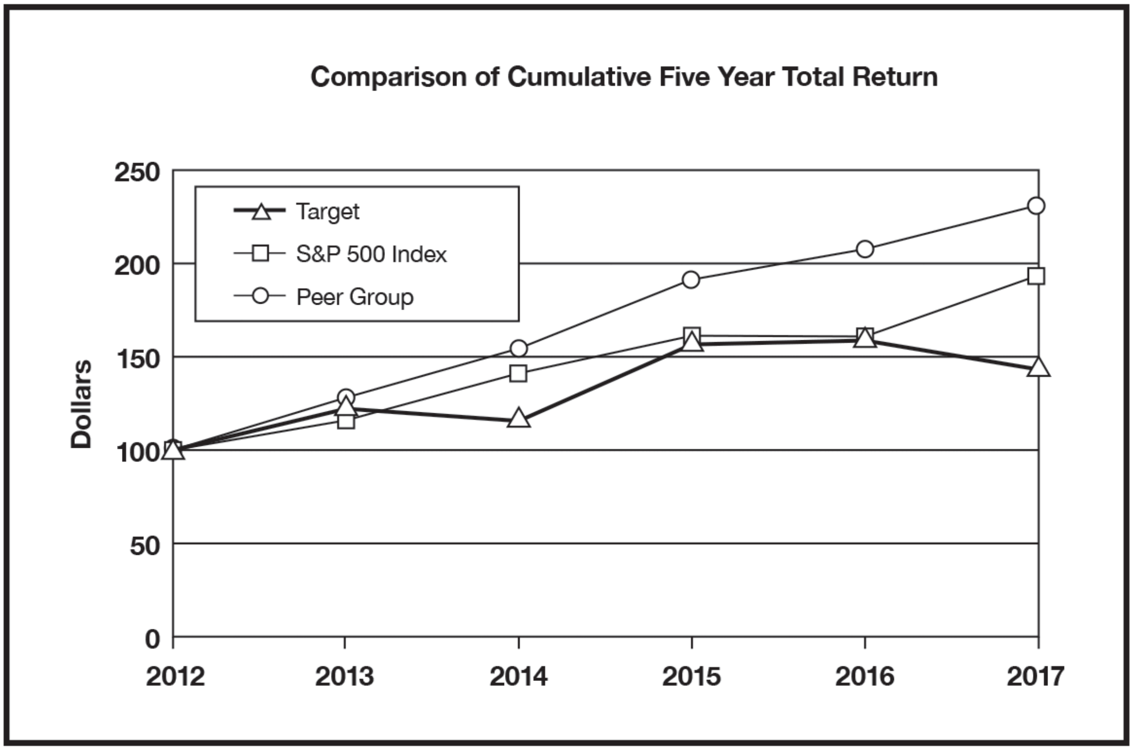
Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on the New York Stock Exchange under the symbol "TGT." We are authorized to issue up to 6,000,000,000 shares of common stock, par value $0.0833, and up to 5,000,000 shares of preferred stock, par value $0.01. At March 2, 2017, there were 15,067 shareholders of record. Dividends declared per share and the high and low closing common stock price for each fiscal quarter during 2016 and 2015 are disclosed in Note 31 of the Financial Statements.

On January 11, 2012, our Board of Directors authorized the repurchase of $5 billion of our common stock and on June 9, 2015 expanded the program by an additional $5 billion for a total authorization of $10 billion. On September 20, 2016, our Board of Directors authorized a new $5 billion share repurchase program. We began repurchasing shares under this new authorization during the fourth quarter of 2016 upon completion of the previous $10 billion program. There is no stated expiration for the share repurchase programs. Under these programs, we repurchased 50.9 million shares of common stock in fiscal 2016, at an average price of $72.35, for a total investment of $3.7 billion. The table below presents information with respect to Target common stock purchases made during the three months ended January 28, 2017, by Target or any "affiliated purchaser" of Target, as defined in Rule 10b-18(a)(3) under the Exchange Act.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Programs
October 30, 2016 through November 26, 2016				
Open market and privately negotiated purchases	802,412	$ 67.23	802,412	$ 5,210,467,654
September 2016 ASR [a]	1,286,423	67.67	1,286,423	5,246,730,198
November 27, 2016 through December 31, 2016				
Open market and privately negotiated purchases	—	—	—	5,246,730,198
December 2016 ASR	4,618,451	76.77	4,618,451	4,892,156,933
January 1, 2017 through January 28, 2017				
Open market and privately negotiated purchases	2,362,745	66.27	2,362,745	4,735,572,452
Total	9,070,031	$ 71.90	9,070,031	$ 4,735,572,452

[a] Represents the incremental shares received upon final settlement of the accelerated share repurchase agreement (ASR) initiated in third quarter 2016.



	Fiscal Years Ended					
	January 28, 2012	February 2, 2013	February 1, 2014	January 31, 2015	January 30, 2016	January 28, 2017
Target	$ 100.00	$ 124.97	$ 118.53	$ 158.98	$ 160.89	$ 146.06
S&P 500 Index	100.00	117.61	141.49	161.61	160.54	194.04
Peer Group	100.00	127.43	154.12	191.03	208.03	231.50

The graph above compares the cumulative total shareholder return on our common stock for the last five fiscal years with the cumulative total return on the S&P 500 Index and a peer group consisting of 18 online, general merchandise, department store, food, and specialty retailers, which are large and meaningful competitors (Amazon.com, Inc., Best Buy Co., Inc., Costco Wholesale Corporation, CVS Health Corporation, Dollar General Corporation, The Gap, Inc., The Home Depot, Inc., Kohl's Corporation, The Kroger Co., Lowe's Companies, Inc., Macy's, Inc., Publix Super Markets, Inc., Rite Aid Corporation, Sears Holdings Corporation, Staples, Inc., The TJX Companies, Inc., Walgreens Boots Alliance, Inc., and Wal-Mart Stores, Inc.) (Peer Group). The peer group is consistent with the retail peer group used for our definitive Proxy Statement to be filed on or about May 1, 2017.

The peer group is weighted by the market capitalization of each component company. The graph assumes the investment of $100 in Target common stock, the S&P 500 Index and the Peer Group on January 28, 2012, and reinvestment of all dividends.

Item 6. Selected Financial Data

	As of or for the Fiscal Year Ended				
(millions, except per share data)	2016	2015	2014	2013	2012 [(a)]
Sales [(b)]	$ 69,495	$ 73,785	$ 72,618	$ 71,279	$ 73,301
Net Earnings / (Loss)					
Continuing operations	2,669	3,321	2,449	2,694	3,315
Discontinued operations	68	42	(4,085)	(723)	(316)
Net earnings / (loss)	2,737	3,363	(1,636)	1,971	2,999
Basic Earnings / (Loss) Per Share					
Continuing operations	4.62	5.29	3.86	4.24	5.05
Discontinued operations	0.12	0.07	(6.44)	(1.14)	(0.48)
Basic earnings / (loss) per share	4.74	5.35	(2.58)	3.10	4.57
Diluted Earnings / (Loss) Per Share					
Continuing operations	4.58	5.25	3.83	4.20	5.00
Discontinued operations	0.12	0.07	(6.38)	(1.13)	(0.48)
Diluted earnings / (loss) per share	4.70	5.31	(2.56)	3.07	4.52
Cash dividends declared per share	2.36	2.20	1.99	1.65	1.38
Total assets	37,431	40,262	41,172	44,325	47,878
Long-term debt, including current portion	12,749	12,760	12,725	12,494	16,260

Note: This information should be read in conjunction with MD&A and the Financial Statements.

(a) Consisted of 53 weeks.

(b) For 2012, includes credit card revenues.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Executive Summary

Fiscal 2016 included the following notable items:

- GAAP earnings per share from continuing operations were $4.58.
- Adjusted earnings per share were $5.01.
- Comparable sales decreased 0.5 percent, reflecting a 0.8 percent decrease in traffic.
- Comparable digital channel sales growth of 27 percent contributed 1.0 percentage points of comparable sales growth.
- We returned $5.0 billion to shareholders through dividends and share repurchase.

Sales were $69,495 million for 2016, a decrease of $4,290 million or 5.8 percent from the prior year, primarily due to the Pharmacy Transaction. Earnings from continuing operations before interest expense and income taxes in 2016 decreased by $561 million or 10.1 percent from 2015 to $4,969 million, primarily due to the 2015 gain on the Pharmacy Transaction. Operating cash flow provided by continuing operations was $5,329 million, $5,254 million, and $5,157 million for 2016, 2015, and 2014, respectively. In 2015, proceeds from the Pharmacy Transaction are included in investing cash flows provided by continuing operations. Refer to Note 6 of the Financial Statements for additional information about the transaction.

Earnings Per Share From Continuing Operations	2016	2015	2014	Percent Change 2016/2015	2015/2014
GAAP diluted earnings per share	$ 4.58	$ 5.25	$ 3.83	(12.7)%	37.2%
Adjustments	0.42	(0.56)	0.39		
Adjusted diluted earnings per share	$ 5.01	$ 4.69	$ 4.22	6.7 %	11.3%

Note: Amounts may not foot due to rounding. Adjusted diluted earnings per share from continuing operations (Adjusted EPS), a non-GAAP metric, excludes the impact of certain items not related to our routine retail operations. Management believes that Adjusted EPS is meaningful to provide period-to-period comparisons of our operating results. A reconciliation of non-GAAP financial measures to GAAP measures is provided on page 21.

We report after-tax return on invested capital (ROIC) from continuing operations because we believe ROIC provides a meaningful measure of our capital-allocation effectiveness over time. For the trailing twelve months ended January 28, 2017, ROIC was 15.0 percent, compared with 16.0 percent for the trailing twelve months ended January 30, 2016. Excluding the net gain on the Pharmacy Transaction, ROIC was 13.9 percent for the trailing twelve months ended January 30, 2016. A reconciliation of ROIC is provided on page 22.

Analysis of Results of Operations

Segment Results

(dollars in millions)	2016	2015 [(a)]	2014 [(a)]	Percent Change 2016/2015	2015/2014
Sales	$ 69,495	$ 73,785	$ 72,618	(5.8)%	1.6 %
Cost of sales	48,872	51,997	51,278	(6.0)	1.4
Gross margin	20,623	21,788	21,340	(5.4)	2.1
SG&A expenses [(b)]	13,360	14,448	14,503	(7.5)	(0.4)
EBITDA	7,263	7,340	6,837	(1.1)	7.4
Depreciation and amortization	2,298	2,213	2,129	3.8	3.9
EBIT	$ 4,965	$ 5,127	$ 4,708	(3.2)%	8.9 %

Note: See Note 30 of our Financial Statements for a reconciliation of our segment results to earnings before income taxes and more information about items recorded outside of segment SG&A.

(a) Sales include $3,815 million and $4,148 million related to our former pharmacy and clinic businesses for 2015 and 2014, respectively, and cost of sales include $3,076 million and $3,222 million, respectively. The sale of these businesses had no notable impact on EBITDA or EBIT.

(b) For 2016, 2015, and 2014, SG&A includes $663 million, $641 million, and $629 million, respectively, of net profit-sharing income from the arrangement with TD.

Rate Analysis	2016	2015	2014
Gross margin rate	29.7%	29.5%	29.4%
SG&A expense rate	19.2	19.6	20.0
EBITDA margin rate [(a)]	10.5	9.9	9.4
Depreciation and amortization expense rate	3.3	3.0	2.9
EBIT margin rate [(a)]	7.1	6.9	6.5

Note: Rate analysis metrics are computed by dividing the applicable amount by sales.

(a) Excluding sales of our former pharmacy and clinic businesses, EBITDA margin rates were 10.5 percent and 10.0 percent for 2015 and 2014, respectively. and EBIT margin rates were 7.3 percent and 6.9 percent, respectively.

Sales

Sales include all merchandise sales, net of expected returns, and gift card breakage. Refer to Note 2 of the Financial Statements for a definition of gift card breakage. Digital channel sales include all sales initiated through mobile applications and our conventional websites. Digital channel sales may be fulfilled through our distribution centers, our vendors, or our stores.

The decrease in 2016 sales reflects a decrease of approximately $3,815 million due to the Pharmacy Transaction and a comparable sales decrease of 0.5 percent, partially offset by the contribution from new stores. The increase in 2015 sales reflects an increase in comparable sales of 2.1 percent and the contribution from new stores, partially offset by a decrease of approximately $550 million due to the Pharmacy Transaction. Inflation did not materially affect sales in any period presented.

Sales by Channel	2016	2015 [a]	2014 [a]
Stores	95.6%	96.6%	97.4%
Digital	4.4	3.4	2.6
Total	100%	100%	100%

[a] Excluding sales of our former pharmacy and clinic businesses, stores and digital channels sales were 96.4 percent and 3.6 percent of total sales, respectively, for 2015 and 97.2 and 2.8 percent of total sales, respectively, for 2014.

Comparable sales is a measure that highlights the performance of our existing stores and digital channel sales by measuring the change in sales for a period over the comparable, prior-year period of equivalent length. Comparable sales include all sales, except sales from stores open less than 13 months, digital acquisitions we have owned less than 13 months, stores that have been closed, and digital acquisitions that we no longer operate. We removed pharmacy and clinic sales from the 2015 sales amounts when calculating 2016 comparable sales. Comparable sales measures vary across the retail industry. As a result, our comparable sales calculation is not necessarily comparable to similarly titled measures reported by other companies.

Comparable Sales	2016	2015	2014
Comparable sales change	(0.5)%	2.1%	1.3 %
Drivers of change in comparable sales:			
Number of transactions	(0.8)	1.3	(0.2)
Average transaction amount	0.3	0.8	1.5

Contribution to Comparable Sales Change	2016	2015	2014
Stores channel comparable sales change	(1.5)%	1.3%	0.7%
Digital channel contribution to comparable sales change	1.0	0.8	0.7
Total comparable sales change	(0.5)%	2.1%	1.3%

Note: Amounts may not foot due to rounding.

Sales by Product Category	Percentage of Sales		
	2016	2015	2014
Household essentials [(a)]	22%	26%	25%
Food, beverage, and pet supplies [(b)]	22	21	21
Apparel and accessories [(c)]	20	19	19
Home furnishings and décor [(d)]	19	17	17
Hardlines [(e)]	17	17	18
Total	100%	100%	100%

(a) Includes pharmacy, beauty, personal care, baby care, cleaning, and paper products. Pharmacy represented 5 percent and 6 percent in 2015 and 2014, respectively.

(b) Includes dry grocery, dairy, frozen food, beverages, candy, snacks, deli, bakery, meat, produce, and pet supplies.

(c) Includes apparel for women, men, boys, girls, toddlers, infants and newborns, as well as intimate apparel, jewelry, accessories, and shoes.

(d) Includes furniture, lighting, kitchenware, small appliances, home décor, bed and bath, home improvement, automotive, and seasonal merchandise such as patio furniture and holiday décor.

(e) Includes electronics (including video game hardware and software), music, movies, books, computer software, sporting goods, and toys.

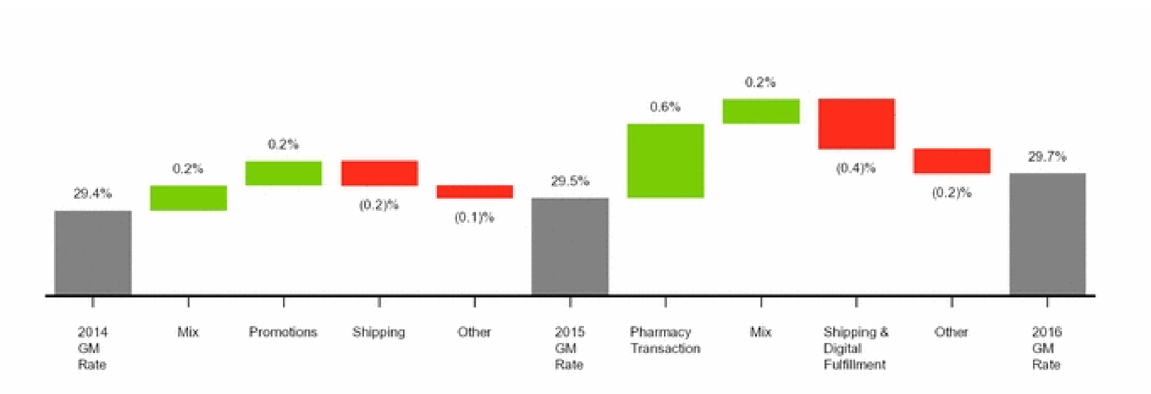
Further analysis of sales metrics is infeasible due to the collective interaction of a broad array of macroeconomic, competitive, and consumer behavioral factors, as well as sales mix and transfer of sales to new stores.

TD offers credit to qualified guests through Target-branded credit cards: the Target Credit Card and the Target MasterCard Credit Card (Target Credit Cards). Additionally, we offer a branded proprietary Target Debit Card. Collectively, we refer to these products as REDcards ®. Guests receive a 5 percent discount on virtually all purchases and free shipping at Target.com when they use a REDcard. We monitor the percentage of sales that are paid for using REDcards (REDcard Penetration) because our internal analysis has indicated that a meaningful portion of incremental purchases on our REDcards are also incremental sales for Target.

REDcard Penetration	2016	2015	2014
Target Debit Card	12.8%	12.1%	11.2%
Target Credit Cards	11.2	10.1	9.7
Total REDcard Penetration	24.0%	22.3%	20.9%

Note: Excluding pharmacy and clinic sales, total REDcard penetration would have been 23.2 percent and 21.9 percent for 2015 and 2014, respectively. The sum of Target Credit Cards and Target Debit Card penetration may not equal Total REDcard Penetration due to rounding.

Gross Margin Rate



Our gross margin rate was 29.7 percent in 2016, 29.5 percent in 2015, and 29.4 percent in 2014. The 2016 increase was primarily due to the Pharmacy Transaction and favorable category sales mix, partially offset by increased shipping and digital fulfillment costs. Cost of goods savings helped offset the impact of a competitive promotional environment.

The 2015 increase was primarily due to favorable category sales mix and lower promotional activity relative to the highly promotional period in 2014 following the 2013 data breach, partially offset by the impact of increased digital channel sales.

Selling, General and Administrative Expense Rate

Our SG&A expense rate was 19.2 percent in 2016, 19.6 percent in 2015, and 20.0 percent in 2014. The decrease in 2016 primarily resulted from the benefit of the Pharmacy Transaction and technology-related cost savings, partially offset by increased stores hourly payroll.

The decrease in 2015 primarily resulted from cost saving initiatives and reduced marketing expense, partially offset by investments in other initiatives, none of which were individually significant.

Store Data

Change in Number of Stores	2016	2015
Beginning store count	1,792	1,790
Opened	15	15
Closed	(5)	(13)
Ending store count	1,802	1,792

Number of Stores and Retail Square Feet	Number of Stores		Retail Square Feet [(a)]	
	January 28, 2017	January 30, 2016	January 28, 2017	January 30, 2016
170,000 or more sq. ft.	276	278	49,328	49,688
50,000 to 169,999 sq. ft.	1,504	1,505	189,620	189,677
49,999 or less sq. ft.	22	9	554	174
Total	1,802	1,792	239,502	239,539

(a) In thousands, reflects total square feet less office, distribution center and vacant space.

Other Performance Factors

Other Selling, General and Administrative Expenses

We recorded $(4) million, $216 million, and $174 million of selling, general and administrative expenses outside of the segment during 2016, 2015, and 2014, respectively, because they relate to discretely managed matters. Additional information about these discretely managed items is provided within Note 30 of the Financial Statements.

Net Interest Expense

Net interest expense from continuing operations was $1,004 million, $607 million, and $882 million for 2016, 2015, and 2014, respectively. Net interest expense for 2016 and 2014 included a loss on early retirement of debt of $422 million and $285 million, respectively.

Provision for Income Taxes

Our 2016 effective income tax rate from continuing operations increased to 32.7 percent, from 32.5 percent in 2015, driven primarily by the 2015 rate impact of the $112 million tax benefit from releasing the valuation allowance on a capital loss. This comparative rate impact was partially offset by $27 million of excess tax benefit in 2016 related to shared-based payments after the adoption of Accounting Standards Update (ASU) No. 2016-09, *Improvements to Employee Share-Based Payment Accounting,* and lower pretax earnings. Note 23 of the Financial Statements provides a tax rate reconciliation.

Our 2015 effective income tax rate from continuing operations decreased to 32.5 percent, from 33.0 percent in 2014, driven primarily by the $112 million tax benefit from releasing the valuation allowance on a capital loss. This benefit was partially offset by a year-over-year decrease in the favorable resolution of various income tax matters and the rate impact of higher pretax earnings. The resolution of various income tax matters reduced tax expense by $8 million and $35 million in 2015 and 2014, respectively.

Discontinued Operations

See Note 7 of the Financial Statements for information about our Canada exit.

Reconciliation of Non-GAAP Financial Measures to GAAP Measures

To provide additional transparency, we have disclosed non-GAAP adjusted diluted earnings per share from continuing operations (Adjusted EPS). This metric excludes certain items presented below. We believe this information is useful in providing period-to-period comparisons of the results of our continuing operations. This measure is not in accordance with, or an alternative to, generally accepted accounting principles in the United States (GAAP). The most comparable GAAP measure is diluted earnings per share from continuing operations. Adjusted EPS should not be considered in isolation or as a substitution for analysis of our results as reported under GAAP. Other companies may calculate Adjusted EPS differently than we do, limiting the usefulness of the measure for comparisons with other companies.

	2016			2015			2014		
(millions, except per share data)	Pretax	Net of Tax	Per Share Amounts	Pretax	Net of Tax	Per Share Amounts	Pretax	Net of Tax	Per Share Amounts
GAAP diluted earnings per share from continuing operations			$ 4.58			$ 5.25			$ 3.83
Adjustments									
Loss on early retirement of debt	$ 422	$ 257	$ 0.44	$ —	$ —	$ —	$ 285	$ 173	$ 0.27
Gain on sale [(a)]	—	—	—	(620)	(487)	(0.77)	—	—	—
Restructuring costs [(b)]	—	—	—	138	87	0.14	—	—	—
Data breach-related costs, net of insurance [(c)]	—	—	—	39	28	0.04	145	94	0.15
Other [(d)]	(4)	(2)	—	39	29	0.05	29	18	0.03
Resolution of income tax matters	—	(7)	(0.01)	—	(8)	(0.01)	—	(35)	(0.06)
Adjusted diluted earnings per share from continuing operations			$ 5.01			$ 4.69			$ 4.22

Note: Amounts may not foot due to rounding.

(a) Refer to Note 6 of the Financial Statements.

(b) Refer to Note 8 of the Financial Statements.

(c) Refer to Note 19 of the Financial Statements.

(d) For 2016, represents items related to the Pharmacy Transaction. For 2015, represents impairments related to our decision to wind down certain noncore operations, as described in Note 16 of the Financial Statements. The 2014 amounts include impairments of $16 million related to undeveloped land in the U.S. and $13 million of expense related to converting co-branded card program to MasterCard.

We have also disclosed after-tax return on invested capital for continuing operations (ROIC), which is a ratio based on GAAP information, with the exception of adjustments made to capitalize operating leases. Operating leases are capitalized as part of the ROIC calculation to control for differences in capital structure between us and our competitors. We believe this metric provides a meaningful measure of the effectiveness of our capital allocation over time. Other companies may calculate ROIC differently than we do, limiting the usefulness of the measure for comparisons with other companies.

After-Tax Return on Invested Capital

Numerator	Trailing Twelve Months	
(dollars in millions)	January 28, 2017	January 30, 2016
Earnings from continuing operations before interest expense and income taxes	$ 4,969	$ 5,530
+ Operating lease interest [(a)(b)]	71	87
Adjusted earnings from continuing operations before interest expense and income taxes	5,040	5,617
- Income taxes [(c)]	1,648	1,827
Net operating profit after taxes	**$ 3,392**	**$ 3,790**

Denominator (dollars in millions)	January 28, 2017	January 30, 2016	January 31, 2015
Current portion of long-term debt and other borrowings	$ 1,718	$ 815	$ 91
+ Noncurrent portion of long-term debt	11,031	11,945	12,634
+ Shareholders' equity	10,953	12,957	13,997
+ Capitalized operating lease obligations [(b)(d)]	1,187	1,457	1,490
- Cash and cash equivalents	2,512	4,046	2,210
- Net assets of discontinued operations	62	226	1,479
Invested capital	$ 22,315	$ 22,902	$ 24,523
Average invested capital [(e)]	**$ 22,608**	**$ 23,713**	

After-tax return on invested capital	**15.0%**	**16.0%** [(f)]

(a) Represents the add-back to operating income driven by the hypothetical interest expense we would incur if the property under our operating leases were owned or accounted for as capital leases, using eight times our trailing twelve months rent expense and an estimated interest rate of six percent.

(b) See the following Reconciliation of Capitalized Operating Leases table for the adjustments to our GAAP total rent expense to obtain the hypothetical capitalization of operating leases and related operating lease interest.

(c) Calculated using the effective tax rate for continuing operations, which was 32.7 percent and 32.5 percent for the trailing twelve months ended January 28, 2017 and January 30, 2016. For the twelve months ended January 28, 2017 and January 30, 2016, includes tax effect of $1,624 million and $1,799 million, respectively, related to EBIT and $23 million and $28 million, respectively, related to operating lease interest.

(d) Calculated as eight times our trailing twelve months rent expense.

(e) Average based on the invested capital at the end of the current period and the invested capital at the end of the prior period.

(f) Excluding the net gain on the Pharmacy Transaction, ROIC was 13.9 percent for the trailing twelve months ended January 30, 2016.

Capitalized operating lease obligations and operating lease interest are not in accordance with, or an alternative for, GAAP. The most comparable GAAP measure is total rent expense. Capitalized operating lease obligations and operating lease interest should not be considered in isolation or as a substitution for analysis of our results as reported under GAAP.

Reconciliation of Capitalized Operating Leases	Trailing Twelve Months		
(dollars in millions)	January 28, 2017	January 30, 2016	January 31, 2015
Total rent expense	$ 148	$ 182	$ 186
Capitalized operating lease obligations (total rent expense x 8)	1,187	1,457	1,490
Operating lease interest (capitalized operating lease obligations x 6%)	71	87	n/a

Analysis of Financial Condition

Liquidity and Capital Resources

Our period-end cash and cash equivalents balance decreased to $2,512 million from $4,046 million in 2015, primarily reflecting deployment during 2016 of proceeds from the Pharmacy Transaction and payment of related taxes. Due to the timing of the sale late in 2015, we did not fully deploy the net proceeds by the end of 2015. Short-term investments of $1,110 million and $3,008 million were included in cash and cash equivalents at the end of 2016 and 2015, respectively. Our investment policy is designed to preserve principal and liquidity of our short-term investments. This policy allows investments in large money market funds or in highly rated direct short-term instruments that mature in 60 days or less. We also place dollar limits on our investments in individual funds or instruments.

Capital Allocation

We follow a disciplined and balanced approach to capital allocation based on the following priorities, ranked in order of importance: first, we fully invest in opportunities to profitably grow our business, create sustainable long-term value, and maintain our current operations and assets; second, we maintain a competitive quarterly dividend and seek to grow it annually; and finally, we return any excess cash to shareholders by repurchasing shares within the limits of our credit rating goals.

Cash Flows

Our 2016 operations were funded by internally and externally generated funds. Operating cash flow provided by continuing operations was $5,329 million in 2016 compared with $5,254 million in 2015. These cash flows, combined with period year-end cash position, allowed us to invest in the business, fund early debt retirement and maturities, pay dividends, and repurchase shares under our share repurchase program. Proceeds from the Pharmacy Transaction are included in investing cash flows provided by continuing operations during 2015.

Inventory

Year-end inventory was $8,309 million, compared with $8,601 million in 2015. The decrease was due to our alignment of inventory levels with the slowing sales trend while appropriately supporting instocks.

Share Repurchases

During 2016, 2015, and 2014 we returned $3,686 million, $3,441 million, and $41 million, respectively, to shareholders through share repurchase. See Part II, Item 5 of this Annual Report on Form 10-K and Note 25 to the Financial Statements for more information.

Dividends

We paid dividends totaling $1,348 million ($2.32 per share) in 2016 and $1,362 million ($2.16 per share) in 2015, a per share increase of 7.4 percent. We declared dividends totaling $1,359 million ($2.36 per share) in 2016, a per share increase of 7.3 percent over 2015. We declared dividends totaling $1,378 million ($2.20 per share) in 2015, a per share increase of 10.6 percent over 2014. We have paid dividends every quarter since our 1967 initial public offering, and it is our intent to continue to do so in the future.

Short-term and Long-term Financing

Our financing strategy is to ensure liquidity and access to capital markets, maintain a balanced spectrum of debt maturities, and manage our net exposure to floating interest rate volatility. Within these parameters, we seek to minimize our borrowing costs. Our ability to access the long-term debt and commercial paper markets has provided us with ample sources of liquidity. Our continued access to these markets depends on multiple factors, including the condition of debt capital markets, our operating performance, and maintaining strong credit ratings. As of January 28, 2017, our credit ratings were as follows:

Credit Ratings	Moody's	Standard and Poor's	Fitch
Long-term debt	A2	A	A-
Commercial paper	P-1	A-1	F2

If our credit ratings were lowered, our ability to access the debt markets, our cost of funds, and other terms for new debt issuances could be adversely impacted. Each of the credit rating agencies reviews its rating periodically and there is no guarantee our current credit ratings will remain the same as described above.

In 2016, we funded our peak holiday sales period working capital needs through internally generated funds and the issuance of commercial paper. In 2015, we funded our peak holiday sales period working capital needs through internally generated funds.

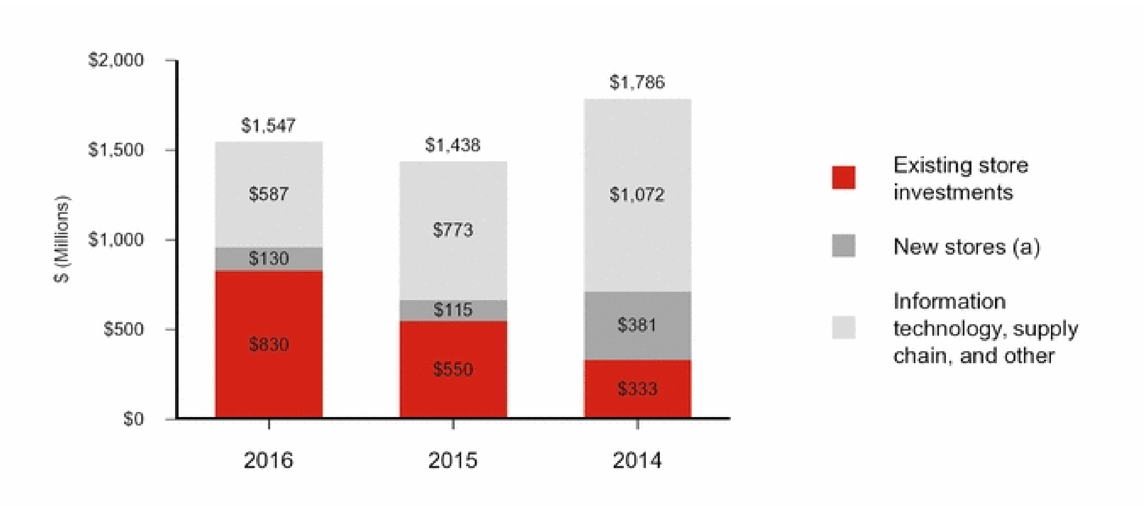
Commercial Paper (dollars in millions)	2016	2015	2014
Maximum daily amount outstanding during the year	$ 89	$ —	$ 590
Average amount outstanding during the year	1	—	129
Amount outstanding at year-end	—	—	—
Weighted average interest rate	0.43%	—%	0.11%

We have additional liquidity through a committed $2.5 billion revolving credit facility obtained through a group of banks in October 2016 which expires in October 2021. This new unsecured revolving credit facility replaced a $2.25 billion unsecured revolving credit facility that was scheduled to expire in October 2018. No balances were outstanding under either credit facility at any time during 2016, 2015, or 2014.

Most of our long-term debt obligations contain covenants related to secured debt levels. In addition to a secured debt level covenant, our credit facility also contains a debt leverage covenant. We are, and expect to remain, in compliance with these covenants. Additionally, at January 28, 2017, no notes or debentures contained provisions requiring acceleration of payment upon a credit rating downgrade, except that certain outstanding notes allow the note holders to put the notes to us if within a matter of months of each other we experience both (i) a change in control and (ii) our long-term credit ratings are either reduced and the resulting rating is non-investment grade, or our long-term credit ratings are placed on watch for possible reduction and those ratings are subsequently reduced and the resulting rating is non-investment grade.

We believe our sources of liquidity will continue to be adequate to maintain operations, finance anticipated expansion and strategic initiatives, fund debt maturities, pay dividends, and execute purchases under our share repurchase program for the foreseeable future. We continue to anticipate ample access to commercial paper and long-term financing.

Capital Expenditures



(a) In addition to these cash investments, we entered into leases related to new stores in 2016, 2015, and 2014 with total future minimum lease payments of $550 million, $338 million, and $85 million, respectively.

Capital expenditures increased in 2016 from the prior year because we increased our investments in existing stores, including remodels and guest experience enhancements. These increases were partially offset by continued efficiency gains in technology. Capital expenditures decreased in 2015 from the prior year as we opened fewer large-format stores and realized efficiency gains in technology, partially offset by increased guest experience and supply chain investments. As noted in the footnote to the chart presented above, we substantially increased our investments in leases in 2016 and 2015.

We expect capital expenditures in 2017 to increase to approximately $2.0 billion to $2.5 billion as we accelerate the rate of store remodels and flexible-format store openings, and continue to make supply chain investments. We also expect our rate of investment in store leases to continue to increase.

Commitments and Contingencies

Contractual Obligations as of January 28, 2017 (millions)	Payments Due by Period Total	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years
Recorded contractual obligations:					
Long-term debt [a]	$ 11,814	$ 1,683	$ 1,203	$ 2,150	$ 6,778
Capital lease obligations [b]	1,963	82	174	178	1,529
Deferred compensation [c]	515	56	114	121	224
Real estate liabilities [d]	52	52	—	—	—
Tax contingencies [e]	—	—	—	—	—
Unrecorded contractual obligations:					
Interest payments – long-term debt	6,308	510	819	710	4,269
Operating leases [b]	3,876	198	398	364	2,916
Purchase obligations [f]	1,762	609	814	107	232
Real estate obligations [g]	216	185	31	—	—
Future contributions to retirement plans [h]	—	—	—	—	—
Contractual obligations	$ 26,506	$ 3,375	$ 3,553	$ 3,630	$ 15,948

[a] Represents principal payments only. See Note 20 of the Financial Statements for further information.

[b] These payments also include $348 million and $269 million of legally binding minimum lease payments for stores that are expected to open in 2017 or later for capital and operating leases, respectively. See Note 22 of the Financial Statements for further information.

[c] The timing of deferred compensation payouts is estimated based on payments currently made to former employees and retirees, forecasted investment returns, and the projected timing of future retirements.

[d] Real estate liabilities include costs incurred but not paid related to the construction or remodeling of real estate and facilities.

[e] Estimated tax contingencies of $222 million, including interest and penalties and primarily related to continuing operations, are not included in the table above because we are not able to make reasonably reliable estimates of the period of cash settlement. See Note 23 of the Financial Statements for further information.

[f] Purchase obligations include all legally binding contracts such as firm minimum commitments for inventory purchases, merchandise royalties, equipment purchases, marketing-related contracts, software acquisition/license commitments, and service contracts. We issue inventory purchase orders in the normal course of business, which represent authorizations to purchase that are cancelable by their terms. We do not consider purchase orders to be firm inventory commitments; therefore, they are excluded from the table above. If we choose to cancel a purchase order, we may be obligated to reimburse the vendor for unrecoverable outlays incurred prior to cancellation. We also issue trade letters of credit in the ordinary course of business, which are excluded from this table as these obligations are conditioned on terms of the letter of credit being met.

[g] Real estate obligations include commitments for the purchase, construction, or remodeling of real estate and facilities.

[h] We have not included obligations under our pension plans in the contractual obligations table above because no additional amounts are required to be funded as of January 28, 2017. Our historical practice regarding these plans has been to contribute amounts necessary to satisfy minimum pension funding requirements, plus periodic discretionary amounts determined to be appropriate.

Off Balance Sheet Arrangements: Other than the unrecorded contractual obligations noted above, we do not have any arrangements or relationships with entities that are not consolidated into the financial statements.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP, which requires us to make estimates and apply judgments that affect the reported amounts. In the Notes to Consolidated Financial Statements, we describe the significant accounting policies used in preparing the consolidated financial statements. Our management has discussed the development, selection, and disclosure of our critical accounting estimates with the Audit & Finance Committee of our Board of Directors. The following items require significant estimation or judgment:

Inventory and cost of sales: Our inventory is valued at the lower of cost or market. We reduce inventory for estimated losses related to shrink and markdowns. Our shrink estimate is based on historical losses verified by physical inventory counts. Historically, our actual physical inventory count results have shown our estimates to be reliable. Market adjustments for markdowns are recorded when the salability of the merchandise has diminished. We believe the risk of inventory obsolescence is largely mitigated because our inventory typically turns in less than three months. Inventory was $8,309 million and $8,601 million at January 28, 2017 and January 30, 2016, respectively, and is further described in Note 12 of the Financial Statements.

Vendor income: We receive various forms of consideration from our vendors (vendor income), principally earned as a result of volume rebates, markdown allowances, promotions, and advertising allowances. Substantially all vendor income is recorded as a reduction of cost of sales.

We establish a receivable for vendor income that is earned but not yet received. Based on the agreements in place, this receivable is computed by estimating when we have completed our performance and when the amount is earned. The majority of the year-end vendor income receivables are collected within the following fiscal quarter, and we do not believe there is a reasonable likelihood that the assumptions used in our estimate will change significantly. Historically, adjustments to our vendor income receivable have not been material. Vendor income receivable was $385 million and $384 million at January 28, 2017 and January 30, 2016, respectively. Vendor income is described further in Note 4 of the Financial Statements.

Long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows independent of other assets. An impairment loss would be recognized when estimated undiscounted future cash flows from the operation and/or disposition of the assets are less than their carrying amount. Measurement of an impairment loss would be based on the excess of the carrying amount of the asset group over its fair value. Fair value is measured using discounted cash flows or independent opinions of value, as appropriate. We recorded impairments of $43 million, $54 million, and $124 million in 2016, 2015, and 2014, respectively, which are described further in Note 14 of the Financial Statements.

Insurance/self-insurance: We retain a substantial portion of the risk related to certain general liability, workers' compensation, property loss, and team member medical and dental claims. However, we maintain stop-loss coverage to limit the exposure related to certain risks. Liabilities associated with these losses include estimates of both claims filed and losses incurred but not yet reported. We use actuarial methods which consider a number of factors to estimate our ultimate cost of losses. General liability and workers' compensation liabilities are recorded at our estimate of their net present value; other liabilities referred to above are not discounted. Our workers' compensation and general liability accrual was $447 million and $498 million at January 28, 2017 and January 30, 2016, respectively. We believe that the amounts accrued are appropriate; however, our liabilities could be significantly affected if future occurrences or loss developments differ from our assumptions. For example, a five percent increase or decrease in average claim costs would impact our self-insurance expense by $22 million in 2016. Historically, adjustments to our estimates have not been material. Refer to Item 7A, Quantitative and Qualitative Disclosures About Market Risk, for further disclosure of the market risks associated with these exposures. We maintain insurance coverage to limit our exposure to certain events, including network security matters.

Income taxes: We pay income taxes based on the tax statutes, regulations, and case law of the various jurisdictions in which we operate. Significant judgment is required in determining the timing and amounts of deductible and taxable items, and in evaluating the ultimate resolution of tax matters in dispute with tax authorities. The benefits of uncertain tax positions are recorded in our financial statements only after determining it is likely the uncertain tax positions would withstand challenge by taxing authorities. We periodically reassess these probabilities and record any changes in the financial statements as appropriate. Liabilities for uncertain tax positions, including interest and penalties, were $222 million and $215 million at January 28, 2017 and January 30, 2016, respectively, and primarily relate to continuing operations. We believe the resolution of these matters will not have a material adverse impact on our consolidated financial statements. Income taxes are described further in Note 23 of the Financial Statements.

Pension accounting: We maintain a funded qualified, defined benefit pension plan, as well as several smaller and unfunded nonqualified plans for certain current and retired team members. The costs for these plans are determined based on actuarial calculations using the assumptions described in the following paragraphs. Eligibility and the level of benefits varies depending on team members' full-time or part-time status, date of hire, age, and/or length of service. The benefit obligation and related expense for these plans are determined based on actuarial calculations using assumptions about the expected long-term rate of return, the discount rate, and compensation growth rates. The assumptions, with adjustments made for any significant plan or participant changes, are used to determine the period-end benefit obligation and establish expense for the next year.

Our 2016 expected long-term rate of return on plan assets of 6.8 percent is determined by the portfolio composition, historical long-term investment performance, and current market conditions. A one percentage point decrease in our expected long-term rate of return would increase annual expense by $37 million.

The discount rate used to determine benefit obligations is adjusted annually based on the interest rate for long-term high-quality corporate bonds, using yields for maturities that are in line with the duration of our pension liabilities. Our benefit obligation and related expense will fluctuate with changes in interest rates. A 0.5 percentage point decrease to the weighted average discount rate would increase annual expense by $30 million.

Based on our experience, we use a graduated compensation growth schedule that assumes higher compensation growth for younger, shorter-service pension-eligible team members than it does for older, longer-service pension-eligible team members.

Pension benefits are further described in Note 28 of the Financial Statements.

Legal and other contingencies: We believe the accruals recorded in our consolidated financial statements properly reflect loss exposures that are both probable and reasonably estimable. We do not believe any of the currently identified claims or litigation may materially affect our results of operations, cash flows, or financial condition. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. If an unfavorable ruling were to occur, it may cause a material adverse impact on the results of operations, cash flows, or financial condition for the period in which the ruling occurs, or future periods. Refer to Note 19 of the Financial Statements for further information on contingencies.

New Accounting Pronouncements

Refer to Note 2 and Note 22 of the Financial Statements for a description of new accounting pronouncements related to revenues and leases, respectively. We do not expect any other recently issued accounting pronouncements will have a material effect on our financial statements.

Forward-Looking Statements

This report contains forward-looking statements, which are based on our current assumptions and expectations. These statements are typically accompanied by the words "expect," "may," "could," "believe," "would," "might," "anticipates," or words of similar import. The principal forward-looking statements in this report include: our financial performance, statements regarding the adequacy of and costs associated with our sources of liquidity, the expected impact of the Pharmacy Transaction on our financial performance, the continued execution of our share repurchase program, our expected capital expenditures and new lease commitments, the impact of changes in the expected effective income tax rate on net income, the expected compliance with debt covenants, the expected impact of new accounting pronouncements, our intentions regarding future dividends, contributions and payments related to our pension plan, the expected returns on pension plan assets, the expected timing and recognition of compensation expenses, the effects of macroeconomic conditions, the adequacy of our reserves for general liability, workers' compensation and property loss, the expected outcome of, and adequacy of our reserves for investigations, inquiries, claims and litigation, including those related to the 2013 data breach, expected changes to our contractual obligations and liabilities, the expected ability to recognize deferred tax assets and liabilities and the timing of such recognition, the process, timing and effects of discontinuing our Canadian operations, the resolution of tax matters, changes in our assumptions and expectations, and the expected benefits of restructuring activities.

All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. The most important factors which could cause our actual results to differ from our forward-looking statements are set forth on our description of risk factors in Item 1A to this Form 10-K, which should be read in conjunction with the forward-looking statements in this report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

At January 28, 2017, our exposure to market risk was primarily from interest rate changes on our debt obligations, some of which are at a LIBOR-plus floating-rate. Our interest rate exposure is primarily due to differences between our floating rate debt obligations compared to our floating rate short term investments. At January 28, 2017, our floating rate debt exceeded our floating rate short-term investments by approximately $140 million. Based on our balance sheet position at January 28, 2017, the annualized effect of a 0.1 percentage point increase in floating interest rates on our floating rate debt obligations, net of our floating rate short-term investments, would not be significant. In general, we expect our floating rate debt to exceed our floating rate short-term investments over time, but that may vary in different interest rate environments. See further description of our debt and derivative instruments in Notes 20 and 21 to the Financial Statements.

We record our general liability and workers' compensation liabilities at net present value; therefore, these liabilities fluctuate with changes in interest rates. Based on our balance sheet position at January 28, 2017, the annualized effect of a 0.5 percentage point decrease in interest rates would be to decrease earnings before income taxes by $7 million.

In addition, we are exposed to market return fluctuations on our qualified defined benefit pension plans. The value of our pension liabilities is inversely related to changes in interest rates. A 0.5 percentage point decrease to the weighted average discount rate would increase annual expense by $30 million. To protect against declines in interest rates, we hold high-quality, long-duration bonds and interest rate swaps in our pension plan trust. At year-end, we had hedged 55 percent of the interest rate exposure of our funded status.

As more fully described in Notes 15 and 27 to the Financial Statements, we are exposed to market returns on accumulated team member balances in our nonqualified, unfunded deferred compensation plans. We control the risk of offering the nonqualified plans by making investments in life insurance contracts and prepaid forward contracts on our own common stock that offset a substantial portion of our economic exposure to the returns on these plans. The annualized effect of a one percentage point change in market returns on our nonqualified defined contribution plans (inclusive of the effect of the investment vehicles used to manage our economic exposure) would not be significant.

There have been no other material changes in our primary risk exposures or management of market risks since the prior year.

Item 8. Financial Statements and Supplementary Data

Report of Management on the Consolidated Financial Statements

Management is responsible for the consistency, integrity, and presentation of the information in the Annual Report. The consolidated financial statements and other information presented in this Annual Report have been prepared in accordance with accounting principles generally accepted in the United States and include necessary judgments and estimates by management.

To fulfill our responsibility, we maintain comprehensive systems of internal control designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with established procedures. The concept of reasonable assurance is based upon recognition that the cost of the controls should not exceed the benefit derived. We believe our systems of internal control provide this reasonable assurance.

The Board of Directors exercised its oversight role with respect to the Corporation's systems of internal control primarily through its Audit Committee, which is comprised of independent directors. The Committee oversees the Corporation's systems of internal control, accounting practices, financial reporting and audits to assess whether their quality, integrity, and objectivity are sufficient to protect shareholders' investments.

In addition, our consolidated financial statements have been audited by Ernst & Young LLP, independent registered public accounting firm, whose report also appears on this page.

Brian C. Cornell Chairman and Chief Executive Officer March 8, 2017	Cathy R. Smith Executive Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements

The Board of Directors and Shareholders
Target Corporation

We have audited the accompanying consolidated statements of financial position of Target Corporation and subsidiaries (the Corporation) as of January 28, 2017 and January 30, 2016, and the related consolidated statements of operations, comprehensive income, cash flows, and shareholders' investment for each of the three years in the period ended January 28, 2017. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Target Corporation and subsidiaries at January 28, 2017 and January 30, 2016, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 28, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Corporation's internal control over financial reporting as of January 28, 2017, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework), and our report dated March 8, 2017, expressed an unqualified opinion thereon.

Ernst & Young LLP

Minneapolis, Minnesota
March 8, 2017

Report of Management on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we assessed the effectiveness of our internal control over financial reporting as of January 28, 2017, based on the framework in *Internal Control—Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our assessment, we conclude that the Corporation's internal control over financial reporting is effective based on those criteria.

Our internal control over financial reporting as of January 28, 2017, has been audited by Ernst & Young LLP, the independent registered public accounting firm who has also audited our consolidated financial statements, as stated in their report which appears on this page.

Brian C. Cornell	Cathy R. Smith
Chairman and Chief Executive Officer	Executive Vice President and
March 8, 2017	Chief Financial Officer

Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting

The Board of Directors and Shareholders
Target Corporation

We have audited Target Corporation and subsidiaries' (the Corporation) internal control over financial reporting as of January 28, 2017, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). The Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of January 28, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Target Corporation and subsidiaries as of January 28, 2017 and January 30, 2016, and the related consolidated statements of operations, comprehensive income, cash flows and shareholders' investment for each of the three years in the period ended January 28, 2017, and our report dated March 8, 2017, expressed an unqualified opinion thereon.

Ernst & Young LLP

Minneapolis, Minnesota
March 8, 2017

Consolidated Statements of Operations

(millions, except per share data)	2016	2015	2014
Sales	$ 69,495	$ 73,785	$ 72,618
Cost of sales	48,872	51,997	51,278
Gross margin	20,623	21,788	21,340
Selling, general and administrative expenses	13,356	14,665	14,676
Depreciation and amortization	2,298	2,213	2,129
Gain on sale	—	(620)	—
Earnings from continuing operations before interest expense and income taxes	4,969	5,530	4,535
Net interest expense	1,004	607	882
Earnings from continuing operations before income taxes	3,965	4,923	3,653
Provision for income taxes	1,296	1,602	1,204
Net earnings from continuing operations	2,669	3,321	2,449
Discontinued operations, net of tax	68	42	(4,085)
Net earnings / (loss)	$ 2,737	$ 3,363	$ (1,636)
Basic earnings / (loss) per share			
Continuing operations	$ 4.62	$ 5.29	$ 3.86
Discontinued operations	0.12	0.07	(6.44)
Net earnings / (loss) per share	$ 4.74	$ 5.35	$ (2.58)
Diluted earnings / (loss) per share			
Continuing operations	$ 4.58	$ 5.25	$ 3.83
Discontinued operations	0.12	0.07	(6.38)
Net earnings / (loss) per share	$ 4.70	$ 5.31	$ (2.56)
Weighted average common shares outstanding			
Basic	577.6	627.7	634.7
Dilutive effect of share-based awards	4.9	5.2	5.4
Diluted	582.5	632.9	640.1
Antidilutive shares	0.1	—	3.3
Dividends declared per share	$ 2.36	$ 2.20	$ 1.99

Note: Per share amounts may not foot due to rounding.

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

(millions)	2016	2015	2014
Net income / (loss)	$ 2,737	$ 3,363	$ (1,636)
Other comprehensive (loss) / income, net of tax			
Pension and other benefit liabilities, net of tax benefit of $9, $18, and $90	(13)	(27)	(139)
Currency translation adjustment and cash flow hedges, net of provision for taxes of $2, $2, and $2	4	(3)	431
Other comprehensive (loss) / income	(9)	(30)	292
Comprehensive income / (loss)	$ 2,728	$ 3,333	$ (1,344)

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Financial Position

(millions, except footnotes)	January 28, 2017	January 30, 2016
Assets		
Cash and cash equivalents, including short-term investments of $1,110 and $3,008	$ 2,512	$ 4,046
Inventory	8,309	8,601
Assets of discontinued operations	69	322
Other current assets	1,100	1,161
Total current assets	11,990	14,130
Property and equipment		
Land	6,106	6,125
Buildings and improvements	27,611	27,059
Fixtures and equipment	5,503	5,347
Computer hardware and software	2,651	2,617
Construction-in-progress	200	315
Accumulated depreciation	(17,413)	(16,246)
Property and equipment, net	24,658	25,217
Noncurrent assets of discontinued operations	12	75
Other noncurrent assets	771	840
Total assets	$ 37,431	$ 40,262
Liabilities and shareholders' investment		
Accounts payable	$ 7,252	$ 7,418
Accrued and other current liabilities	3,737	4,236
Current portion of long-term debt and other borrowings	1,718	815
Liabilities of discontinued operations	1	153
Total current liabilities	12,708	12,622
Long-term debt and other borrowings	11,031	11,945
Deferred income taxes	861	823
Noncurrent liabilities of discontinued operations	18	18
Other noncurrent liabilities	1,860	1,897
Total noncurrent liabilities	13,770	14,683
Shareholders' investment		
Common stock	46	50
Additional paid-in capital	5,661	5,348
Retained earnings	5,884	8,188
Accumulated other comprehensive loss		
Pension and other benefit liabilities	(601)	(588)
Currency translation adjustment and cash flow hedges	(37)	(41)
Total shareholders' investment	10,953	12,957
Total liabilities and shareholders' investment	$ 37,431	$ 40,262

Common Stock Authorized 6,000,000,000 shares, $0.0833 par value; 556,156,228 shares issued and outstanding at January 28, 2017; 602,226,517 shares issued and outstanding at January 30, 2016.

Preferred Stock Authorized 5,000,000 shares, $0.01 par value; no shares were issued or outstanding at January 28, 2017 or January 30, 2016.

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(millions)	2016	2015	2014
Operating activities			
Net earnings / (loss)	$ 2,737	$ 3,363	$ (1,636)
Earnings / (losses) from discontinued operations, net of tax	68	42	(4,085)
Net earnings from continuing operations	2,669	3,321	2,449
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation and amortization	2,298	2,213	2,129
Share-based compensation expense	113	115	71
Deferred income taxes	41	(322)	7
Gain on sale	—	(620)	—
Loss on debt extinguishment	422	—	285
Noncash (gains) / losses and other, net	—	57	40
Changes in operating accounts:			
Inventory	293	(316)	(512)
Other assets	36	227	(115)
Accounts payable and accrued liabilities	(543)	579	803
Cash provided by operating activities—continuing operations	5,329	5,254	5,157
Cash provided by / (required for) operating activities—discontinued operations	107	704	(692)
Cash provided by operations	5,436	5,958	4,465
Investing activities			
Expenditures for property and equipment	(1,547)	(1,438)	(1,786)
Proceeds from disposal of property and equipment	46	28	95
Proceeds from sale of businesses	—	1,875	—
Cash paid for acquisitions, net of cash assumed	—	—	(20)
Other investments	28	24	106
Cash (required for) / provided by investing activities—continuing operations	(1,473)	489	(1,605)
Cash provided by / (required for) investing activities—discontinued operations	—	19	(321)
Cash (required for) / provided by investing activities	(1,473)	508	(1,926)
Financing activities			
Change in commercial paper, net	—	—	(80)
Additions to long-term debt	1,977	—	1,993
Reductions of long-term debt	(2,641)	(85)	(2,079)
Dividends paid	(1,348)	(1,362)	(1,205)
Repurchase of stock	(3,706)	(3,483)	(26)
Stock option exercises	221	300	373
Cash required for financing activities	(5,497)	(4,630)	(1,024)
Net (decrease) / increase in cash and cash equivalents	(1,534)	1,836	1,515
Cash and cash equivalents at beginning of period [a]	4,046	2,210	695
Cash and cash equivalents at end of period	**$ 2,512**	**$ 4,046**	**$ 2,210**
Supplemental information			
Interest paid, net of capitalized interest	$ 999	$ 604	$ 871
Income taxes paid / (refunded)	1,514	(127)	1,251
Property and equipment acquired through capital lease obligations	238	126	88

[a] Includes cash of our discontinued operations of $25 million at February 1, 2014.

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Shareholders' Investment

(millions)	Common Stock Shares	Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) / Income	Total
February 1, 2014	632.9	$ 53	$ 4,470	$ 12,599	$ (891)	$ 16,231
Net loss	—	—	—	(1,636)	—	(1,636)
Other comprehensive income	—	—	—	—	292	292
Dividends declared	—	—	—	(1,273)	—	(1,273)
Repurchase of stock	(0.8)	—	—	(46)	—	(46)
Stock options and awards	8.1	—	429	—	—	429
January 31, 2015	640.2	$ 53	$ 4,899	$ 9,644	$ (599)	$ 13,997
Net earnings	—	—	—	3,363	—	3,363
Other comprehensive loss	—	—	—	—	(30)	(30)
Dividends declared	—	—	—	(1,378)	—	(1,378)
Repurchase of stock	(44.7)	(4)	—	(3,441)	—	(3,445)
Stock options and awards	6.7	1	449	—	—	450
January 30, 2016	602.2	$ 50	$ 5,348	$ 8,188	$ (629)	$ 12,957
Net earnings	—	—	—	2,737	—	2,737
Other comprehensive loss	—	—	—	—	(9)	(9)
Dividends declared	—	—	—	(1,359)	—	(1,359)
Repurchase of stock	(50.9)	(4)	—	(3,682)	—	(3,686)
Stock options and awards	4.9	—	313	—	—	313
January 28, 2017	556.2	$ 46	$ 5,661	$ 5,884	$ (638)	$ 10,953

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. Summary of Accounting Policies

Organization We are a general merchandise retailer selling products to our guests through our stores and digital channels.

As described in Note 7, in January 2015, we announced our exit from the Canadian market and filed for protection (the Filing) under the Companies' Creditors Arrangement Act (CCAA) with the Ontario Superior Court of Justice in Toronto (the Court). Our prefiling financial results in Canada and subsequent expenses directly attributable to the Canada exit are included in our financial statements and classified within discontinued operations. Discontinued operations refers only to our discontinued Canadian operations. Subsequent to the Filing, we operate as a single segment that includes all of our continuing operations, which are designed to enable guests to purchase products seamlessly in stores or through our digital channels.

Consolidation The consolidated financial statements include the balances of Target and its subsidiaries after elimination of intercompany balances and transactions. All material subsidiaries are wholly owned. We consolidate variable interest entities where it has been determined that Target is the primary beneficiary of those entities' operations. As of January 15, 2015, we deconsolidated substantially all of our Canadian operations following the Filing. See Note 7 for more information.

Use of estimates The preparation of our consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions affecting reported amounts in the consolidated financial statements and accompanying notes. Actual results may differ significantly from those estimates.

Fiscal year Our fiscal year ends on the Saturday nearest January 31. Unless otherwise stated, references to years in this report relate to fiscal years, rather than to calendar years. Fiscal 2016 ended January 28, 2017, and consisted of 52 weeks. Fiscal 2015 ended January 30, 2016, and consisted of 52 weeks. Fiscal 2014 ended January 31, 2015, and consisted of 52 weeks. Fiscal 2017 will end February 3, 2018, and will consist of 53 weeks.

Accounting policies Our accounting policies are disclosed in the applicable Notes to the Consolidated Financial Statements.

2. Revenues

Our retail stores generally record revenue at the point of sale. Digital channel sales include shipping revenue and are recorded upon delivery to the guest. Total revenues do not include sales tax because we are a pass-through conduit for collecting and remitting sales taxes. Generally, guests may return national brand merchandise within 90 days of purchase and owned and exclusive brands within one year of purchase. Revenues are recognized net of expected returns, which we estimate using historical return patterns as a percentage of sales and our expectation of future returns. Commissions earned on sales generated by leased departments are included within sales and were $42 million, $37 million, and $32 million in 2016, 2015, and 2014, respectively.

Revenue from gift card sales is recognized upon gift card redemption. Our gift cards do not expire. Based on historical redemption rates, a small and relatively stable percentage of gift cards will never be redeemed, referred to as "breakage." Estimated breakage revenue is recognized over time in proportion to actual gift card redemptions and was not material in any period presented.

Guests receive a 5 percent discount on virtually all purchases and receive free shipping at Target.com when they use their REDcard. The discount is included as a sales reduction in our Consolidated Statements of Operations and was $899 million, $905 million, and $832 million in 2016, 2015, and 2014, respectively.

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

We plan to adopt the standard in the first quarter of 2018, which begins on February 4, 2018. We are still evaluating whether to use a full retrospective or a modified retrospective approach to adopt the standard. We do not expect the standard to materially affect our consolidated net earnings, financial position, or cash flows.

We are evaluating whether we act as principal or agent in certain vendor arrangements where the purchase and sale of inventory is virtually simultaneous, as further described in Note 12. We currently record revenue and related costs gross, with approximately 3 percent of 2016 consolidated sales made under such arrangements. Any change to net presentation would not impact gross margin or earnings.

We are also evaluating the presentation of certain ancillary income streams, including the credit card profit sharing income described in Note 9.

3. Cost of Sales and Selling, General and Administrative Expenses

The following table illustrates the primary items classified in each major expense category:

Cost of Sales	Selling, General and Administrative Expenses
Total cost of products sold including • Freight expenses associated with moving merchandise from our vendors to and between our distribution centers and our retail stores • Vendor income that is not reimbursement of specific, incremental, and identifiable costs	Compensation and benefit costs for stores and headquarters Occupancy and operating costs of retail and headquarters facilities Advertising, offset by vendor income that is a reimbursement of specific, incremental, and identifiable costs
Inventory shrink	Pre-opening costs of stores and other facilities
Markdowns	
Outbound shipping and handling expenses associated with sales to our guests	U.S. credit cards servicing expenses and profit sharing
Payment term cash discounts	Costs associated with accepting 3rd party bank issued payment cards
Distribution center costs, including compensation and benefits costs	Litigation and defense costs and related insurance recovery
Import costs	Other administrative costs

Note: The classification of these expenses varies across the retail industry.

4. Consideration Received from Vendors

We receive consideration for a variety of vendor-sponsored programs, such as volume rebates, markdown allowances, promotions, and advertising allowances and for our compliance programs, referred to as "vendor income." Under our compliance programs, vendors are charged for merchandise shipments that do not meet our requirements (violations), such as late or incomplete shipments. Substantially all consideration received is recorded as a reduction of cost of sales.

We establish a receivable for vendor income that is earned but not yet received. Based on provisions of the agreements in place, this receivable is computed by estimating the amount earned when we have completed our performance. We perform detailed analyses to determine the appropriate level of the receivable in the aggregate. The majority of year-end receivables associated with these activities are collected within the following fiscal quarter. We have not historically had significant write-offs for these receivables.

5. Advertising Costs

Advertising costs, which primarily consist of newspaper circulars, internet advertisements, and media broadcast, are generally expensed at first showing or distribution of the advertisement.

Advertising Costs (millions)	2016	2015	2014
Gross advertising costs	$ 1,503	$ 1,472	$ 1,647
Vendor income	(38)	(38)	(47)
Net advertising costs	$ 1,465	$ 1,434	$ 1,600

6. Pharmacy Transaction

In December 2015, we sold our pharmacy and clinic businesses to CVS (the Pharmacy Transaction) for cash consideration of $1.9 billion, recognizing a gain of $620 million, and deferred income of $694 million. CVS now operates the pharmacy and clinic businesses in our stores and paid us $24 million for occupancy during 2016.

Gain on Pharmacy Transaction (millions)		2015
Cash consideration	$	1,868
Less:		
Deferred income [(a)]		694
Inventory		447
Other assets		13
Pretax transaction costs and contingent liabilities [(b)]		94
Pretax gain on Pharmacy Transaction [(c)]	$	620

(a) Represents the consideration received at the close of the sale related to CVS's leasehold interest in the related space within our stores. Deferred income will be recorded as a reduction to SG&A expense evenly over the 23-year weighted average remaining accounting useful life of our stores. As of January 28, 2017, $660 million remains in other current and other noncurrent liabilities.

(b) Primarily relates to professional services, contract termination charges, severance, and impairment of certain assets not sold to CVS.

(c) Recorded outside of segment results and excluded from Adjusted EPS.

7. Canada Exit

On January 15, 2015, Target Canada Co. and certain other wholly owned subsidiaries of Target (collectively, Canada Subsidiaries), comprising substantially all of our former Canadian operations and our former Canadian Segment, filed for protection under the CCAA with the Ontario Superior Court of Justice in Toronto (the Court) and were deconsolidated. As a result, we recorded a pretax impairment loss on deconsolidation and other related charges, collectively totaling $5.1 billion. The Canada Subsidiaries are in the process of liquidation.

Subsequent to deconsolidation, we use the cost method to account for our equity investment in the Canada Subsidiaries, which has been reflected as zero in our Consolidated Statement of Financial Position at January 28, 2017 and January 30, 2016 based on the estimated fair value of the Canada Subsidiaries' net assets.

As of the deconsolidation date, the loans, associated interest, and accounts receivable Target Corporation held are considered related party transactions and have been recognized in Target Corporation's consolidated financial statements. In addition, we held an accrual for the estimated probable loss related to claims that may be asserted directly against us (rather than against the Canada Subsidiaries), primarily under our guarantees of certain leases of the Canada Subsidiaries.

As part of a March 2016 settlement between the Canada Subsidiaries and all of their former landlords, we agreed to subordinate a portion of our intercompany claims and make certain cash contributions to the Target Canada Co. estate in exchange for a full release from our obligations under guarantees of certain leases of the Canada Subsidiaries. The settlement was contingent upon the Canada Subsidiaries' creditors' and the Court's approval of a plan of compromise and arrangement to complete the controlled, orderly, and timely wind-down of the Canada Subsidiaries (Plan). During the second quarter of 2016, a Plan was approved. The net pretax financial impact of the settlement and Plan was materially consistent with amounts previously recorded in our financial statements. During 2016, we received $182 million from the Target Canada Co. estate and made cash contributions of $27 million.

Income / (Loss) on Discontinued Operations (millions)	2016	2015	2014
Sales	$ —	$ —	$ 1,902
Cost of sales	—	—	1,541
SG&A expenses	—	—	909
Depreciation and amortization	—	—	248
Interest expense	—	—	73
Pretax loss from operations	—	—	(869)
Pretax exit costs	13	(129)	(5,105)
Income taxes	55	171	1,889
Income / (loss) from discontinued operations	$ 68	$ 42	$ (4,085)

Pretax Exit Costs (millions)	2016	2015	2014
Investment impairment	$ (222)	$ (6)	$ (4,766)
Contingent liabilities	229	(62)	(240)
Other exit costs	6	(61)	(99)
Total	$ 13	$ (129)	$ (5,105)

During 2016, we recognized net tax benefits of $55 million in discontinued operations, which primarily related to tax benefits from our investment losses in Canada recognized upon court approval of the Plan. During 2015, we recognized net tax benefits of $171 million in discontinued operations, which primarily related to our pretax exit costs and change in the estimated tax benefit from our investment losses in Canada. During 2014, we recognized a tax benefit of $1,889 million in discontinued operations, which includes the tax benefit of our 2014 Canadian operating losses, the tax benefit related to a loss on our investment in Canada, and other tax benefits resulting from certain asset write-offs and liabilities paid or accrued to facilitate the liquidation. The majority of these tax benefits were received in the first quarter of 2015, and we used substantially all of the remainder in 2015 to reduce our estimated tax payments.

Assets and Liabilities of Discontinued Operations (millions)	January 28, 2017	January 30, 2016
Income tax benefit	$ 35	$ 77
Receivables from Canada Subsidiaries [(a)]	46	320
Total assets	$ 81	$ 397
Accrued liabilities	$ 19	$ 171
Total liabilities	$ 19	$ 171

[(a)] Represents loans and accounts receivable from Canada Subsidiaries.

8. Restructuring Initiatives

In 2015, we initiated a series of headquarters workforce reductions intended to increase organizational effectiveness and provide cost savings that can be reinvested in our growth initiatives. As a result, during 2015 we recorded $138 million of severance and other benefits-related charges within SG&A. The vast majority of these expenses required cash expenditures during 2015 and were not included in our segment results.

9. Credit Card Profit Sharing

TD Bank Group underwrites, funds, and owns Target Credit Card and Target MasterCard receivables, controls risk management policies, and oversees regulatory compliance. We perform account servicing and primary marketing functions. We earn a substantial portion of the profits generated by the Target Credit Card and Target MasterCard portfolios. We earned $663 million, $641 million, and $629 million of net profit-sharing income during 2016, 2015, and 2014, respectively, which reduced SG&A expense.

10. Fair Value Measurements

Fair value measurements are reported in one of three levels based on the lowest level of significant input used: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable market inputs, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).

Fair Value Measurements - Recurring Basis		Fair Value at	
(millions)	Pricing Category	January 28, 2017	January 30, 2016
Assets			
Cash and cash equivalents			
Short-term investments	Level 1	$ 1,110	$ 3,008
Other current assets			
Interest rate swaps [(a)]	Level 2	1	12
Prepaid forward contracts	Level 1	26	32
Beneficial interest asset	Level 3	12	19
Other noncurrent assets			
Interest rate swaps [(a)]	Level 2	4	27
Beneficial interest asset	Level 3	—	12
Liabilities			
Other current liabilities			
Interest rate swaps [(a)]	Level 2	—	8

(a) See Note 21 for additional information on interest rate swaps.

Valuation Technique
Short-term investments - Carrying value approximates fair value because maturities are less than three months.
Prepaid forward contracts - Initially valued at transaction price. Subsequently valued by reference to the market price of Target common stock.
Interest rate swaps - Valuation models are calibrated to initial trade price. Subsequent valuations are based on observable inputs to the valuation model (e.g., interest rates and credit spreads).

Significant Financial Instruments not Measured at Fair Value [(a)]	2016		2015	
(millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Debt [(b)]	$ 11,715	$ 12,545	$ 11,859	$ 13,385

(a) The carrying amounts of certain other current assets, accounts payable, and certain accrued and other current liabilities approximate fair value due to their short-term nature.

(b) The fair value of debt is generally measured using a discounted cash flow analysis based on current market interest rates for the same or similar types of financial instruments and would be classified as Level 2. These amounts exclude unamortized swap valuation adjustments and capital lease obligations.

11. Cash Equivalents

Cash equivalents include highly liquid investments with an original maturity of three months or less from the time of purchase. These investments were $1,110 million and $3,008 million at January 28, 2017 and January 30, 2016, respectively. Cash equivalents also include amounts due from third-party financial institutions for credit and debit card transactions. These receivables typically settle in less than five days and were $346 million and $375 million at January 28, 2017 and January 30, 2016, respectively.

12. Inventory

The vast majority of our inventory is accounted for under the retail inventory accounting method (RIM) using the last-in, first-out (LIFO) method. Inventory is stated at the lower of LIFO cost or market. The cost of our inventory includes the amount we pay to our suppliers to acquire inventory, freight costs incurred in connection with the delivery of product to our distribution centers and stores, and import costs, reduced by vendor income and cash discounts. The majority of our distribution center operating costs, including compensation and benefits, are expensed in the period incurred. Inventory is also reduced for estimated losses related to shrink and markdowns. The LIFO provision is calculated based on inventory levels, markup rates, and internally measured retail price indices.

Under RIM, inventory cost and the resulting gross margins are calculated by applying a cost-to-retail ratio to the inventory retail value. RIM is an averaging method that has been widely used in the retail industry due to its practicality. The use of RIM will result in inventory being valued at the lower of cost or market because permanent markdowns are taken as a reduction of the retail value of inventory.

We routinely enter into arrangements with vendors whereby we do not purchase or pay for merchandise until the merchandise is ultimately sold to a guest. Activity under this program is included in sales and cost of sales in the Consolidated Statements of Operations, but the merchandise received under the program is not included in inventory in our Consolidated Statements of Financial Position because of the virtually simultaneous purchase and sale of this inventory. Sales made under these arrangements totaled $2,202 million, $2,261 million, and $2,040 million in 2016, 2015, and 2014, respectively.

13. Other Current Assets

Other Current Assets (millions)	January 28, 2017	January 30, 2016
Vendor income receivable	$ 385	$ 384
Income tax and other receivables	364	352
Prepaid expenses	207	214
Other	144	211
Total	$ 1,100	$ 1,161

14. Property and Equipment

Property and equipment is depreciated using the straight-line method over estimated useful lives or lease terms if shorter. We amortize leasehold improvements purchased after the beginning of the initial lease term over the shorter of the assets' useful lives or a term that includes the original lease term, plus any renewals that are reasonably assured at the date the leasehold improvements are acquired. Depreciation and capital lease amortization expense for 2016, 2015, and 2014 was $2,280 million, $2,191 million, and $2,108 million, respectively. For income tax purposes, accelerated depreciation methods are generally used. Repair and maintenance costs are expensed as incurred. Facility pre-opening costs, including supplies and payroll, are expensed as incurred.

Estimated Useful Lives	Life (Years)
Buildings and improvements	8-39
Fixtures and equipment	2-15
Computer hardware and software	2-7

Long-lived assets are reviewed for impairment when events or changes in circumstances, such as a decision to relocate or close a store or make significant software changes, indicate that the asset's carrying value may not be recoverable. For asset groups classified as held for sale, the carrying value is compared to the fair value less cost to sell. We estimate fair value by obtaining market appraisals, valuations from third party brokers, or other valuation techniques.

Impairments [a] (millions)		2016		2015		2014
Impairments included in segment SG&A	$	43	$	50	$	108
Unallocated impairments [b]		—		4		16
Total impairments	$	43	$	54	$	124

(a) Substantially all of the impairments are recorded in SG&A expense on the Consolidated Statements of Operations.
(b) For 2015, represents long-lived asset impairments from our decision to wind down certain noncore operations. For 2014, represents impairments of undeveloped land. These costs were not included in our segment results.

15. Other Noncurrent Assets

Other Noncurrent Assets (millions)		January 28, 2017		January 30, 2016
Company-owned life insurance investments [a]	$	345	$	308
Goodwill and intangible assets		259		277
Pension asset		43		66
Other		124		189
Total	$	771	$	840

(a) Company-owned life insurance policies on approximately 4,000 team members who have been designated highly compensated under the Internal Revenue Code and have given their consent to be insured. Amounts are presented net of loans that are secured by some of these policies.

16. Goodwill and Intangible Assets

Goodwill totaled $133 million at January 28, 2017 and January 30, 2016. During 2015, we announced our decision to wind down certain noncore operations. As a result, we recorded a $35 million pretax impairment loss, which included approximately $23 million of intangible assets and $12 million of goodwill. These costs were included in SG&A on our Consolidated Statements of Operations, but were not included in our segment results. No impairments were recorded in 2016 or 2014 as a result of the annual goodwill impairment tests performed.

Intangible Assets	Leasehold Acquisition Costs				Other [a]				Total			
(millions)		January 28, 2017		January 30, 2016		January 28, 2017		January 30, 2016		January 28, 2017		January 30, 2016
Gross asset	$	208	$	211	$	88	$	88	$	296	$	299
Accumulated amortization		(132)		(127)		(38)		(27)		(170)		(154)
Net intangible assets	$	76	$	84	$	50	$	61	$	126	$	145

(a) Other intangible assets relate primarily to trademarks.

We use the straight-line method to amortize leasehold acquisition costs primarily over 9 to 39 years and other definite-lived intangibles over 3 to 15 years. The weighted average life of leasehold acquisition costs and other intangible assets was 27 years and 8 years, respectively, at January 28, 2017. Amortization expense was $18 million, $23 million, and $22 million in 2016, 2015, and 2014, respectively.

Estimated Amortization Expense (millions)		2017		2018		2019		2020		2021
Amortization expense	$	16	$	12	$	11	$	11	$	11

17. Accounts Payable

At January 28, 2017 and January 30, 2016, we reclassified book overdrafts of $459 million and $534 million, respectively, to accounts payable and $24 million and $25 million, respectively, to accrued and other current liabilities.

18. Accrued and Other Current Liabilities

Accrued and Other Current Liabilities (millions)	January 28, 2017	January 30, 2016
Wages and benefits	$ 812	$ 884
Gift card liability, net of estimated breakage	693	644
Real estate, sales, and other taxes payable	571	574
Dividends payable	334	337
Straight-line rent accrual [(a)]	271	262
Income tax payable	158	502
Workers' compensation and general liability [(b)]	141	146
Interest payable	71	76
Other	686	811
Total	$ 3,737	$ 4,236

(a) Straight-line rent accrual represents the amount of operating lease rent expense recorded that exceeds cash payments.

(b) We retain a substantial portion of the risk related to general liability and workers' compensation claims. Liabilities associated with these losses include estimates of both claims filed and losses incurred but not yet reported. We estimate our ultimate cost based on analysis of historical data and actuarial estimates. General liability and workers' compensation liabilities are recorded at our estimate of their net present value.

19. Commitments and Contingencies

Data Breach

In the fourth quarter of 2013, we experienced a data breach in which an intruder stole certain payment card and other guest information from our network (the Data Breach), which resulted in a number of claims against us. We have resolved the most significant claims relating to the Data Breach, and there were no material changes to our loss contingency assessment relating to the remaining claims during 2016. We do not expect any material changes to the assessment of our exposure from this event. At January 28, 2017, the remaining accrual for Data Breach-related liabilities was immaterial to our Consolidated Statements of Financial Position.

We incurred net Data Breach-related expenses of $39 million and $145 million during 2015 and 2014, respectively. Net expenses include expenditures for legal and other professional services and accruals for Data Breach-related costs and expected insurance recoveries. These net expenses were included in our Consolidated Statements of Operations as SG&A, but were not part of segment results. For 2016, Data Breach-related expenses were negligible.

Since the Data Breach, we have incurred $292 million of cumulative expenses, partially offset by insurance recoveries of $90 million, for net cumulative expenses of $202 million.

Other Contingencies

We are exposed to other claims and litigation arising in the ordinary course of business and use various methods to resolve these matters in a manner that we believe serves the best interest of our shareholders and other constituents. When a loss is probable, we record an accrual based on the reasonably estimable loss or range of loss. When no point of loss is more likely than another, we record the lowest amount in the estimated range of loss and, if material, disclose the estimated range of loss. We do not record liabilities for reasonably possible loss contingencies, but do disclose a range of reasonably possible losses if they are material and we are able to estimate such a range. If we cannot provide a range of reasonably possible losses, we explain the factors that prevent us from determining such a range. Historically, adjustments to our estimates have not been material. We believe the recorded reserves in our consolidated financial statements are adequate in light of the probable and estimable liabilities. We do not believe that any of these identified claims or litigation will be material to our results of operations, cash flows, or financial condition.

Commitments

Purchase obligations, which include all legally binding contracts such as firm commitments for inventory purchases, merchandise royalties, equipment purchases, marketing-related contracts, software acquisition/license commitments, and service contracts, were $1,762 million and $1,950 million at January 28, 2017 and January 30, 2016, respectively. These purchase obligations are primarily due within three years and recorded as liabilities when inventory is received. We issue inventory purchase orders, which represent authorizations to purchase that are cancelable by their terms. We do not consider purchase orders to be firm inventory commitments. If we choose to cancel a purchase order, we may be obligated to reimburse the vendor for unrecoverable outlays incurred prior to cancellation. Real estate obligations, which include commitments for the purchase, construction or remodeling of real estate and facilities, were $268 million and $279 million at January 28, 2017 and January 30, 2016, respectively. These real estate obligations are primarily due within one year, a portion of which are recorded as liabilities.

We issue letters of credit and surety bonds in the ordinary course of business. Trade letters of credit totaled $1,330 million and $1,510 million at January 28, 2017 and January 30, 2016, respectively, a portion of which are reflected in accounts payable. Standby letters of credit and surety bonds, relating primarily to insurance and regulatory requirements, totaled $463 million and $438 million at January 28, 2017 and January 30, 2016, respectively.

20. Notes Payable and Long-Term Debt

At January 28, 2017, the carrying value and maturities of our debt portfolio were as follows:

Debt Maturities	January 28, 2017	
(dollars in millions)	Rate [(a)]	Balance
Due 2017-2021	4.2%	$ 5,007
Due 2022-2026	3.2	2,048
Due 2027-2031	6.9	462
Due 2032-2036	6.4	496
Due 2037-2041	6.8	1,237
Due 2042-2046	3.8	2,465
Total notes and debentures	4.4	11,715
Swap valuation adjustments		9
Capital lease obligations		1,025
Less: Amounts due within one year		(1,718)
Long-term debt		$ 11,031

[(a)] Reflects the weighted average stated interest rate as of year-end.

Required Principal Payments (millions)	2017	2018	2019	2020	2021
Total required principal payments	$ 1,683	$ 201	$ 1,002	$ 1,094	$ 1,056

In April 2016, we issued unsecured fixed rate debt of $1 billion at 2.5 percent that matures in April 2026 and $1 billion at 3.625 percent that matures in April 2046. During the first half of 2016, we used cash on hand and proceeds from these issuances to repurchase $1,389 million of debt before its maturity at a market value of $1,800 million, repay $750 million of debt maturities, and for general corporate purposes. We recognized a loss on early retirement of approximately $422 million, which was recorded in net interest expense in our Consolidated Statements of Operations.

In June 2014, we issued $1 billion of unsecured fixed rate debt at 2.3 percent that matures in June 2019 and $1 billion of unsecured fixed rate debt at 3.5 percent that matures in July 2024. We used proceeds from these issuances to repurchase $725 million of debt before its maturity at a market value of $1 billion, and for general corporate purposes including the payment of $1 billion of debt maturities. We recognized a loss of $285 million on the early retirement, which was recorded in net interest expense in our Consolidated Statements of Operations.

We obtain short-term financing from time to time under our commercial paper program, a form of notes payable.

Commercial Paper (dollars in millions)	2016	2015	2014
Maximum daily amount outstanding during the year	$ 89	$ —	$ 590
Average amount outstanding during the year	1	—	129
Amount outstanding at year-end	—	—	—
Weighted average interest rate	0.43%	—%	0.11%

In October 2016, we obtained a committed $2.5 billion revolving credit facility that expires in October 2021. This new unsecured revolving credit facility replaced a $2.25 billion unsecured revolving credit facility that was scheduled to expire in October 2018. No balances were outstanding under either credit facility at any time during 2016 or 2015.

Substantially all of our outstanding borrowings are senior, unsecured obligations. Most of our long-term debt obligations contain covenants related to secured debt levels. In addition to a secured debt level covenant, our credit facility also contains a debt leverage covenant. We are, and expect to remain, in compliance with these covenants, which have no practical effect on our ability to pay dividends.

21. Derivative Financial Instruments

Our derivative instruments primarily consist of interest rate swaps, which are used to mitigate interest rate risk. As a result of our use of derivative instruments, we have counterparty credit exposure to large global financial institutions. We monitor this concentration of counterparty credit risk on an ongoing basis. See Note 10 for a description of the fair value measurement of our derivative instruments and their classification on the Consolidated Statements of Financial Position.

As of January 28, 2017 and January 30, 2016, interest rate swaps with notional amounts totaling $1,000 million and $1,250 million, respectively, were designated as fair value hedges. No ineffectiveness was recognized in 2016 or 2015.

Outstanding Interest Rate Swap Summary [(a)]	January 28, 2017	
	Designated	De-Designated
(dollars in millions)	Pay Floating	Pay Floating
Weighted average rate:		
Pay	3-month LIBOR	1-month LIBOR
Receive	1.8%	1.3%
Weighted average maturity	2.4 years	1.0 year
Notional	$ 1,000	$ 250

(a) There are two designated swaps and one de-designated swap at January 28, 2017

Classification and Fair Value (millions)	Assets			Liabilities		
	Classification	Jan 28, 2017	Jan 30, 2016	Classification	Jan 28, 2017	Jan 30, 2016
Designated:	Other noncurrent assets	$ 4	$ 27	N/A	$ —	$ —
De-designated:	Other current assets	1	12	Other current liabilities	—	8
Total		$ 5	$ 39		$ —	$ 8

Periodic payments, valuation adjustments, and amortization of gains or losses on our derivative contracts had the following effect on our Consolidated Statements of Operations:

Derivative Contracts – Effect on Results of Operations (millions)				
Type of Contract	Classification of (Income)/Expense	2016	2015	2014
Interest rate swaps	Net interest expense	$ (24)	$ (36)	$ (32)

22. Leases

We lease certain retail locations, warehouses, distribution centers, office space, land, and equipment. Assets held under capital leases are included in property and equipment. Operating lease rentals are expensed on a straight-line basis over the life of the lease beginning on the date we take possession of the property. At lease inception, we determine the lease term by assuming the exercise of those renewal options that are reasonably assured. The exercise of lease renewal options is at our sole discretion. The lease term is used to determine whether a lease is capital or operating and is used to calculate straight-line rent expense. Additionally, the depreciable life of leased assets and leasehold improvements is limited by the expected lease term.

Rent expense is included in SG&A expenses. Some of our lease agreements include rental payments based on a percentage of retail sales over contractual levels and others include rental payments adjusted periodically for inflation. Certain leases require us to pay real estate taxes, insurance, maintenance, and other operating expenses associated with the leased premises. These expenses are classified in SG&A, consistent with similar costs for owned locations. CVS leases the space in our stores in which they operate CVS branded pharmacies and clinics. Rent income received from tenants who rent properties is recorded as a reduction to SG&A expense.

In February 2016, the FASB issued ASU No. 2016-02, *Leases.* The new standard requires lessees to record assets and liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

We must adopt the standard no later than the first quarter of 2019, which begins on February 3, 2019. A modified retrospective transition approach is required for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements.

We plan to adopt the standard in the first quarter of 2018. We expect to elect the package of practical expedients, including the use of hindsight to determine the lease term. While lease classification will remain unchanged, hindsight may result in different lease terms for certain leases and affect the timing of related depreciation, interest, and rent expense. We do not expect to apply the recognition requirements to short-term leases and will recognize those lease payments in the Consolidated Statements of Operations on a straight-line basis over the lease term.

We believe the most significant impact relates to our accounting for retail-store and office-space real estate leases, which will be recorded as assets and liabilities on our balance sheet upon adoption. We do not believe the new standard will have a notable impact on our liquidity. The standard will have no impact on our debt-covenant compliance under our current agreements.

Rent Expense (millions)	2016	2015	2014
Rent expense	$ 202	$ 198	$ 195
Rent income [(a)]	(54)	(16)	(9)
Total rent expense	$ 148	$ 182	$ 186

[(a)] Includes rental income from CVS from both ongoing rent payments and amortization of the deferred income liability related to the Pharmacy Transaction. See Note 6 for further discussion.

Total capital lease interest expense was $49 million, $42 million, and $38 million in 2016, 2015, and 2014, respectively, and is included within net interest expense on the Consolidated Statements of Operations.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 50 years or more. Certain leases also include options to purchase the leased property. Assets recorded under capital leases as of January 28, 2017 and January 30, 2016 were $888 million and $735 million, respectively. These assets are recorded net of accumulated amortization of $406 million and $321 million as of January 28, 2017 and January 30, 2016, respectively.

Future Minimum Lease Payments (millions)	Operating Leases [a]	Capital Leases [b]	Rent Income	Total
2017	$ 198	$ 82	$ (22)	$ 258
2018	204	86	(21)	269
2019	194	88	(20)	262
2020	184	89	(20)	253
2021	180	89	(19)	250
After 2021	2,916	1,529	(286)	4,159
Total future minimum lease payments	$ 3,876	$ 1,963	$ (388)	$ 5,451
Less: Interest [c]		938		
Present value of future minimum capital lease payments [d]		$ 1,025		

Note: Minimum lease payments exclude payments to landlords for real estate taxes and common area maintenance. Minimum lease payments also exclude payments to landlords for fixed purchase options which we believe are reasonably assured of being exercised.

[a] Total contractual lease payments include $2,024 million related to options to extend lease terms that are reasonably assured of being exercised and also includes $269 million of legally binding minimum lease payments for stores that are expected to open in 2017 or later.

[b] Capital lease payments include $608 million related to options to extend lease terms that are reasonably assured of being exercised and also includes $348 million of legally binding minimum lease payments for stores that are expected to open in 2017 or later.

[c] Calculated using the interest rate at inception for each lease.

[d] Includes the current portion of $31 million.

23. Income Taxes

Earnings from continuing operations before income taxes were $3,965 million, $4,923 million, and $3,653 million during 2016, 2015, and 2014, respectively, including $336 million, $373 million, and $261 million earned by our foreign entities subject to tax outside of the U.S.

Tax Rate Reconciliation – Continuing Operations	2016	2015	2014
Federal statutory rate	35.0 %	35.0 %	35.0 %
State income taxes, net of the federal tax benefit	2.7	3.0	2.2
International	(2.6)	(2.3)	(2.3)
Excess tax benefit related to share-based payments [a]	(0.6)	—	—
Change in valuation allowance	—	(2.3)	—
Other	(1.8)	(0.9)	(1.9)
Effective tax rate	32.7 %	32.5 %	33.0 %

[a] Refer to Note 26.

Provision for Income Taxes (millions)	2016	2015	2014
Current:			
Federal	$ 1,108	$ 1,652	$ 1,074
State	141	265	116
International	6	7	7
Total current	1,255	1,924	1,197
Deferred:			
Federal	21	(272)	(2)
State	21	(50)	10
International	(1)	—	(1)
Total deferred	41	(322)	7
Total provision	$ 1,296	$ 1,602	$ 1,204

Net Deferred Tax Asset/(Liability) (millions)	January 28, 2017	January 30, 2016
Gross deferred tax assets:		
Accrued and deferred compensation	$ 455	$ 476
Accruals and reserves not currently deductible	328	323
Self-insured benefits	178	199
Prepaid store-in-store lease income	258	270
Other	62	90
Total gross deferred tax assets	1,281	1,358
Gross deferred tax liabilities:		
Property and equipment	(1,822)	(1,790)
Inventory	(182)	(190)
Other	(102)	(168)
Total gross deferred tax liabilities	(2,106)	(2,148)
Total net deferred tax liability	$ (825)	$ (790)

In 2014, we incurred a tax effected capital loss of $112 million within discontinued operations from our exit from Canada. At that time, we neither had nor anticipated sufficient capital gains to absorb this capital loss, and established a full valuation allowance within discontinued operations. In 2015, we released the entire $112 million valuation allowance due to a capital gain resulting from the Pharmacy Transaction. The benefit of the valuation allowance release was recorded in continuing operations in 2015.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted income tax rates in effect for the year the temporary differences are expected to be recovered or settled. Tax rate changes affecting deferred tax assets and liabilities are recognized at the enactment date.

We have not recorded deferred taxes when earnings from foreign operations are considered to be indefinitely invested outside the U.S. These accumulated net earnings relate to certain ongoing operations and were $993 million at January 28, 2017 and $685 million at January 30, 2016. It is not practicable to determine the income tax liability that would be payable if such earnings were repatriated.

We file a U.S. federal income tax return and income tax returns in various states and foreign jurisdictions. The U.S. Internal Revenue Service has completed exams on the U.S. federal income tax returns for years 2012 and prior. With few exceptions, we are no longer subject to state and local or non-U.S. income tax examinations by tax authorities for years before 2008.

Reconciliation of Liability for Unrecognized Tax Benefits (millions)	2016	2015	2014
Balance at beginning of period	$ 153	$ 155	$ 183
Additions based on tax positions related to the current year	12	10	10
Additions for tax positions of prior years	6	14	17
Reductions for tax positions of prior years	(16)	(26)	(42)
Settlements	(2)	—	(13)
Balance at end of period	$ 153	$ 153	$ 155

If we were to prevail on all unrecognized tax benefits recorded, $100 million of the $153 million reserve would benefit the effective tax rate. In addition, the reversal of accrued penalties and interest would also benefit the effective tax rate. Interest and penalties associated with unrecognized tax benefits are recorded within income tax expense. During the years ended January 28, 2017, January 30, 2016, and January 31, 2015, we recorded an expense / (benefit) from accrued penalties and interest of $1 million, $5 million, and $(12) million, respectively. As of January 28, 2017, January 30, 2016, and January 31, 2015 total accrued interest and penalties were $45 million, $44 million, and $40 million, respectively.

It is reasonably possible that the amount of the unrecognized tax benefits with respect to our other unrecognized tax positions will increase or decrease during the next twelve months; however, an estimate of the amount or range of the change cannot be made at this time.

24. Other Noncurrent Liabilities

Other Noncurrent Liabilities (millions)	January 28, 2017	January 30, 2016
Deferred income liability [a]	$ 630	$ 660
Deferred compensation	473	454
Workers' compensation and general liability [b]	306	353
Income tax	125	122
Pension benefits	46	54
Other	280	254
Total	$ 1,860	$ 1,897

[a] Represents deferred income related to the Pharmacy Transaction. See Note 6 for more information.
[b] See footnote [b] to the Accrued and Other Current Liabilities table in Note 18 for additional detail.

25. Share Repurchase

Share Repurchases (millions, except per share data)	2016	2015	2014
Total number of shares purchased	50.9	44.7	0.8
Average price paid per share	$ 72.35	$ 77.07	$ 54.07
Total investment	$ 3,686	$ 3,441	$ 41

26. Share-Based Compensation

We maintain a long-term incentive plan (the Plan) for key team members and non-employee members of our Board of Directors. The Plan allows us to grant equity-based compensation awards, including stock options, stock appreciation rights, performance share units, restricted stock units, restricted stock awards, or a combination of awards (collectively, share-based awards). The number of unissued common shares reserved for future grants under the Plan was 31.0 million and 31.5 million at January 28, 2017 and January 30, 2016, respectively.

Compensation expense associated with share-based awards is recognized on a straight-line basis over the shorter of the vesting period or the minimum required service period. Share-based compensation expense recognized in the Consolidated Statements of Operations was $116 million, $118 million, and $73 million in 2016, 2015, and 2014, respectively. The related income tax benefit was $43 million, $46 million, and $29 million in 2016, 2015, and 2014, respectively.

During the first quarter of 2016, we adopted Accounting Standards Update (ASU) No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09). As a result of adoption, we recognized $27 million of excess tax benefits related to share-based payments in our provision for income taxes for 2016. These items were historically recorded in additional paid-in capital. In addition, for each period presented, cash flows related to excess tax benefits are classified as an operating activity along with other income tax cash flows. Cash paid on employees' behalf related to shares withheld for tax purposes is classified as a financing activity. Retrospective application of the cash flow presentation resulted in increases to both net cash provided by operations and net cash required for financing activities of $113 million and $26 million for 2015 and 2014, respectively. Compensation expense each period continues to reflect estimated forfeitures.

Restricted Stock Units

We issue restricted stock units and performance-based restricted stock units generally with three-year cliff vesting from the grant date (collectively restricted stock units) to certain team members. The final number of shares issued under performance-based restricted stock units will be based on our total shareholder return relative to a retail peer group over a three-year performance period. We also regularly issue restricted stock units to our Board of Directors, which vest quarterly over a one-year period and are settled in shares of Target common stock upon departure from the Board. The fair value for restricted stock units is calculated based on the stock price on the date of grant, incorporating an analysis of the total shareholder return performance measure where applicable. The weighted average grant date fair value for restricted stock units was $74.05, $73.76, and $70.50 in 2016, 2015, and 2014, respectively.

Restricted Stock Unit Activity	Total Nonvested Units	
	Restricted Stock [(a)]	Grant Date Fair Value [(b)]
January 30, 2016	4,226	$ 69.49
Granted	639	74.05
Forfeited	(358)	71.37
Vested	(1,168)	64.37
January 28, 2017	3,339	$ 71.62

(a) Represents the number of shares of restricted stock units, in thousands. For performance-based restricted stock units, assumes attainment of maximum payout rates as set forth in the performance criteria. Applying actual or expected payout rates, the number of outstanding restricted stock units and performance-based restricted stock units at January 28, 2017 was 2,765 thousand.

(b) Weighted average per unit.

The expense recognized each period is partially dependent upon our estimate of the number of shares that will ultimately be issued. At January 28, 2017, there was $96 million of total unrecognized compensation expense related to restricted stock units, which is expected to be recognized over a weighted average period of 1.8 years. The fair value of restricted stock units vested and converted to shares of Target common stock was $75 million, $90 million, and $40 million in 2016, 2015, and 2014, respectively.

Performance Share Units

We issue performance share units to certain team members that represent shares potentially issuable in the future. Issuance is based upon our performance relative to a retail peer group over a three-year performance period on certain measures including domestic market share change, return on invested capital, and EPS growth. In 2015 we also issued strategic alignment performance share units to certain team members. Issuance is based on performance against four strategic metrics identified as vital to Target's success, including total sales growth, digital channel sales growth, EBIT growth, and return on invested capital, over a two-year performance period. The fair value of performance share units is calculated based on the stock price on the date of grant. The weighted average grant date fair value for performance share units was $71.37, $74.19, and $73.12 in 2016, 2015, and 2014, respectively.

Performance Share Unit Activity	Total Nonvested Units	
	Performance Share Units [(a)]	Grant Date Fair Value [(b)]
January 30, 2016	4,023	$ 70.70
Granted	712	71.37
Forfeited	(754)	73.21
Vested	(8)	63.54
January 28, 2017	3,973	$ 70.55

(a) Represents the number of performance share units, in thousands. Assumes attainment of maximum payout rates as set forth in the performance criteria. Applying actual or expected payout rates, the number of outstanding units at January 28, 2017 was 1,799 thousand.

(b) Weighted average per unit.

The expense recognized each period is partially dependent upon our estimate of the number of shares that will ultimately be issued. Future compensation expense for unvested awards could reach a maximum of $191 million assuming payout of all unvested awards. The unrecognized expense is expected to be recognized over a weighted average period of 1.9 years. The fair value of performance share units vested and converted to shares of Target common stock was $1 million in 2016, $2 million in 2015, and $11 million in 2014.

Stock Options

Through 2013, we granted nonqualified stock options to certain team members. Virtually all are vested and currently exercisable.

Stock Option Activity	Stock Options					
	Total Outstanding			Exercisable		
	Number of Options [(a)]	Exercise Price [(b)]	Intrinsic Value [(c)]	Number of Options [(a)]	Exercise Price [(b)]	Intrinsic Value [(c)]
January 30, 2016	10,500	$ 53.47	$ 199	9,405	$ 52.57	$ 187
Granted	—	—				
Expired/forfeited	(133)	60.24				
Exercised/issued	(4,157)	52.93				
January 28, 2017	6,210	$ 53.68	$ 63	6,180	$ 53.60	$ 63

(a) In thousands.

(b) Weighted average per share.

(c) Represents stock price appreciation subsequent to the grant date, in millions.

Stock Option Exercises (millions)	2016	2015	2014
Cash received for exercise price	$ 219	$ 303	$ 374
Intrinsic value	103	159	143
Income tax benefit	40	77	41

The weighted average remaining life of outstanding options is 3.9 years. The total fair value of options vested was $9 million, $23 million, and $37 million in 2016, 2015, and 2014, respectively.

27. Defined Contribution Plans

Team members who meet eligibility requirements can participate in a defined contribution 401(k) plan by investing up to 80 percent of their compensation, as limited by statute or regulation. Generally, we match 100 percent of each team member's contribution up to 5 percent of total compensation. Company match contributions are made to funds designated by the participant.

In addition, we maintain a nonqualified, unfunded deferred compensation plan for approximately 2,200 current and retired team members whose participation in our 401(k) plan is limited by statute or regulation. These team members choose from a menu of crediting rate alternatives that are the same as the investment choices in our 401(k) plan, including Target common stock. We credit an additional 2 percent per year to the accounts of all active participants, excluding executive officers, in part to recognize the risks inherent to their participation in this plan. We also maintain a frozen nonqualified, unfunded deferred compensation plan covering approximately 50 participants. Our total liability under these plans was $514 million and $497 million at January 28, 2017 and January 30, 2016, respectively.

We mitigate some of our risk of offering the nonqualified plans through investing in company-owned life insurance that offsets a substantial portion of our economic exposure to the returns of these plans. These investments are general corporate assets and are marked to market with the related gains and losses recognized in the Consolidated Statements of Operations in the period they occur. See Note 15 for additional information.

Plan Expenses			
(millions)	2016	2015	2014
401(k) plan matching contributions expense	$ 197	$ 224	$ 220
Nonqualified deferred compensation plans			
Benefits expense [(a)]	58	5	52
Related investment (income) expense [(b)]	(38)	15	(45)
Nonqualified plan net expense	$ 20	$ 20	$ 7

(a) Includes market-performance credits on accumulated participant account balances and annual crediting for additional benefits earned during the year.

(b) Includes investment returns and life-insurance proceeds received from company-owned life insurance policies and other investments used to economically hedge the cost of these plans.

28. Pension and Postretirement Health Care Plans

Pension Plans

We have qualified defined benefit pension plans covering team members who meet age and service requirements, including date of hire in certain circumstances. Effective January 1, 2009, our U.S. qualified defined benefit pension plan was closed to new participants, with limited exceptions. We also have unfunded nonqualified pension plans for team members with qualified plan compensation restrictions. Eligibility for, and the level of, these benefits varies depending on each team members' date of hire, length of service and/or team member compensation.

Funded Status	Qualified Plans		Nonqualified Plans	
(millions)	2016	2015	2016	2015
Projected benefit obligations	$ 3,760	$ 3,558	$ 32	$ 39
Fair value of plan assets	3,785	3,607	—	—
Funded / (underfunded) status	$ 25	$ 49	$ (32)	$ (39)

Contributions and Estimated Future Benefit Payments

Our obligations to plan participants can be met over time through a combination of company contributions to these plans and earnings on plan assets. In 2016 we made no contributions to our qualified defined benefit pension plans. In 2015 we made a discretionary contribution of $200 million. We are not required to make any contributions in 2017. However, depending on investment performance and plan funded status, we may elect to make a contribution.

Estimated Future Benefit Payments (millions)	Pension Benefits
2017	$ 163
2018	171
2019	179
2020	188
2021	197
2022-2026	1,112

Cost of Plans

Net Pension Benefits Expense (millions)	2016	2015	2014
Service cost benefits earned during the period	$ 87	$ 109	$ 112
Interest cost on projected benefit obligation	134	154	149
Expected return on assets	(256)	(260)	(233)
Amortization of losses	46	82	65
Amortization of prior service cost [(a)]	(11)	(11)	(11)
Settlement and special termination charges	2	4	—
Total	$ 2	$ 78	$ 82

[(a)] Determined using the straight-line method over the average remaining service period of team members expected to receive benefits under the plan.

Assumptions

Benefit Obligation Weighted Average Assumptions	2016	2015
Discount rate	4.40%	4.70%
Average assumed rate of compensation increase	3.00	3.00

Net Periodic Benefit Expense Weighted Average Assumptions	2016	2015	2014
Discount rate	4.70%	3.87%	4.77%
Expected long-term rate of return on plan assets	6.80	7.50	7.50
Average assumed rate of compensation increase	3.00	3.00	3.00

The weighted average assumptions used to measure net periodic benefit expense each year are the rates as of the beginning of the year (i.e., the prior measurement date). Based on a stable asset allocation, our most recent compound annual rate of return on qualified plans' assets was 7.7 percent, 6.4 percent, 7.7 percent, and 8.2 percent for the 5-year, 10-year, 15-year, and 20-year time periods, respectively.

The market-related value of plan assets, which is used in calculating expected return on assets in net periodic benefit cost, is determined each year by adjusting the previous year's value by expected return, benefit payments, and cash contributions. The market-related value is adjusted for asset gains and losses in equal 20 percent adjustments over a five-year period.

We review the expected long-term rate of return annually and revise it as appropriate. Additionally, we monitor the mix of investments in our portfolio to ensure alignment with our long-term strategy to manage pension cost and reduce volatility in our assets. Our expected annualized long-term rate of return assumptions as of January 28, 2017 were 8.0 percent for domestic and international equity securities, 5.0 percent for long-duration debt securities, 8.0 percent for balanced funds, and 9.5 percent for other investments. These estimates are a judgmental matter in which we consider the composition of our asset portfolio, our historical long-term investment performance, and current market conditions.

Benefit Obligation

Change in Projected Benefit Obligation	Qualified Plans		Nonqualified Plans	
(millions)	2016	2015	2016	2015
Benefit obligation at beginning of period	$ 3,558	$ 3,844	$ 39	$ 43
Service cost	86	108	1	1
Interest cost	133	152	1	2
Actuarial loss / (gain)	156	(400)	(2)	(4)
Participant contributions	7	6	—	—
Benefits paid	(180)	(155)	(7)	(3)
Plan amendments	—	3	—	—
Benefit obligation at end of period [(a)]	$ 3,760	$ 3,558	$ 32	$ 39

[(a)] Accumulated benefit obligation—the present value of benefits earned to date assuming no future salary growth—is materially consistent with the projected benefit obligation in each period presented.

Plan Assets

Change in Plan Assets	Qualified Plans		Nonqualified Plans	
(millions)	2016	2015	2016	2015
Fair value of plan assets at beginning of period	$ 3,607	$ 3,784	$ —	$ —
Actual return on plan assets	349	(231)	—	—
Employer contributions	2	203	7	3
Participant contributions	7	6	—	—
Benefits paid	(180)	(155)	(7)	(3)
Fair value of plan assets at end of period	$ 3,785	$ 3,607	$ —	$ —

Our asset allocation policy is designed to reduce the long-term cost of funding our pension obligations. The plan invests with both passive and active investment managers depending on the investment. The plan also seeks to reduce the risk associated with adverse movements in interest rates by employing an interest rate hedging program, which may include the use of interest rate swaps, total return swaps, and other instruments.

Asset Category	Current Targeted Allocation	Actual Allocation 2016	Actual Allocation 2015
Domestic equity securities [a]	14%	14%	16%
International equity securities	9	9	10
Debt securities	45	43	44
Balanced funds	23	25	21
Other [b]	9	9	9
Total	100%	100%	100%

[a] Equity securities include our common stock in amounts substantially less than 1 percent of total plan assets as of January 28, 2017 and January 30, 2016.

[b] Other assets include private equity, mezzanine and high-yield debt, natural resources and timberland funds, multi-strategy hedge funds, derivative instruments, and real estate. The real estate allocation represents 4 percent of total assets.

Fair Value Measurements (millions)	Pricing Category	Fair Value at January 31, 2017	Fair Value at January 30, 2016
Cash and cash equivalents	Level 1	$ 5	$ 43
Government securities [a]	Level 2	477	470
Fixed income [b]	Level 2	1,080	979
Other [c]	Level 2	4	8
		1,566	1,500
Investments valued using NAV per share [d]			
Cash and cash equivalents		168	455
Common collective trusts		768	544
Fixed Income		51	49
Balanced funds		942	756
Private equity funds		126	141
Other		164	162
Total plan assets		$ 3,785	$ 3,607

[a] Investments in government securities and long-term government bonds.

[b] Investments in corporate and municipal bonds.

[c] Investments in derivative investments.

[d] In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Position	**Valuation Technique**
Cash and cash equivalents	Carrying value approximates fair value.
Government securities and fixed income	Valued using matrix pricing models and quoted prices of securities with similar characteristics.
Derivatives	Swap derivatives - Valued initially using models calibrated to initial trade price. Subsequent valuations are based on observable inputs to the valuation model (e.g., interest rates and credit spreads). Model inputs are changed only when corroborated by market data. A credit risk adjustment is made on each swap using observable market credit spreads. Option derivatives - Valued at transaction price initially. Subsequent valuations are based on observable inputs to the valuation model (e.g., underlying investments).

Amounts Included in Shareholders' Equity

Amounts in Accumulated Other Comprehensive Income		
(millions)	2016	2015
Net actuarial loss	$ 1,035	$ 1,022
Prior service credits	(46)	(57)
Amounts in accumulated other comprehensive income [(a)(b)]	$ 989	$ 965

(a) $601 million and $583 million, net of tax, at the end of 2016 and 2015, respectively.

(b) We expect 2017 net pension expense to include amortization expense of $49 million ($30 million, net of tax) to net actuarial loss and prior service credit balances included in accumulated other comprehensive income.

Postretirement Health Care

Effective April 1, 2016, we discontinued the postretirement health care benefits that were offered to team members upon early retirement and prior to Medicare eligibility. This decision resulted in a $58 million reduction in the projected postretirement health care benefit obligation and a $43 million curtailment gain recorded in SG&A during 2015. As of January 30, 2016, we extinguished the remaining benefit obligation related to this plan.

29. Accumulated Other Comprehensive Income

(millions)	Cash Flow Hedges	Currency Translation Adjustment	Pension and Other Benefit	Total
January 30, 2016	$ (19)	$ (22)	$ (588)	$ (629)
Other comprehensive income / (loss) before reclassifications	—	1	(32)	(31)
Amounts reclassified from AOCI	3 [(a)]	—	19 [(b)]	22
January 28, 2017	$ (16)	$ (21)	$ (601)	$ (638)

(a) Represents gains and losses on cash flow hedges, net of $2 million of taxes, which are recorded in net interest expense on the Consolidated Statements of Operations.

(b) Represents amortization of pension and other benefit liabilities, net of $12 million of taxes, which is recorded in SG&A expenses on the Consolidated Statements of Operations. See Note 28 for additional information.

30. Segment Reporting

Our segment measure of profit is used by management to evaluate the return on our investment and to make operating decisions. Effective January 15, 2015, following the deconsolidation of our former Canadian retail operation, we have been operating as a single segment that includes all of our continuing operations, which are designed to enable guests to purchase products seamlessly in stores or through our digital channels.

Business Segment Results (millions)	2016	2015	2014
Sales	$ 69,495	$ 73,785	$ 72,618
Cost of sales	48,872	51,997	51,278
Gross margin	20,623	21,788	21,340
Selling, general, and administrative expenses [(e)]	13,360	14,448	14,503
Depreciation and amortization	2,298	2,213	2,129
Segment earnings before interest expense and income taxes	4,965	5,127	4,708
Gain on sale [(a)]	—	620	—
Restructuring costs [(b)(e)]	—	(138)	—
Data breach-related costs, net of insurance [(c)(e)]	—	(39)	(145)
Other [(d)(e)]	4	(39)	(29)
Earnings from continuing operations before interest expense and income taxes	4,969	5,530	4,535
Net interest expense	1,004	607	882
Earnings from continuing operations before income taxes	$ 3,965	$ 4,923	$ 3,653

Note: The sum of the segment amounts may not equal the total amounts due to rounding.

(a) For 2015, represents the gain on the Pharmacy Transaction.

(b) Refer to Note 8 for more information on restructuring costs.

(c) Refer to Note 19 for more information on data breach-related costs.

(d) For 2016, represents items related to the Pharmacy Transaction. For 2015, represents impairments related to our decision to wind down certain noncore operations. For 2014, includes impairments of $16 million related to undeveloped land in the U.S. and $13 million of expense related to converting co-branded card program to MasterCard.

(e) The sum of segment SG&A expenses, restructuring costs, data breach-related costs, and other charges equal consolidated SG&A expenses.

Total Assets by Segment (millions)	January 28, 2017	January 30, 2016
U.S.	$ 37,350	$ 39,845
Assets of discontinued operations	81	397
Unallocated assets [(a)]	—	20
Total assets	$ 37,431	$ 40,262

(a) Represents the insurance receivable related to the 2013 data breach.

31. Quarterly Results (Unaudited)

Due to the seasonal nature of our business, fourth quarter operating results typically represent a substantially larger share of total year revenues and earnings because they include our peak sales period of November and December. We follow the same accounting policies for preparing quarterly and annual financial data. The table below summarizes quarterly results for 2016 and 2015:

Quarterly Results	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total Year	
(millions, except per share data)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Sales	$ 16,196	$ 17,119	$ 16,169	$ 17,427	$ 16,441	$ 17,613	$ 20,690	$ 21,626	$ 69,495	$ 73,785
Cost of sales	11,185	11,911	11,102	12,051	11,471	12,440	15,116	15,594	48,872	51,997
Gross margin	5,011	5,208	5,067	5,376	4,970	5,173	5,574	6,032	20,623	21,788
Selling, general, and administrative expenses	3,153	3,514	3,249	3,495	3,339	3,736	3,614	3,921	13,356	14,665
Depreciation and amortization	546	540	570	551	570	561	612	562	2,298	2,213
Gain on sale	—	—	—	—	—	—	—	(620)	—	(620)
Earnings before interest expense and income taxes	1,312	1,154	1,248	1,330	1,061	876	1,348	2,169	4,969	5,530
Net interest expense	415	155	307	148	142	151	140	152	1,004	607
Earnings from continuing operations before income taxes	897	999	941	1,182	919	725	1,208	2,017	3,965	4,923
Provision for income taxes	283	348	316	409	311	249	387	596	1,296	1,602
Net earnings from continuing operations	614	651	625	773	608	476	821	1,421	2,669	3,321
Discontinued operations, net of tax	18	(16)	55	(20)	—	73	(4)	5	68	42
Net earnings	$ 632	$ 635	$ 680	$ 753	$ 608	$ 549	$ 817	$ 1,426	$ 2,737	$ 3,363
Basic earnings/(loss) per share										
Continuing operations	$ 1.03	$ 1.02	$ 1.07	$ 1.21	$ 1.07	$ 0.76	$ 1.47	$ 2.33	$ 4.62	$ 5.29
Discontinued operations	0.03	(0.03)	0.09	(0.03)	—	0.12	(0.01)	0.01	0.12	0.07
Net earnings per share	$ 1.06	$ 0.99	$ 1.17	$ 1.18	$ 1.07	$ 0.88	$ 1.46	$ 2.33	$ 4.74	$ 5.35
Diluted earnings/(loss) per share										
Continuing operations	$ 1.02	$ 1.01	$ 1.07	$ 1.21	$ 1.06	$ 0.76	$ 1.46	$ 2.31	$ 4.58	$ 5.25
Discontinued operations	0.03	(0.03)	0.09	(0.03)	—	0.11	(0.01)	0.01	0.12	0.07
Net earnings per share	$ 1.05	$ 0.98	$ 1.16	$ 1.18	$ 1.06	$ 0.87	$ 1.45	$ 2.32	$ 4.70	$ 5.31
Dividends declared per share	$ 0.56	$ 0.52	$ 0.60	$ 0.56	$ 0.60	$ 0.56	$ 0.60	$ 0.56	$ 2.36	$ 2.20
Closing common stock price:										
High	83.98	83.57	80.12	85.01	75.81	80.87	78.61	78.23	83.98	85.01
Low	68.05	74.25	66.74	77.26	67.22	72.94	63.70	67.59	63.70	67.59

Note: Per share amounts are computed independently for each of the quarters presented. The sum of the quarters may not equal the total year amount due to the impact of changes in average quarterly shares outstanding and all other quarterly amounts may not equal the total year due to rounding.

U.S. Sales by Product Category [(a)]	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total Year	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Household essentials	23%	28%	23%	28%	23%	28%	19%	21%	22%	26%
Food, beverage, and pet supplies	24	22	22	20	23	22	20	19	22	21
Apparel and accessories	21	20	22	21	21	19	18	18	20	19
Home furnishings and décor	17	16	19	17	19	18	19	18	19	17
Hardlines	15	14	14	14	14	13	24	24	17	17
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Supplemental information										
Pharmacy [(b)]	—%	6%	—%	6%	—%	6%	—%	3%	—%	5%

(a) As a percentage of sales.

(b) Included in household essentials.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report, we conducted an evaluation, under supervision and with the participation of management, including the chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended (Exchange Act). Based upon that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective. Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) of the Exchange Act as controls and other procedures that are designed to ensure that information required to be disclosed by us in reports filed with the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

For the Report of Management on Internal Control and the Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting, see Item 8, Financial Statements and Supplementary Data.

Item 9B. Other Information

Not applicable.

PART III

Certain information required by Part III is incorporated by reference from Target's definitive Proxy Statement to be filed on or about May 1, 2017. Except for those portions specifically incorporated in this Form 10-K by reference to Target's Proxy Statement, no other portions of the Proxy Statement are deemed to be filed as part of this Form 10-K.

Item 10. Directors, Executive Officers and Corporate Governance

The following sections of Target's Proxy Statement to be filed on or about May 1, 2017, are incorporated herein by reference:

- Item One--Election of Directors
- Stock Ownership Information--Section 16(a) Beneficial Ownership Reporting Compliance
- General Information About Corporate Governance and the Board of Directors
    - Business Ethics and Conduct
    - Committees
- Questions and Answers About Our Annual Meeting and Voting--Question 14

See also Item 4A, Executive Officers of Part I hereof.

Item 11. Executive Compensation

The following sections of Target's Proxy Statement to be filed on or about May 1, 2017, are incorporated herein by reference:

- Compensation Discussion and Analysis
- Compensation Tables
- Human Resources & Compensation Committee Report

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following sections of Target's Proxy Statement to be filed on or about May 1, 2017, are incorporated herein by reference:

- Stock Ownership Information--
    - Beneficial Ownership of Directors and Officers
    - Beneficial Ownership of Target’s Largest Shareholders
- Compensation Tables--Equity Compensation Plan Information

Item 13. Certain Relationships and Related Transactions, and Director Independence

The following sections of Target's Proxy Statement to be filed on or about May 1, 2017, are incorporated herein by reference:

- General Information About Corporate Governance and the Board of Directors--
    - Policy on Transactions with Related Persons
    - Director Independence
    - Committees

Item 14. Principal Accountant Fees and Services

The following section of Target's Proxy Statement to be filed on or about May 1, 2017, is incorporated herein by reference:

- Item Two-- Ratification of Appointment of Ernst & Young LLP As Independent Registered Public Accounting Firm-Audit and Non-Audit Fees

PART IV

Item 15. Exhibits, Financial Statement Schedules

The following information required under this item is filed as part of this report:

a) Financial Statements

- Consolidated Statements of Operations for the Years Ended January 28, 2017, January 30, 2016, and January 31, 2015
- Consolidated Statements of Comprehensive Income for the Years Ended January 28, 2017, January 30, 2016, and January 31, 2015
- Consolidated Statements of Financial Position at January 28, 2017 and January 30, 2016
- Consolidated Statements of Cash Flows for the Years Ended January 28, 2017, January 30, 2016, and January 31, 2015
- Consolidated Statements of Shareholders' Investment for the Years Ended January 28, 2017, January 30, 2016, and January 31, 2015
- Notes to Consolidated Financial Statements
- Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements

Financial Statement Schedules

None.

Other schedules have not been included either because they are not applicable or because the information is included elsewhere in this Report.

b) Exhibits

(2)A †	Asset Purchase Agreement dated June 12, 2015 between Target Corporation and CVS Pharmacy, Inc. (*1*)
(3)A	Amended and Restated Articles of Incorporation (as amended through June 9, 2010) *(2)*
B	Bylaws (as amended through November 11, 2015) *(3)*
(4)A	Indenture, dated as of August 4, 2000 between Target Corporation and Bank One Trust Company, N.A. *(4)*
B	First Supplemental Indenture dated as of May 1, 2007 to Indenture dated as of August 4, 2000 between Target Corporation and The Bank of New York Trust Company, N.A. (as successor in interest to Bank One Trust Company N.A.) *(5)*
C	Target agrees to furnish to the Commission on request copies of other instruments with respect to long-term debt.
(10)A *	Target Corporation Officer Short-Term Incentive Plan *(6)*
B *	Target Corporation Long-Term Incentive Plan (as amended and restated effective June 8, 2011) *(7)*
C *	Amended and Restated Target Corporation 2011 Long-Term Incentive Plan *(8)*
D *	Target Corporation SPP I (2016 Plan Statement) (as amended and restated effective April 3, 2016) *(9)*
E *	Target Corporation SPP II (2016 Plan Statement) (as amended and restated effective April 3, 2016) *(10)*
F *	Target Corporation SPP III (2014 Plan Statement) (as amended and restated effective January 1, 2014) *(11)*
G *	Amendment to Target Corporation SPP III (2014 Plan Statement) (effective April 3, 2016) *(12)*
H *	Target Corporation Officer Deferred Compensation Plan (as amended and restated effective June 8, 2011) *(13)*
I *	Target Corporation Officer EDCP (2017 Plan Statement) (as amended and restated effective May 1, 2017)
J *	Target Corporation Deferred Compensation Plan Directors *(14)*
K *	Target Corporation DDCP (2013 Plan Statement) (as amended and restated effective December 1, 2013) *(15)*
L *	Target Corporation Officer Income Continuance Policy Statement (as amended and restated effective April 3, 2016) *(16)*
M *	Target Corporation Executive Excess Long Term Disability Plan (as restated effective January 1, 2010 *(17)*
N *	Director Retirement Program *(18)*
O *	Target Corporation Deferred Compensation Trust Agreement (as amended and restated effective January 1, 2009) *(19)*
P *	Amendment to Target Corporation Deferred Compensation Trust Agreement (as amended and restated effective January 1, 2009) *(20)*
Q *	Form of Amended and Restated Executive Non-Qualified Stock Option Agreement *(21)*
R *	Form of Executive Restricted Stock Unit Agreement - Cliff Vesting *(22)*
S *	Form of Executive Restricted Stock Unit Agreement - Ratable Vesting
T *	Form of Executive Performance-Based Restricted Stock Unit Agreement *(23)*
U *	Form of Executive Performance Share Unit Agreement
V *	Form of Non-Employee Director Non-Qualified Stock Option Agreement *(24)*
W *	Form of Non-Employee Director Restricted Stock Unit Agreement *(25)*
X *	Form of Cash Retention Award *(26)*
Y	Five-Year Credit Agreement dated as of October 5, 2016 among Target Corporation, Bank of America, N.A. as Administrative Agent and the Banks listed therein *(27)*
Z ‡	Credit Card Program Agreement dated October 22, 2012 among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A. *(28)*

AA ‡	First Amendment dated February 24, 2015 to Credit Card Program Agreement among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A. *(29)*
BB ‡	Pharmacy Operating Agreement dated December 16, 2015 between Target Corporation and CVS Pharmacy, Inc. *(30)*
CC ‡	First Amendment dated November 30, 2016 to Pharmacy Operating Agreement between Target Corporation and CVS Pharmacy, Inc.
DD *	Restricted Stock Unit Agreement with John J. Mulligan, effective as of May 22, 2014 *(31)*
EE *	Employment Offer Letter to Brian C. Cornell, dated July 26, 2014 *(32)*
FF *	Make-Whole Performance-Based Restricted Stock Unit Agreement with Brian C. Cornell, effective as of August 21, 2014 *(33)*
GG *	Aircraft Time Sharing Agreement as of March 13, 2015 among Target Corporation and Brian C. Cornell *(34)*
HH *	Advisory Role Letter to Timothy R. Baer dated July 11, 2016 *(35)*
II *	Target Corporation Officer EDCP (2017 Plan Statement) (as amended and restated effective January 1, 2017) *(36)*
(12)	Statements of Computations of Ratios of Earnings to Fixed Charges
(21)	List of Subsidiaries
(23)	Consent of Independent Registered Public Accounting Firm
(24)	Powers of Attorney
(31)A	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(31)B	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(32)A	Certification of the Chief Executive Officer Pursuant to Section 18 U.S.C. Section 1350 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(32)B	Certification of the Chief Financial Officer Pursuant to Section 18 U.S.C. Section 1350 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

Copies of exhibits will be furnished upon written request and payment of Registrant's reasonable expenses in furnishing the exhibits.

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† Excludes the Seller Disclosure Schedule, Exhibits B through G and Schedules I and II referred to in the agreement which Target Corporation agrees to furnish supplementally to the Securities and Exchange Commission upon request. Exhibit A is separately filed as Exhibit (10)BB.

‡ Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

* Management contract or compensation plan or arrangement required to be filed as an exhibit to this Form 10-K.

(1) Incorporated by reference to Exhibit (2)H to Target's Form 10-Q Report for the quarter ended August 1, 2015.

(2) Incorporated by reference to Exhibit (3)A to Target's Form 8-K Report filed June 10, 2010.

(3) Incorporated by reference to Exhibit (3)A to Target's Form 8-K Report filed November 12, 2015.

(4) Incorporated by reference to Exhibit 4.1 to Target's Form 8-K Report filed August 10, 2000.

(5) Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K Report filed May 1, 2007.

(6) Incorporated by reference to Appendix A to the Registrant's Proxy Statement filed April 30, 2012.

(7) Incorporated by reference to Exhibit (10)B to Target's Form 10-Q Report for the quarter ended July 30, 2011.

(8) Incorporated by reference to Exhibit (10)JJ to Target's Form 8-K Report filed June 12, 2015.

(9) Incorporated by reference to Exhibit (10)C to Target's Form 10-Q Report for the quarter ended April 30, 2016.

(10) Incorporated by reference to Exhibit (10)D to Target's Form 10-Q Report for the quarter ended April 30, 2016.

(11) Incorporated by reference to Exhibit (10)E to Target's Form 10-K Report for the year ended February 1, 2014.

(12) Incorporated by reference to Exhibit (10)NN to Target's Form 10-Q Report for the quarter ended April 30, 2016.

(13) Incorporated by reference to Exhibit (10)F to Target's Form 10-Q Report for the quarter ended July 30, 2011.
(14) Incorporated by reference to Exhibit (10)I to Target's Form 10-K Report for the year ended February 3, 2007.
(15) Incorporated by reference to Exhibit (10)I to Target's Form 10-K Report for the year ended February 1, 2014.
(16) Incorporated by reference to Exhibit (10)J to Target's Form 10-Q Report for the quarter ended April 30, 2016.
(17) Incorporated by reference to Exhibit (10)A to Target's Form 10-Q Report for the quarter ended October 30, 2010.
(18) Incorporated by reference to Exhibit (10)O to Target's Form 10-K Report for the year ended January 29, 2005.
(19) Incorporated by reference to Exhibit (10)O to Target's Form 10-K Report for the year ended January 31, 2009.
(20) Incorporated by reference to Exhibit (10)AA to Target's Form 10-Q Report for the quarter ended July 30, 2011.
(21) Incorporated by reference to Exhibit (10)V to Target's Form 10-K Report for the year ended January 31, 2015.
(22) Incorporated by reference to Exhibit (10)W to Target's Form 10-K Report for the year ended January 30, 2016.
(23) Incorporated by reference to Exhibit (10)X to Target's Form 10-K Report for the year ended January 30, 2016.
(24) Incorporated by reference to Exhibit (10)EE to Target's Form 8-K Report filed January 11, 2012.
(25) Incorporated by reference to Exhibit (10)AA to Target's Form 10-K Report for the year ended January 30, 2016.
(26) Incorporated by reference to Exhibit (10)W to Target's Form 10-K Report for year ended February 2, 2013.
(27) Incorporated by reference to Exhibit (10)O to Target's Form 10-Q Report for the quarter ended October 29, 2016.
(28) Incorporated by reference to Exhibit (10)X to Target's Form 10-Q/A Report for the quarter ended May 4, 2013.
(29) Incorporated by reference to Exhibit (10)II to Target's Form 10-Q Report for the quarter ended May 2, 2015.
(30) Incorporated by reference to Exhibit (10)KK to Target's Form 10-K Report for the year ended January 30, 2016.
(31) Incorporated by reference to Exhibit (10)BB to Target's Form 10-Q Report for the quarter ended August 2, 2014.
(32) Incorporated by reference to Exhibit (10)CC to Target's Form 10-Q Report for the quarter ended August 2, 2014.
(33) Incorporated by reference to Exhibit (10)EE to Target's Form 10-Q Report for the quarter ended August 2, 2014.
(34) Incorporated by reference to Exhibit (10)HH to Target's Form 10-K Report for the year ended January 31, 2015.
(35) Incorporated by reference to Exhibit (10)OO to Target's Form 10-Q Report for the quarter ended July 30, 2016.
(36) Incorporated by reference to Exhibit (10)G to Target's 10-Q Report for the quarter ended October 29, 2016.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Target has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TARGET CORPORATION

By:

Cathy R. Smith
Executive Vice President and Chief Financial Officer

Dated: March 8, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of Target and in the capacities and on the dates indicated.

Brian C. Cornell
Chairman of the Board and Chief Executive Officer

Dated: March 8, 2017

Cathy R. Smith
Executive Vice President and Chief Financial Officer

Dated: March 8, 2017

Robert M. Harrison
Senior Vice President, Chief Accounting Officer and Controller

Dated: March 8, 2017

ROXANNE S. AUSTIN	DONALD R. KNAUSS	
DOUGLAS M. BAKER, JR.	MONICA C. LOZANO	
CALVIN DARDEN	MARY E. MINNICK	
HENRIQUE DE CASTRO	ANNE M. MULCAHY	
ROBERT L. EDWARDS	DERICA W. RICE	
MELANIE L. HEALEY	KENNETH L. SALAZAR	Constituting a majority of the Board of Directors

Cathy R. Smith, by signing her name hereto, does hereby sign this document pursuant to powers of attorney duly executed by the Directors named, filed with the Securities and Exchange Commission on behalf of such Directors, all in the capacities and on the date stated.

By:

Cathy R. Smith
Attorney-in-fact

Dated: March 8, 2017

Exhibit Index

Exhibit	Description	Manner of Filing
(2)A	Asset Purchase Agreement dated June 12, 2015 between Target Corporation and CVS Pharmacy, Inc.	Incorporated by Reference
(3)A	Amended and Restated Articles of Incorporation (as amended June 9, 2010)	Incorporated by Reference
(3)B	Bylaws (as amended through November 11, 2015)	Incorporated by Reference
(4)A	Indenture, dated as of August 4, 2000 between Target Corporation and Bank One Trust Company, N.A.	Incorporated by Reference
(4)B	First Supplemental Indenture dated as of May 1, 2007 to Indenture dated as of August 4, 2000 between Target Corporation and The Bank of New York Trust Company, N.A. (as successor in interest to Bank One Trust Company N.A.)	Incorporated by Reference
(4)C	Target agrees to furnish to the Commission on request copies of other instruments with respect to long-term debt.	Filed Electronically
(10)A	Target Corporation Officer Short-Term Incentive Plan	Incorporated by Reference
(10)B	Target Corporation Long-Term Incentive Plan (as amended and restated effective June 8, 2011)	Incorporated by Reference
(10)C	Amended and Restated Target Corporation 2011 Long-Term Incentive Plan	Incorporated by Reference
(10)D	Target Corporation SPP I (2016 Plan Statement) (as amended and restated effective April 3, 2016)	Incorporated by Reference
(10)E	Target Corporation SPP II (2016 Plan Statement) (as amended and restated effective April 3, 2016)	Incorporated by Reference
(10)F	Target Corporation SPP III (2014 Plan Statement) (as amended and restated effective January 1, 2014)	Incorporated by Reference
(10)G	Amendment to Target Corporation SPP III (2014 Plan Statement) (effective April 3, 2016)	Incorporated by Reference
(10)H	Target Corporation Officer Deferred Compensation Plan (as amended and restated effective June 8, 2011)	Incorporated by Reference
(10)I	Target Corporation Officer EDCP (2017 Plan Statement) (as amended and restated effective May 1, 2017)	Filed Electronically
(10)J	Target Corporation Deferred Compensation Plan Directors	Incorporated by Reference
(10)K	Target Corporation DDCP (2013 Plan Statement) (as amended and restated effective December 1, 2013)	Incorporated by Reference
(10)L	Target Corporation Officer Income Continuance Policy Statement (as amended and restated effective April 3, 2016)	Incorporated by Reference
(10)M	Target Corporation Executive Excess Long Term Disability Plan (as restated effective January 1, 2010)	Incorporated by Reference
(10)N	Director Retirement Program	Incorporated by Reference
(10)O	Target Corporation Deferred Compensation Trust Agreement (as amended and restated effective January 1, 2009)	Incorporated by Reference
(10)P	Amendment to Target Corporation Deferred Compensation Trust Agreement (as amended and restated effective January 1, 2009)	Incorporated by Reference
(10)Q	Form of Amended and Restated Executive Non-Qualified Stock Option Agreement	Incorporated by Reference
(10)R	Form of Executive Restricted Stock Unit Agreement - Cliff Vesting	Incorporated by Reference
(10)S	Form of Executive Restricted Stock Unit Agreement - Ratable Vesting	Filed Electronically
(10)T	Form of Executive Performance-Based Restricted Stock Unit Agreement	Incorporated by Reference
(10)U	Form of Executive Performance Share Unit Agreement	Filed Electronically
(10)V	Form of Non-Employee Director Non-Qualified Stock Option Agreement	Incorporated by Reference
(10)W	Form of Non-Employee Director Restricted Stock Unit Agreement	Incorporated by Reference

(10)X	Form of Cash Retention Award	Incorporated by Reference
(10)Y	Five-Year Credit Agreement dated as of October 5, 2016 among Target Corporation, Bank of America, N.A. as Administrative Agent and the Banks listed therein	Incorporated by Reference
(10)Z	Credit Card Program Agreement dated October 22, 2012 among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A.	Incorporated by Reference
(10)AA	First Amendment dated February 24, 2015 to Credit Card Program Agreement among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A.	Incorporated by Reference
(10)BB	Pharmacy Operating Agreement dated December 16, 2015 between Target Corporation and CVS Pharmacy, Inc.	Incorporated by Reference
(10)CC	First Amendment dated November 30, 2016 to Pharmacy Operating Agreement between Target Corporation and CVS Pharmacy, Inc.	Filed Electronically
(10)DD	Restricted Stock Unit Agreement with John J. Mulligan, effective as of May 22, 2014	Incorporated by Reference
(10)EE	Employment Offer Letter to Brian C. Cornell, dated July 26, 2014	Incorporated by Reference
(10)FF	Make-Whole Performance-Based Restricted Stock Unit Agreement with Brian C. Cornell, effective as of August 21, 2014	Incorporated by Reference
(10)GG	Aircraft Time Sharing Agreement as of March 13, 2015 among Target Corporation and Brian C. Cornell	Incorporated by Reference
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(12)	Statements of Computations of Ratios of Earnings to Fixed Charges	Filed Electronically
(21)	List of Subsidiaries	Filed Electronically
(23)	Consent of Independent Registered Public Accounting Firm	Filed Electronically
(24)	Powers of Attorney	Filed Electronically
(31)A	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed Electronically
(31)B	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed Electronically
(32)A	Certification of the Chief Executive Officer Pursuant to Section 18 U.S.C. Section 1350 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed Electronically
(32)B	Certification of the Chief Financial Officer Pursuant to Section 18 U.S.C. Section 1350 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed Electronically
101.INS	XBRL Instance Document	Filed Electronically
101.SCH	XBRL Taxonomy Extension Schema	Filed Electronically
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Filed Electronically
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Filed Electronically
101.LAB	XBRL Taxonomy Extension Label Linkbase	Filed Electronically
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Filed Electronically

CONFIDENTIAL TREATMENT REQUESTED
[*] Indicates confidential portions omitted pursuant to a request for confidential treatment filed separately with the Securities and Exchange Commission.

Amendment to Pharmacy Operating Agreement

This Amendment to Pharmacy Operating Agreement is entered into by Target Corporation ("Target") and CVS Pharmacy, Inc. ("CVS") as of November 30, 2016.

Target and CVS are parties to the Pharmacy Operating Agreement, dated as of December 16, 2015, as supplemented by certain side letters (collectively, the "POA"). Section 8.11(a) of the POA is deleted in its entirety and replaced with the following:

> (a) *Script Growth Performance Target*. The Parties will measure the script volume of each of the Pharmacies existing [*] (the **"Pre-Period Volume"**). On [*], the Parties will measure the script volume of the Store Growth Group for the twelve month period preceding [*] (the **"Post-Period Volume"**) . In the event the cumulative growth percentage of the [*] (the **"Performance Target"**), CVS shall pay to Target $[*] million for each [*] shortfall in the Performance Target, provided that such payment shall not exceed $[*] million in the aggregate. Any such payment shall be made to Target within seventy-five (75) days after the end of such [*] ([*]) year period. Beginning with [*], CVS agrees that it will plan for business growth at the Pharmacies in a manner that is [*]. In the event (i) the cumulative growth for the previous [*] period in total script volume on a [*] as of each January 1st (commencing after [*]) is less than [*]% of the [*] (based on IMS Health listings or a comparable source determined by the Parties in good faith) (the **"Shortfall"**), and (ii) the Shortfall is more than [*] ([*]) percentage points greater than the shortfall would be if only the [*] (as determined above), then CVS shall engage a nationally recognized consulting company (the **"Consultant"**), at its own cost and expense, to review the Shortfall and recommend how to decrease or eliminate the Shortfall. Target shall have the right to approve the Consultant, which approval shall not be unreasonably withheld, conditioned or delayed, and to receive a copy of the Consultant's report. As long as the condition described in clause (ii) above continues, CVS shall implement the Consultant's recommendations in the order that CVS determines to be most effective to remediate the condition, provided that they do not require operational or other changes to the Stores (except with respect to the Pharmacies), and shall also dedicate a senior officer to oversee the Consultant's work and the implementation of the Consultant's recommendation(s) and to regularly update the Target Senior Officer on the progress of the implementation.

By executing below, the parties agree that the provisions of this amendment are effective as of the date first written above by their respective officers thereunto duly authorized.

TARGET CORPORATION

/s/ John Mulligan

John Mulligan
Executive Vice President &
Chief Operating Officer

CVS PHARMACY, INC.

/s/ David M. Denton

David M. Denton
Executive Vice President &
Chief Financial Officer

[*] Indicates confidential portions omitted pursuant to a request for confidential treatment filed separately with the Commission

Exhibit (10)I

TARGET CORPORATION
OFFICER EDCP
(2017 PLAN STATEMENT)

Amended and Restated
Effective May 1, 2017

TARGET CORPORATION
OFFICER EDCP
(2017 Plan Statement)

TABLE OF CONTENTS

SECTION 1
INTRODUCTION; DEFINITIONS

1.1 Name of Plan; History. This Plan (formerly known as the "Target Corporation SMG Executive Officer Deferred Compensation Plan) is a non-qualified, unfunded plan established for the purpose of allowing a select group of management or highly compensated employees to defer the receipt of income. This Plan was originally adopted effective as of January 1, 1997 and was amended at various times thereafter. Effective April 30, 2002, Participants in this Plan who were members of the Company's Corporate Operating Committee received credits under this Plan equal to the present value of their benefit under the supplemental pension plans maintained by the Company. Each subsequent April, the Participant receives annual SPP Benefit Transfer Credits equal to the change in value of his or her benefit under the supplemental pension plans. Effective July 31, 2002, this program was extended to include all officers of the Company. Effective April 30, 2002, Participants in this Plan who were members of the Company's Corporate Operating Committee received credits under this Plan equal to the present value of their benefit under the Company's ESBP. Each subsequent April, Participants received annual credits equal to the change in value of his or her benefit under the ESBP. Effective October 28, 2005, all officers who had not previously received ESBP Benefit Transfer Credits, received a one-time transfer of the present value of their benefit under the ESBP. As of January 28, 2006, a one-time ESBP credit was made to certain executive committee members and no subsequent ESBP Benefit Transfer Credits were made to those receiving the one-time ESBP credit. From time to time, certain participants in the Target Corporation Deferred Compensation Plan – Senior Management Group ("ODCP") and the Company negotiated to transfer the economic value of their benefit under ODCP to this Plan. Officers eligible to receive performance share awards granted in the fiscal years ending February 1, 2003 and January 31, 2004 had an opportunity to defer receipt of the value of the earned performance shares into this Plan at the end of the performance period. The performance period for the shares granted in 2003 ended February 3, 2007. The performance period for the shares granted in 2004 ended February 2, 2008. Effective January 1, 2005 (and other effective dates as specifically provided), this Plan was operated in compliance with Code section 409A. Effective January 29, 2006, members of the Company's executive committee ceased to be eligible to receive enhanced earnings on their account balances. The Plan, which is intended to comply with Code section 409A, was amended and restated effective January 1, 2009. The Plan was amended and restated to incorporate the Company's recoupment policy effective January 13, 2010. The Plan was amended and restated to reflect Plan administration and amendment changes authorized by the Board on November 10, 2010, to modify the Change in Control definition, and to set forth special provisions that are applicable to certain Participants who transfer to Canada, effective as of June 8, 2011. The Plan was amended and restated to reflect the replacement of the Stable Value Crediting Rate Alternative with the Intermediate-Term Bond Crediting Rate Alternative beginning June 6, 2012, effective as of June 5, 2012. The Plan was amended and restated to revise the method for distributing the final SPP Transfer Credit following a Termination of Employment for amounts accruing on or after January 1, 2014, to clarify the differences between "executive officer" and "member of the executive committee," and to clarify the timing of certain post-death payments, effective December 1, 2013. The Plan was amended and restated effective January 1, 2014 to freeze that portion of the annual SPP Transfer Credit that arises from a positive accrual under SPP III after February 3, 2013 solely from treating the Participant as five years older than his or her actual age for purposes of determining the amount of the annual SPP Benefit Transfer Credit. The Plan was amended and restated effective January 1, 2015 (i) to revise the participation rules for Participants who are transferred to Canada on a temporary basis, (ii) to modify the Restoration Match Credit determination to cover Participants who are entitled to differing qualified 401(k) plan matching contribution percentages, (iii) to change the phrase "member of the executive committee" to "executive Officer" each place the phrase appears, and (iv) to define the term executive Officer to mean a Section 16 officer or executive officer as defined under Federal securities laws. The Plan was amended and restated effective April 3, 2016, (i) to provide that the Restoration Match Credit will, under certain circumstances, be credited to a Participant's Account prior to the end of the Plan Year, effective for Plan Years beginning on or after January 1, 2017, (ii) to delete Appendix B – Participants on Temporary Assignment to Canada because it has ceased to be applicable, (iii) to clarify the definition of executive Officer as being an "executive officer" under Item 401 of Regulation S-K, and (iv) to remove unnecessary language from the recoupment provisions. The Plan was amended and restated effective January 1, 2017 (i) to add a five (5) year vesting requirement for the Restoration Match Credits for Plan Years beginning after December 31, 2016, (ii) to change the Enhancement from a monthly credit to an annual credit with an end of the year employment requirement, and (iii) to take advantage of some additional regulatory flexibility with respect to payments following death. The Plan was amended and restated effective May 1, 2017, as provided in this Plan Statement, to include rules about use of the Company Stock Fund Crediting Rate Alternative after Termination of Employment.

1.2 Definitions. When the following terms are used herein with initial capital letters, they shall have the following meanings:

1.2.1 Account. "Account" means the separate bookkeeping account representing the separate unfunded and unsecured general obligation of the Participating Employers established with respect to each person who is a Participant in this Plan. Within each Participant's Account, separate subaccounts shall be maintained to the extent the Plan Administrator determines it to be necessary or desirable for the administration of this Plan.

1.2.2 Affiliate. An "Affiliate" is the Company and all persons, with whom the Company would be considered a single employer under Code section 414(b) or 414(c).

1.2.3 Base Salary. "Base Salary" with respect to a Plan Year means Certified Earnings as modified by the rules below:

(a) the limits imposed by Code section 401(a)(17) will not apply;

(b) deferrals under Section 2.8 of this Plan are included as Base Salary; and

(c) Bonus and Signing Bonus amounts are not included as Base Salary.

1.2.4 Beneficiary. "Beneficiary" means an individual (human being), a trust that is a United Sates person within the meaning of the Code, a person that has been recognized as a charitable organization under Code section 170(b), or the Participant's estate designated in accordance with Section 6.7 to receive all or a part of the Participant's Account in the event of the Participant's death prior to full distribution thereof. A person so designated shall not be considered a Beneficiary until the death of the Participant.

1.2.5 Board. "Board" is the Board of Directors of the Company, or such committee of the Board of Directors to which the Board of Directors of the Company has delegated the respective authority.

1.2.6 Bonus. "Bonus" with respect to a Plan Year means that portion of Certified Earnings that is equal to the amount payable under any regular incentive plan of a Participating Employer that is earned, or intended to be earned, over a period of at least a calendar year or fiscal year as modified by the rules below:

(a) the limits imposed by Code section 401(a)(17) will not apply;

(b) deferrals under Section 2.9 of this Plan are included as Bonus; and

(c) Signing Bonus amounts are not included as Bonus.

1.2.7 Certified Earnings. "Certified Earnings" has the same meaning as the defined term in the Target 401(k) Plan (determined without regard to the 30-day receipt rule); provided, however, "Certified Earnings" shall not include compensation that is accrued for any period following a Participant's Termination of Employment.

1.2.8 Change in Control. "Change-in-Control" means one of the following:

(a) Individuals who are Continuing Directors cease for any reason to constitute 50% or more of the directors of the Company; or

(b) 30% or more of the outstanding voting power of the Voting Stock of the Company is acquired or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by any Person, other than an entity resulting from a Business Combination in which clauses (x) and (y) of Section 1.2.8(c) apply; or

(c) the consummation of a merger or consolidation of the Company with or into another entity, a statutory share exchange, a sale or other disposition (in one transaction or a series of transactions) of all or substantially all of the Company's assets or a similar business combination (each, a "Business Combination"), in each case unless, immediately following such Business Combination, (x) all or substantially all of the beneficial owners (within the meaning of Rule 13d-3 under the Exchange Act) of the Company's Voting Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the voting power of the then outstanding shares of voting stock (or comparable voting equity interests) of the surviving or acquiring entity resulting from such Business Combination (including such beneficial ownership of an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), in substantially the same proportions (as compared to the other beneficial owners of the Company's Voting Stock immediately prior to such Business Combination) as their beneficial ownership of the Company's Voting Stock immediately prior to such Business Combination, and (y) no Person beneficially owns, directly or indirectly, 30% or more of the voting power of the outstanding voting stock (or comparable equity interests) of the surviving or acquiring entity (other than a direct or indirect parent entity of the surviving or acquiring entity, that, after giving effect to the Business Combination, beneficially owns, directly or indirectly, 100% of the outstanding voting stock (or comparable equity interests) of the surviving or acquiring entity); or

(d) approval by the shareholders of a definitive agreement or plan to liquidate or dissolve the Company.

For purposes of this Section 1.2.8:

"Continuing Director" means an individual (A) who is, as of June 8, 2011, a director of the Company, or (B) who becomes a director of the Company after June 8, 2011, and whose initial appointment, or nomination for election by the Company's shareholders, was approved by at least a majority of the then Continuing Directors; provided, however, that any individual whose initial assumption of office occurs as a result of either an actual or threatened contested election by any Person (other than the Board of Directors) seeking the election of such nominee in which the number of nominees exceeds the number of directors to be elected shall not be a Continuing Director;

"Person" means any individual, firm, corporation or other entity and shall include any group comprised of any person and any other person with whom such person or any affiliate or associate (as defined in Rule 14a-1(a) of the Exchange Act) of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of any capital stock of the Company;

"Voting Stock" means all then-outstanding capital stock of the Company entitled to vote generally in the election of directors of the Company: and

"Exchange Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time, and the regulations promulgated thereunder.

1.2.9 Code. "Code" means the Internal Revenue Code of 1986, as amended (including, when the context requires, all regulations, interpretations and rulings issued hereunder).

1.2.10 [Intentionally left blank.]

1.2.11 Company. "Company" means Target Corporation, a Minnesota corporation, or any successor thereto.

1.2.12 Company's Fiscal Year. "Company's Fiscal Year" means the period commencing on the Sunday that immediately follows the Saturday that is nearest to the last day in January through the Saturday that is nearest to the last day in January in the following year.

1.2.13 Crediting Rate Alternative. "Crediting Rate Alternative" means a hypothetical investment option used for the purpose of measuring income, gains and losses to the Accounts of Participants (as if the Accounts had in fact been so invested). The Crediting Rate Alternatives shall be designated in writing by the Plan Administrator.

1.2.14 Deferral Credit. A "Deferral Credit" is the amount credited to a Participant's Account pursuant to Section 3.1.

1.2.15 Disabled. A Participant will be "Disabled" if he or she has become entitled to receive disability income benefits under the provisions of the Social Security Act.

1.2.16 Discretionary Credit. A "Discretionary Credit" is the amount credited to a Participant's Account pursuant to Section 3.5.

1.2.17 Earnings Credit. "Earnings Credit" means the investment adjustment credited to a Participant's Account pursuant to Section 4.3 or Section 4.5 as applicable.

1.2.18 EDCP. "EDCP" means the Target Corporation EDCP, a non-qualified, unfunded deferred compensation plan maintained by the Company and certain other Affiliates.

1.2.19 Effective Date. The "Effective Date" of this Plan Statement is January 1, 2017, except as otherwise provided.

1.2.20 Eligible Compensation. "Eligible Compensation" means, the Base Salary, Bonus and Performance Share Award that the Participant receives or is entitled to receive from his or her Participating Employer for services rendered.

1.2.21 Employee. An "Employee" is an individual who performs services for a Participating Employer as an employee of the Participating Employer (as classified by the Participating Employer at the time the services are preformed and without regard to any subsequent reclassification) and does not include any individual who is classified an independent contractor.

1.2.22 Enhancement. "Enhancement" means an additional .1667% of investment earnings per month added to the applicable Crediting Rate Alternatives as provided in Section 4.4.

1.2.23 ERISA. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended (including, when the context requires, all regulations, interpretations and rulings issued thereunder).

1.2.24 ESBP. "ESBP" means the Target Corporation Post Retirement Executive Survivor Benefit Plan.

1.2.25 ESBP Benefit. "ESBP Benefit" means the actuarial lump sum present value of a Participant's survivor benefit under the ESBP determined as of a particular determination date under Section 3.4 but without regard to whether the Participant had experienced either an "early retirement" or "normal retirement" under the Target Pension Plan as provided under the ESBP. The present value of such survivor benefit will be determined by the Company in its sole and absolute discretion based on such interest rates, mortality factors and other assumptions deemed appropriate by the Company.

1.2.26 ESBP Benefit Transfer Credits. "ESBP Benefit Transfer Credits" are the initial and annual credits to a Participant's Account under Section 3.4.

1.2.27 Newly Eligible Employee. "Newly Eligible Employee" means an Employee who either (i) was not previously eligible to participate in this Plan or any other non-qualified, deferred compensation plans maintained by a Participating Employer or other Affiliate, (ii) had been paid all amounts previously deferred under all non-qualified, deferred compensation plans maintained by a Participating Employer or other Affiliate and had ceased to be eligible to continue to participate in such plans on or before the date of payment of all amounts due under such plans, or (iii) was not eligible to participate in any non-qualified deferred compensation plans (other than the accrual of earnings) maintained by a Participating Employer or other Affiliate at any time during the 24-month period ending on the date the Employee has again become eligible to participate in the Plan.

1.2.28 Officer. An "Officer" is any executive Officer and any other Employee who is designated and categorized as an officer of the Company or other Affiliate by the Company's Chief Executive Officer. An executive Officer is any employee of the Company or other Affiliate who is an "executive officer" under Item 401 of Regulation S-K.

1.2.29 Participant. A "Participant" is an Employee who becomes a Participant in this Plan in accordance with the provisions of Section 2. An Employee who has become a Participant shall be considered to continue as a Participant in this Plan until the date when the Participant no longer has any Account under this Plan, or the date of the Participant's death, if earlier.

1.2.30 Participating Employer. "Participating Employer" means the Company and each other Affiliate that, with the consent of the Plan Administrator, adopts this Plan. A Participating Employer shall cease to be a Participating Employer on the date it ceases to be an Affiliate.

1.2.31 Performance Share Award. "Performance Share Award" means a performance share award issued under the Company's Long-Term Incentive Plan of 1999 or the Company's Long-Term Incentive Plan of 2004.

1.2.32 Plan. "Plan" means the nonqualified, unfunded income deferral program maintained by the Company and established for the benefit of Participants eligible to participate therein, as set forth in this Plan Statement. As used herein, "Plan" does not refer to the documents pursuant to which this Plan is maintained. That document is referred to herein as the "Plan Statement". The Plan shall be referred to as the "Target Corporation Officer EDCP" (formerly known as the Target Corporation SMG Executive Deferred Compensation Plan).

1.2.33 Plan Administrator. "Plan Administrator" is the individual designated in Sec. 10.1.1, or, if applicable, its delegate.

1.2.34 Plan Rules. "Plan Rules" are rules, policies, practices or procedures adopted by the Plan Administrator or its delegate pursuant to Section 10.1.5.

1.2.35 Plan Statement. "Plan Statement" means this document entitled "Target Corporation Officer EDCP (2017 Plan Statement)," as adopted by the Company, effective as of January 1, 2017, as the same may be amended from time to time.

1.2.36 Plan Year. "Plan Year" means the period from January 1 through December 31.

1.2.37 Restoration Match Credit. "Restoration Match Credit" is the amount credited to a Participant's Account pursuant to Section 3.2.

1.2.38 Signing Bonus. "Signing Bonus" is the cash remuneration earned following a period of employment provided to certain new Employees related to their acceptance of employment with a Participating Employer.

1.2.39 SPP Benefit. "SPP Benefit" means the amount determined under Appendix A.

1.2.40 SPP Benefit Transfer Credit. "SPP Benefit Transfer Credit" is the amount credited to a Participant's Account under Section 3.3.

1.2.41 Specified Employee. For purposes of complying with the requirements of Code section 409A(a)(2)(B)(i) (relating to the 6 month suspension of certain benefit distributions), an individual is a "Specified Employee" if on his or her Termination of Employment, the Company or other Affiliate has stock that is traded on an established securities market within the meaning of Code section 409A(a)(2)(B) and such individual is a "key employee" (defined below). For this purpose, an individual is a "key employee" during the 12-month period beginning on April 1 immediately following the calendar year in which the individual was employed by the Company and other Affiliates, and satisfied, at any time within such calendar year, the requirements of Code section 416(i)(1)(A)(i), (ii) or (iii) (without regard to Code section 416(i)(5)). An individual will not be treated as a Specified Employee if the individual is not required to be treated as a Specified Employee under Treasury Regulations issued under Code section 409A.

1.2.42 Target 401(k) Plan. "Target 401(k) Plan" means the tax-qualified defined contribution retirement plan, with a qualified cash or deferred arrangement, established by the Company for the benefit of employees eligible to participate therein, including both the Target Corporation 401(k) Plan and the Target Corporation Ventures 401(k) Plan.

1.2.43 Target Pension Plan. "Target Pension Plan" means the tax qualified defined benefit pension plan, established for the benefit of employees eligible to participate therein, and known as the Target Corporation Pension Plan, including any predecessor plan(s) or successor plan.

1.2.44 Termination of Employment.

(a) For purposes of determining entitlement to or the amount of benefits under the Plan, "Termination of Employment" means a severance of a Participant's employment relationship with each Participating Employer and all Affiliates, for any reason.

(b) For purposes of determining when a distribution will be made under the Plan, a "Termination of Employment" will be deemed to occur if, based on the relevant facts and circumstances to the Participant, the Participating Employer, all Affiliates and Participant reasonably anticipate that the level of bona fide future services to be performed by the Participant for the Participating Employer and all Affiliates will permanently decrease to no more than 20% of the average level of bona fide services performed over the immediately preceding 36-month period.

(c) A bona fide leave of absence that is six months or less, or during which an individual retains a reemployment right, will not cause a Termination of Employment. In the case of a leave of absence without a right of reemployment that exceeds the time periods described in this paragraph, a Termination of Employment will be deemed to occur once the leave of absence exceeds six months.

(d) Notwithstanding the foregoing, a Termination of Employment shall not occur unless such termination also qualifies as a "separation from service," as defined under Code section 409A and related guidance thereunder.

1.2.45 Trust. "Trust" means the Target Corporation Deferred Compensation Trust Agreement, dated January 1, 2009 by and between the Company and State Street Bank and Trust Company, as it is amended from time to time, or similar trust agreement.

1.2.46 Unforeseeable Emergency. "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (within the meaning of Code section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, but only if and to the extent such Unforeseeable Emergency constitutes an "unforeseeable emergency" under Code section 409A.

1.2.47 Valuation Date. "Valuation Date" means each business day on which the New York Stock Exchange is open.

1.2.48 Year of Service. A "Year of Service" means each 12-consecutive month period an individual is an Employee after the date the individual is first eligible to participate under this Plan or any other non-qualified deferred compensation plan maintained by a Participating Employer.

SECTION 2
PARTICIPATION AND DEFERRAL ELECTIONS

2.1 Eligibility.

2.1.1 An Employee is eligible to participate in this Plan on the first day of a Plan Year if, on such day, he or she:

(a) is a "qualified employee" as that term is defined in the Target 401(k) Plan; and

(b) is an Officer.

2.1.2 A Newly Eligible Employee is eligible to participate in this Plan on the date that is 30 days after the date he or she satisfies the requirements in Section 2.1.1.

2.1.3 An Employee shall, as a condition of participation in this Plan, complete such forms and make such elections in accordance with Plan Rules as the Plan Administrator may require. An Employee who satisfies the requirements of this Section 2.1 is eligible to participate in this Plan in accordance with and subject to the requirements of this Plan.

2.1.4 An Employee who has had a Termination of Employment as defined in Section 1.2.44(b), will not be eligible to make deferral elections for subsequent Plan Years until otherwise notified by the Plan Administrator. Any deferral election in effect at the time of such Termination of Employment will continue to apply with respect to any Eligible Compensation received from a Participating Employer or other Affiliate. Such Employee will still be eligible to receive credits, if any, pursuant to Sections 3.2, 3.3, 3.4 and 3.5.

2.2 Special Rules for Participating Employees. A Participant who transfers employment from one Participating Employer to another Affiliate, whether or not a Participating Employer will, for the duration of the Plan Year in which the transfer occurs, continue to participate in this Plan in accordance with the deferral election in effect at the time of such transfer. A Participant who is simultaneously employed with more than one Participating Employer will participate in this Plan as an Employee of each such Participating Employer on the basis of a single deferral election applied separately to his or her respective, Eligible Compensation from each Participating Employer.

2.3 Termination of Participation. Except as otherwise specifically provided in this Plan Statement or by the Plan Administrator, an Employee who ceases to satisfy the requirements of Section 2.1 is not eligible to continue to participate in the Plan, provided, that any deferral elections in effect, and irrevocable, will continue to apply with respect to any Eligible Compensation received from a Participating Employer or other Affiliate. The Participant's Account will continue to be governed by the terms of the Plan until such time as the Participant's Account balance is paid in accordance with the terms of the Plan. A Participant or Beneficiary will cease to be such as of the date on which his or her entire Account balance has been distributed.

2.4 Rehires and Transfers.

2.4.1 A Participant who incurs a Termination of Employment and is rehired during the same calendar year will continue Base Salary deferrals for such calendar year in accordance with his or her election in effect immediately prior to the Termination of Employment.

2.4.2 A Participant who incurs a Termination of Employment and is rehired prior to the later of the end of the Plan Year or the date the Bonus for such Plan Year is paid in cash, will continue Bonus Deferrals for such Plan Year in accordance with his or her election in effect immediately prior to the Termination of Employment.

2.4.3 Transfers from Non-Officer Plan. An Employee who is a Participant in the EDCP and is promoted to an Officer position will cease to be eligible to participate in the EDCP and will be eligible to participate in this Plan, subject to the following rules:

(a) The Employee will become a Participant in this Plan immediately upon satisfying the requirements to participate hereunder.

(b) The Employee's deferral elections made under the EDCP will transfer to the Plan and continue as an election made under Section 2.

(c) The Employee's account maintained under the EDCP will be transferred to the Employee's Account under this Plan.

(d) The Employee's distribution elections made under the EDCP (including any default distributions) will transfer to this Plan and continue as the distribution elections made under this Plan.

(e) The Employee's beneficiary designation made under the EDCP will be treated as the Employee's Beneficiary designation under this Plan until changed in accordance with Section 6.7.

2.5 Effect on Employment.

2.5.1 Not a Term of Employment. Neither the terms of this Plan Statement nor the benefits under this Plan (including the continuance thereof) shall be a term of the employment of any Employee.

2.5.2 Not an Employment Contract. This Plan is not and shall not be deemed to constitute a contract of employment between any Participating Employer and any Employee or other person, nor shall anything herein contained be deemed to give any Employee or other person any right to be retained in any Participating Employer's employ or in any way limit or restrict any Participating Employer's right or power to discharge any Employee or other person at any time and to treat him or her without regard to the effect that such treatment might have upon him or her as a Participant in this Plan.

2.6 Condition of Participation

2.6.1 Cooperation. Each Participant shall cooperate with the Plan Administrator by furnishing any and all information requested by the Plan Administrator in order to facilitate the payment of benefits hereunder and taking such other relevant action as may be requested by the Plan Administrator. If a Participant refuses to cooperate, neither the Company nor any Participating Employer shall have any further obligation to the Participant under this Plan, other than payment to such Participant of the aggregate amount of Eligible Compensation deferred under Section 3.1.

2.6.2 Plan Terms and Rules. Each Participant, as a condition of participation in this Plan, is bound by all the terms and conditions of this Plan and the Plan Rules.

2.7 Deferral Elections. An Employee who satisfies the eligibility requirements of Section 2 may, at the time and in the manner provided hereunder, elect to defer the receipt of his or her Eligible Compensation.

2.7.1 General Rule. Except as otherwise provided in this Plan, an election shall be made before the beginning of the Plan Year during which the Participant performs services for which the Eligible Compensation is earned. The election must designate the percentage of the Base Salary, Bonus or Performance Share Award which shall be deferred under this Plan. In accordance with Plan Rules, the Plan Administrator will determine the manner and timing required to file a deferral election. No deferral election shall be effective unless prior to the deadline for making such election, the Participant has filed with the Plan Administrator, in accordance with Plan Rules, an insurance consent form permitting the Participating Employer or Company to purchase and maintain life insurance coverage on the Employee with the Participating Employer or Company as the beneficiary. An election to defer Eligible Compensation for the Plan Year or other period is irrevocable once it has been accepted by the Plan Administrator and the deadline for making such election has expired, except as otherwise provided under this Plan.

2.7.2 Newly Eligible Employees. For a Newly Eligible Employee, the deferral election may be made after the first day of a Plan Year provided it is made within 30 days after becoming eligible to participate in this Plan. Such a deferral election by a Newly Eligible Employee is irrevocable once it has been received by the Plan Administrator and the deadline for making such election has expired, except as otherwise provided under this Plan. Such election will be effective with respect to Eligible Compensation payable for services performed after becoming eligible for this Plan and commencing with the next full pay period after the deferral election becomes irrevocable.

2.7.3 Terminations of Employment. A Participant who completes a deferral election in accordance with this Section 2.7, but who has a Termination of Employment prior to the expiration of the deadline for making such election, will be deemed to have made no deferral election for the respective period.

2.8 Base Salary Deferrals. A Participant's election to defer Base Salary is subject to the following requirements:

2.8.1 A Base Salary deferral election will be effective with respect to the first paycheck issued during the Plan Year, including for the payroll period that includes the last day of the preceding Plan Year, and such election will remain in effect through the last paycheck issued during the Plan Year.

2.8.2 Except as provided in Section 2.11, the Base Salary deferral percentage may not exceed 80%.

2.9 Bonus Deferrals. A Participant's election to defer his or her Bonus is subject to the following requirements:

2.9.1 A Bonus deferral election will be in effect for service periods that begin in the Plan Year immediately following the date the election becomes irrevocable and continue through the end of the Plan Year or if the Bonus is paid after such Plan Year, through the date the Bonus would have been paid in cash. Notwithstanding Section 2.7.2, a Newly Eligible Employee may not elect to defer a Bonus that is payable with respect to a service period that begins before the effective date of the Newly Eligible Employee's deferral election.

2.9.2 A Participant's Bonus effective deferral percentage may not exceed 80%, except as provided in Section 2.11 or with respect to executive Officers, as provided in Plan Rules.

2.9.3 If the Plan Administrator determines that a Participant's Bonus is "performance-based compensation" within the meaning of Code section 409A, then, consistent with Plan Rules, the Participant's deferral election may be made no later than six months before the last day of the performance period during which the Bonus is earned.

2.9.4 If a Participant has a Termination of Employment before the end of the service period for any Bonus, but is still entitled to receive a bonus, the Participant's existing Bonus deferral election will continue to apply.

2.10 Performance Share Award Deferrals. A Participant's election to defer his or her Performance Share Award is subject to the following requirements:

2.10.1 The election is available for Performance Share Awards issued in the Company's Fiscal Year ending in calendar year 2003 and 2004.

2.10.2 A Participant's Performance Share Award deferral percentage may not exceed 100%.

2.10.3 If the Plan Administrator determines that a Participant's Performance Share Award is "performance-based compensation" within the meaning of Code section 409A, then the Participant's Performance Share Award deferral election must be made no later than twenty-four (24) months prior to the date the Performance Share Award would otherwise be paid in the form of cash or Company stock, or, if earlier, six (6) months before the end of the period over which the services giving rise to the Performance Share Award were performed.

2.10.4 The "Plan Committee" as defined under the Company's Long Term Incentive Plan shall determine, in its sole and absolute discretion for each Plan Year during which a Performance Share Award is issued, whether Participants in any group or class are eligible to make deferral elections under this Section 2.10 with respect to a Performance Share Award.

2.11 Special Code Section 162(m) Deferral Elections. Notwithstanding Sections 2.8 and 2.9, a Participant who, prior to the beginning of a Plan Year, is identified by the Plan Administrator as a potential "covered employee" (within the meaning of Code section 162(m)) for the Company's Fiscal Year either ending in or beginning in the Plan Year may:

2.11.1 Make a Base Salary deferral election for the Plan Year that consists of two parts:

(a) the first part of the election will apply with respect to the first paycheck issued during the applicable Plan Year through the last paycheck issued prior to the end of the Company's Fiscal Year ending in the Plan Year, and

(b) the second part will apply to the paychecks issued after the beginning of the Company's Fiscal Year beginning in such Plan Year and issued prior to the end of such Plan Year.

2.11.2 Make a separate Bonus deferral election for the Plan Year with respect to:

(a) The Bonus amounts that satisfy the requirements of performance-based compensation under Code section 162(m), and

(b) All other Bonus amounts as determined by the Plan Administrator.

The Plan Administrator will set the maximum Bonus deferral percentage under this Section 2.11.2 in its sole discretion, on a Participant by Participant basis.

2.12 Cancellation of Deferral Elections.

2.12.1 401(k) Hardship. Notwithstanding any provisions in the Plan to the contrary, an election to defer under Sections 2.8, 2.9, and 2.10 will be cancelled to the extent necessary for the Participating Employer to comply with the hardship withdrawal provisions of such Participating Employer's 401(k) plan.

(a) An election to defer Base Salary amounts for the Plan Year during which the hardship withdrawal was made will be cancelled. Further, no Base Salary deferral election will be effective for the next Plan Year if the hardship withdrawal occurs after June 30, and on or before December 31 of the calendar year.

(b) Any election to defer Bonus or Performance Share Award amounts in effect at the time of the hardship withdrawal will be cancelled. Further, no deferral election for a Bonus related to service in the next Plan Year will be effective if the hardship withdrawal occurs after June 30, and on or before December 31 of the calendar year.

2.12.2 Unforeseeable Emergency. Notwithstanding any provisions in the Plan to the contrary, an election to defer under Sections 2.8, 2.9, and 2.10 will be cancelled for the remaining portion of the Plan Year in the event the Participant has received a distribution on account of an Unforeseeable Emergency under Section 6.5. The revocation shall be made at the time and in the manner specified in Plan Rules and must otherwise comply with the requirements of Section 6.5.

SECTION 3
CREDITS TO ACCOUNTS

3.1 Elective Deferral Credit. The Plan Administrator shall credit to the Account of each Participant the amount, if any, of Eligible Compensation the Participant elected to defer pursuant to Section 2. Such amount shall be credited as nearly as practicable as of the time or times when the Eligible Compensation would have been paid to the Participant but for the election to defer.

3.2 Restoration Match Credit.

3.2.1 Eligibility for Credit. An Employee who satisfies the eligibility requirements of Section 2.1 during a Plan Year will receive a Restoration Match Credit for the Plan Year if he or she: (i) was actively employed and eligible to participate in this Plan on the last business day of the Plan Year; (ii) has experienced a Termination of Employment as defined under Section 1.2.44(a) during the Plan Year after attaining age 55 and completing five (5) "years of vesting service" as defined in the Target Pension Plan; (iii) has experienced a Termination of Employment as a result of death; or (iv) has become Disabled during such Plan Year.

3.2.2 Amount of Credit. A Participant who satisfies the requirements of Section 3.2.1 is entitled to a Restoration Match Credit equal to the sum of:

(a) The maximum matching contribution percentage the Participant is eligible to receive on deferrals under the applicable Target 401(k) Plan multiplied by the Participant's Base Salary and Bonus that is deferred under this Plan during the Plan Year; and

(b) The maximum matching contribution percentage the Participant is eligible to receive on deferrals under the applicable Target 401(k) Plan multiplied by the Participant's Plan Year Base Salary and Bonus that is not deferred under this Plan during the Plan Year and that exceeds the compensation limit in effect under Code section 401(a)(17) for such Plan Year;

provided, however, that: (x) no Restoration Match Credit shall be made for Base Salary or Bonus paid prior to the date the Participant became eligible to participate in the Target 401(k) Plan, (y) the credit under this Section 3.2.2 will not exceed the amount of Deferral Credits made by the Participant under Section 3.1 during the Plan Year, and (z) for a Participant described in Section 3.2.1(iii), such Restoration Match Credit shall be determined as soon as practicable following the date of the Participant's death.

3.2.3 Crediting to Account. For Plan Years beginning prior to January 1, 2017, the Plan Administrator shall credit to a Participant's Account as of the last business day of the Plan Year the amount of the Restoration Match Credit determined for the Plan Year for that Participant under Section 3.2.2. Effective for Plan Years beginning on or after January 1, 2017, the Plan Administrator shall credit to a Participant's Account the amount of the Restoration Match Credit determined for the Plan Year for that Participant under Section 3.2.2 as of the date determined as follows:

(a) for a Participant described in Section 3.2.1(iii), as soon as practicable following the date of the Participant's death; or

(b) for all other Participants, the last business day of the Plan Year.

3.2.4 Credit Upon Change-in-Control. Upon a Change-in-Control that causes the Plan to be terminated under Section 8.3.2, the Plan Administrator shall credit to a Participant's Account as of the date of the Plan termination a Restoration Match Credit determined for the Plan Year for that Participant under Section 3.2.2 through such date. Any subsequent determination of the Restoration Match Credit during the same Plan Year will be made under Section 3.2.2, less any amounts previously credited under this Section 3.2.4.

3.3 SPP Benefit Transfer Credits.

3.3.1 Eligibility. A Participant who satisfies the eligibility requirements of Section 2.1 shall receive an SPP Benefit Transfer Credit under this Plan if he or she: (i) is classified as an Officer of the Company; and (ii) has a vested benefit under the Target Pension Plan, including a vested interest arising on account of the Participant's death.

3.3.2 Initial SPP Benefit Transfer Credit.

(a) A Participant who satisfies the requirements of Section 3.3.1 receives an initial SPP Benefit Transfer Credit on or about the April 30 (or immediately preceding business day) immediately following the calendar year in which the Participant becomes eligible under Section 3.3.1, in an amount equal to the actuarial lump sum present value on March 31 (or immediately preceding business day) for the Participant's SPP Benefit accrued through the preceding December 31. In the case of Participant who is an Executive officer, such transfer will be made and determined on or about the last business day prior to the end of the Company's Fiscal Year.

(b) Upon a Plan termination on account of a Change-in-Control under Section 8.3.2, the Plan Administrator shall credit the initial SPP Benefit Transfer Credit to a Participant's Account as of the Plan termination effective date in an amount equal to the actuarial lump sum present value on the Plan termination effective date.

3.3.3 Annual SPP Benefit Transfer Credit. A Participant who has received an initial SPP Benefit Transfer Credit under the Plan, who is eligible to receive credits pursuant to Section 3.3.1, and who is employed by a Participating Employer during a Plan Year will receive an annual SPP Benefit Transfer Credit to his or her Account under the Plan as follows:

(a) For each Plan Year, the annual SPP Benefit Transfer Credit will be the difference between (i) the SPP Benefit determined as the last day of the Plan Year expressed as the actuarial lump sum present value on the determination date and (ii) the aggregate amount of the previous SPP Benefit Transfer Credits to the Participant's Account increased by assumed earnings at an annual rate equal to the sum of the average of the applicable Stable Value Crediting Rate Alternative for the Plan Year plus two percent (2%) determined from the crediting date through the earlier of June 5, 2012 or the determination date and after June 5, 2012 at an annual rate equal to the sum of the average of the applicable Intermediate-Term Bond Crediting Rate Alternative for the Plan Year plus two percent (2%) from the later of June 5 or the crediting date through the determination date; provided that with respect to periods that a Participant does not receive the Enhancement on their Account, the annual rate will be equal to the average of the applicable Stable Value

Crediting Rate Alternative, through June 5, 2012, or the Intermediate-Term Bond Crediting Rate Alternative, after June 5, 2012, as applicable.

(b) If the amount of the annual or final SPP Benefit Transfer Credit is positive, a credit will be made to the Participant's Account. If the amount of the SPP Benefit Transfer Credit is negative and (i) the Participant is an executive Officer on the determination date, or (ii) the Participant is an Employee and member of the Board, but was formerly an executive Officer, then the Plan Administrator, in its sole discretion, may cause such Participant's Account to be debited by such negative amount. The debit will be made pro rata among all distribution options of the Plan other than fixed payment dates.

(c) The annual SPP Benefit Transfer Credit (including a negative credit) will be made to the Participant's Account as of the April 30 (or immediately preceding business day) following the determination date. In the case of a Participant who is an executive Officer, the Plan Administrator, in its sole discretion, may cause such transfer will be made and determined on or about the last business day prior to the end of the Company's Fiscal Year.

(d) For purposes of this section, "determination date" means on or about March 31; provided that in the case of a Participant who is an executive Officer, the Plan Administrator, in its sole discretion, may cause the "determination date" to be on or about the last business day prior to the end of the Company's Fiscal Year.

(e) Upon a Plan termination on account of a Change-in-Control under Section 8.3.2, the Plan Administrator shall credit to a Participant's Account as of the Plan termination effective date an SPP Benefit Transfer Credit as determined in this Section 3.3.3 as of the Plan termination effective date.

(f) Notwithstanding the foregoing, a Participant's final SPP Benefit Transfer Credit will be determined within 60 days following his or her Termination of Employment as defined under Section 1.2.44(a).

(g) Notwithstanding the foregoing, determination of the amount of a Participant's SPP Benefit Transfer Credit under Paragraph (b) is subject to the calculation of the Participant's SPP III benefit, if any, under Section A-4.3 of Appendix A.

3.3.4 Forfeiture. A Participant's SPP Benefit Transfer Credits under this Section 3.3 and corresponding earnings adjustments under Section 4 are subject to forfeiture at the time and in the amount provided under Sections 3.3.3(b) and 5.4 and Section A-5 of Appendix A.

3.4 ESBP Benefit Transfer Credits.

3.4.1 Eligibility. A Participant who satisfies Section 2.1, who has received an initial ESBP Benefit Transfer Credit under the Plan, who is employed by a Participating Employer during the a Plan Year, and who has provided advance written notice of his retirement/termination date prior to January 11, 2006 will receive an annual ESBP Benefit Transfer Credit to his Account under the Plan.

(a) For each Plan Year, the annual ESBP Benefit Transfer Credit will be the difference between (i) the ESBP Benefit determined as of the last day of the Plan Year as expressed as the actuarial lump sum present value on the determination date, and (ii) the aggregate amount of the previous ESBP Benefit Transfer Credits to the Participant's Account increased by earnings at an annual rate equal to the sum of the average of the applicable Stable Value Crediting Rate Alternatives plus two percent (2%), from the crediting dates through the earlier of June 5, 2012 or the determination date and after June 5, 2012 at an annual rate equal to the sum of the average of the applicable Intermediate-Term Bond Crediting Rate Alternative for the Plan Year plus two percent (2%) from the later of June 5 or the crediting date through the determination date.

(b) The credit to the Participant's Account will be made as of the April 30 (or immediately preceding business day) following the determination date.

(c) For purposes of this section, "determination date" means on or about March 30.

(d) Upon a Change-in-Control, the Plan Administrator shall credit to a Participant's Account as of the date of the Change-in-Control an ESBP Benefit Transfer Credit as determined in this Section 3.4. as of the date of the Change-in-Control.

(e) Notwithstanding the foregoing, a final annual ESBP Benefit Transfer Credit will be made to the Participant's Account 60 days following a Participant's Termination of Employment as defined under Section 1.2.44(a).

3.4.2 Forfeiture. A Participant who has a Termination of Employment as defined under Section 1.2.44(a) prior to the attainment of age 55 and completion of 5 Years of Service will forfeit his or her ESBP Benefit Transfer Credits, and an amount of Earnings Credits and Enhancement equal to the investment adjustments that would have been credited on the ESBP Benefit Transfer Credits at the Stable Value Crediting Rate Alternative plus an annual rate of two percent (2%) through the earlier of June 5, 2012 or his or her Termination of Employment and for periods after June 5, 2012, at the Intermediate-Term Bond Crediting Rate Alternative plus an annual rate of two percent (2%). The amount to be forfeited will be made prorata among all distribution options of the Plan.

3.5 Discretionary Credits. The Company in its sole and absolute discretion may determine in writing for each Participant an amount that shall be credited the Participant's Account as a Discretionary Credit. Any Discretionary Credit to an executive Officer will require the approval of the Compensation Committee of the Board. The Plan Administrator shall credit to a Participant's Account the amount of a Participating Employer's Discretionary Credit, if any, determined for that Participant under this Section. Such amount shall be credited as nearly as practicable as of the time or times fixed by the Participating Employer when awarding such credit. Any special provisions relating to Discretionary Credits made on behalf of a Participating Employer's Employees will be set forth on an exhibit to the Plan Statement.

SECTION 4
ADJUSTMENTS OF ACCOUNTS

4.1 Establishment of Accounts. There shall be established for each Participant an Account which shall be adjusted as provided under Section 4.

4.2 Adjustments of Accounts. On each Valuation Date, the Plan Administrator shall cause the value of the Account (or subaccount) to be increased (or decreased) for distributions, withdrawals, credits, debits and investment income, gains or losses charged to the Account.

4.3 Investment Adjustment. The investment income, gains and losses shall be determined for the Accounts in accordance with the following:

4.3.1 Participant Elections. In accordance with Plan Rules and procedures established by the Plan Administrator, each Participant shall prospectively elect, as part of the initial enrollment process, and from time to time thereafter, one or more Crediting Rate Alternatives that shall be used to measure income, gains and losses until the next Valuation Date.

4.3.2 Default Rate. If a Participant fails to designate one or more Crediting Rate Alternatives to be used to measure income, gains and losses with respect to amounts credited to his or her Account, such amounts will be deemed to be invested in a default Crediting Rate Alternative designated by the Plan Administrator in accordance with Plan Rules.

4.3.3 Crediting. As of each Valuation Date, each Participant’s Account shall be adjusted for income, gains and losses as if the Account had in fact been invested in the Crediting Rate Alternative(s) so selected.

4.3.4 Responsibility for Investing Adjustments. The Plan Administrator will not be responsible in any manner to any Participant, Beneficiary or other person for any damages, losses or liabilities, costs or expenses of any kind arising in connection with any designation or elimination of a Crediting Rate Alternative or a Participant’s election of a Crediting Rate Alternative.

4.3.5 Company Stock Fund Crediting Rate Alternative. Notwithstanding anything in Section 4 or Plan Rules to the contrary, the use of the Company Stock Fund as a Crediting Rate Alternative is subject to the following:

(a) For Participants who experience a Termination of Employment on or after July 1, 2017, the Company Stock Fund will be an available Crediting Rate Alternative until the first business day that is coincident with or next following the end of the 180-day period beginning on the date of the Participant's Termination of Employment.

(b) For Participants who experience a Termination of Employment after May 1, 2017 but prior to July 1, 2017, the Company Stock Fund will be an available Crediting Rate Alternative until the end of the 180-day period beginning on the earlier of (i) July 1, 2017, and (ii) the date the Plan Administrator provides notice to the Participant of the limitation on use of the Company Stock Fund as a Crediting Rate Alternative following a Participant's Termination of Employment.

(c) For Participants who experience a Termination of Employment on or before May 1, 2017, the Company Stock Fund will be an available Crediting Rate Alternative until November 20, 2017.

(d) Effective as of the end of the period described in Clause (a), (b) or (c), above, a Participant will be deemed to have designated the Money Market Option as the successor Crediting Rate Alternative for any amounts in the Participant's Account that otherwise remained allocated to the Company Stock Fund.

(e) Any terminated Participant who is reemployed and is a Participant under this Plan is entitled to use the Company Stock Fund as an available Crediting Rate Alternative under this Plan. A Participant who is rehired prior to the end of the period described in Clause (a), (b) or (c), above, will cease to be subject to the terms of Clause (d).

4.4 Enhancement.

4.4.1 Eligibility for Enhancement. Subject to Section 4.4.4, a Participant is eligible to receive the Enhancement for a Plan Year if he or she: (i) was actively employed and eligible to participate in this Plan on the last business day of the Plan Year; (ii) has experienced a Termination of Employment as defined under Section 1.2.44(a) during the Plan Year after attaining age 55 and completing five (5) “years of vesting service” as defined in the Target Pension Plan; (iii) has experienced a Termination of Employment as a result of death; or (iv) has become Disabled during such Plan Year.

4.4.2 Amount of Enhancement. The amount of the Enhancement to be credited for a Plan Year to the Account of a Participant who satisfies the requirements of Section 4.4.1 is first determined for each calendar month during which the Participant was employed for the entire month by multiplying the Enhancement by the balance of the Account as of the first day of such month, and then adding the monthly Enhancement amounts to determine the amount to be credited for the Plan Year.

4.4.3 Crediting to Account. For Plan Years beginning prior to January 1, 2017, the Plan Administrator shall credit to a Participant’s Account as of the last business day of each month the monthly Enhancement amount, and such Enhancement amount shall be credited according to the Crediting Rate Alternatives in effect for new Deferral Credits. Effective for Plan Years beginning on or after January 1, 2017, the Plan Administrator shall credit to a Participant’s Account the Enhancement amount determined for the Plan Year for that Participant under Section 4.4.2 as of the date determined as follows:

(a) as soon as practicable following the date of the Participant’s death; or

(b) for any Participant not described in Paragraph (a) above, the last business day of the Plan Year.

Such Enhancement amount shall be credited according to the Crediting Rate Alternatives in effect for new Deferral Credits.

4.4.4 Exception. The Plan Administrator, in its sole discretion, may determine that no Enhancement will be credited to the Participant’s Account for the Plan Year ending during the

Company's Fiscal Year in which the Participant becomes an executive Officer or during any of the Plan Years beginning after the date the Participant becomes an executive Officer; provided that the Plan Administrator, in its sole discretion, can cause the forfeiture of the Enhancement credited to a Participant's Account with respect to any months during the Plan Year ending during the Company's Fiscal Year in which a Participant initially becomes an executive Officer. Following the date on which the Participant ceases to be an executive Officer, the Plan Administrator, in its sole discretion, can cause the Account of any such Participant to be credited with an Enhancement in accordance with the rules of Section 4.4.2 for any remaining months in the Plan Year ending during Company's Fiscal Year in which the Participant ceased to be an executive Officer, and/or during any of the Plan Years beginning after the date the Participant ceased to be an executive Officer.

4.5 Account Adjustments Upon a Change-in-Control or Plan Termination.

4.5.1 In the event of a Plan termination following a Change-in-Control under Section 8.3.2 that causes a Trust to be established and funded pursuant to Section 7.3 where distribution of a Participant's Account may not be made from the Trust within 60 days of the event because of restrictions imposed by Code section 409A, then the Participant's Account as of the date of such event will no longer receive adjustments determined pursuant to Sections 4.3 and 4.4.

4.5.2 On and after the date of an event described in Section 4.5.1, the Account will have an investment adjustment determined at an annual rate equal to the sum of the 10-Year U.S. Treasury Note plus 2%. The 10-Year U.S. Treasury Note rate will be determined as of the date of the Plan termination under Section 8.3.2, or if no such rate is available on that date, the immediately preceding date such rate is available, and reset each calendar quarter as necessary.

SECTION 5
VESTING

5.1 Deferral Credits and Restoration Match Credits.

5.1.1 Deferral Credits. Deferral Credits (and related Earnings Credits) of each Participant shall be fully (100%) vested and nonforfeitable at all times, except as otherwise provided.

5.1.2 Restoration Match Credits Prior to 2017. Restoration Match Credits that are credited to a Participant's Account for Plan Years ending prior to January 1, 2017 (and related Earnings Credits) shall be fully (100%) vested and nonforfeitable at all times, except as otherwise provided.

5.1.3 Restoration Match Credits after 2016. Restoration Match Credits that are credited to a Participant's Account for Plan Years beginning on or after January 1, 2017 (and related Earnings Credits) will become fully vested and nonforfeitable upon the earliest occurrence of any of the following events while the Participant is still in the employment of a Participating Employer or other Affiliate: (i) the Participant's death; (ii) the last day of the calendar month in which a Participant attains age sixty-five (65) years; (iii) the determination that the Participant is Disabled; (iv) the occurrence of a Change-in-Control; (v) the Participant's completion of five (5) Years of Service; or (vi) such other date as provided in writing to a Participant from the Plan Administrator.

5.1.4 Forfeiture. Any forfeiture of the Restoration Match Credits will occur as soon as practicable after the Participant's Termination of Employment. Forfeiture of the Restoration Match Credits not vested under Section 5.1.3 is limited to the aggregate amount of the Restoration Match Credits credited with respect to such amounts determined without regard to Earnings Credits on such Restoration Match Credits.

5.2 Discretionary Credits. A Participant will be vested in any Discretionary Credits (and related Earnings Credits) as provided by the Plan Administrator when such amounts are credited to the Participant's Account.

5.3 Enhancement.

5.3.1 General Rule. Except as provided under Section 4.4.2, the Enhancement credited to a Participant's Account will become fully vested and nonforfeitable upon the earliest occurrence of any of the following events while the Participant is still in the employment of a Participating Employer or other Affiliate: (i) the Participant's death; (ii) the last day of the calendar month in which a Participant attains age sixty-five (65) years; (iii) the determination that the Participant is Disabled; (iv) the occurrence of a Change-in-Control; (v) the Participant's completion of five (5) Years of Service; or (vi) such other date as provided in writing to a Participant from the Plan Administrator.

5.3.2 Forfeiture. Any forfeiture of the Enhancement will occur as soon as practicable after the Participant's Termination of Employment. Forfeiture of the Enhancement that is not vested under Section 5.3.1 is limited to the aggregate amount of the Enhancement credited with respect to such amounts determined without regard to Earnings Credits on such Enhancement. The amount of the Enhancement to be forfeited will be debited prorata against the Participant's distribution options.

5.4 SPP Benefit Transfer Credit. A Participant has a forfeiture of the SPP Benefit to the extent there is a debit as provided in Section 3.3 or Appendix A. The forfeiture amount will be debited against a Participant's Account. The debit will be made prorata among all distribution options of the Plan.

5.5 ESBP Benefit Transfer Credit. A Participant has a forfeiture of the ESBP Benefit to the extent there is forfeiture as provided in Section 3.4.2. The forfeiture amount will be debited against a Participant's Account. The debit will be made prorata among all the Participant's distribution options under the Plan.

5.6 Failure to Cooperate; Misinformation or Failure to Disclose. A Participant's Account is subject to forfeiture as provided under Sections 2.6.1.

SECTION 6
DISTRIBUTION

6.1 Distribution Elections. Except as otherwise specifically provided in this Plan, a Participant may irrevocably elect for each Plan Year the form and time of distribution of the credits made to his or her Account for such Plan Year.

6.2 General Rule. A Participant's distribution election relating to Deferral Credits must be made prior to the date the Participant's deferral election becomes irrevocable. The election shall be made in the form and manner prescribed by Plan Rules. Distribution elections for Base Salary deferrals will also apply to Restoration Match Credits related to the same Plan Year. Earnings Credits and Enhancements will be distributed in the same form and time as in effect for the related Account credit. All Discretionary Credits will be distributed in the form of a single lump sum as of the time determined under Section 6.2.2(b).

6.2.1 Form of Distribution. The Participant may elect among the following forms of distribution.

(a) **Installments.** A series of annual installments made over either five (5) years or ten (10) years commencing at a time provided under Section 6.2.2(a) or (b). For purposes of Code section 409A, installment payments will be treated as a series of separate payments at all times.

(b) **Lump Sum.** A single lump sum payment.

6.2.2 Time of Payment. The Participant may elect among the distribution commencement times described in this section; provided that: (y) SPP Benefit Transfer Credits determined pursuant to Appendix A, Section A-4.3 will be distributed as provided in Section 6.2.5(b), and (z) SPP Benefit Transfer Credits, other than those pursuant to Appendix A, Section A-4.3, as well as unvested ESBP Benefit Transfer Credits may not be distributed on a fixed payment date as described in paragraph (c).

(a) **Termination of Employment.** Within 60 days following the Participant's Termination of Employment, other than on account of death.

(b) **One-Year Anniversary of Termination of Employment.** Within 60 days following the one-year anniversary of the Participant's Termination of Employment, other than on account of death.

(c) **Fixed Payment Date.** Within 60 days of January 1 of the calendar year elected by the Participant at the time of deferral. If a Participant has a Termination of Employment as defined in Section 1.2.44 prior to the fixed payment date, such amount shall be paid on the earlier of: (i) within 60 days following January 1 in the tenth year following the year of the Termination of Employment, or (ii) January 1 of the calendar year elected by the Participant at the time of deferral. The Plan Administrator will establish Plan Rules, procedures and limitations on establishing the number and times of the fixed payment dates available for Participants to elect.

(d) **Payouts in 2008 and 2009.** During 2007 and 2008, consistent with transition relief available under Code section 409A, and subject to Plan Rules:

(i) Participants had an opportunity to elect during 2007 to receive a distribution of all or a portion of their Account valued as of December 31, 2007 to be distributed in January 2008.

(ii) Participants had an opportunity to elect during 2007 to receive a distribution of all or a portion of their Bonus Deferral Credits for 2007 and Performance Share Awards in 2004, if any, to be credited under this Plan in 2008, to be distributed on the date such Bonus Deferral Credits or Performance Share Awards would otherwise have been credited to this Plan, or, with respect to such Performance Share Awards, such other date as specified in the election form.

(iii) Participants had an opportunity to elect during 2008 to receive a distribution of all or a portion of their Account valued as of December 31, 2008 to be distributed in January 2009.

(iv) Participants had an opportunity to elect during 2008 to receive a distribution of all or a portion of their Bonus Deferral Credits for 2008, if any, to be credited under this Plan in 2009, to be distributed on the date such Bonus Deferral Credits would otherwise have been credited to this Plan.

6.2.3 Installment Amounts. The amount of the annual installments shall be determined by dividing the amount of the vested portion of the Account as of the most recent Valuation Date preceding the date the installment is being paid by the number of remaining installment payments to be made (including the payment being determined).

6.2.4 Small Benefit. Subject to Section 6.3, in the event that the vested Account balance of a Participant who has died or experienced a Termination of Employment under the Plan is less than the applicable dollar amount under Code section 402(g)(1)(B) for that Plan Year as of the date on which the Plan Administrator makes such determinations, the Plan Administrator (on behalf of the Company) reserves the right to have the Participant's entire Account paid in the form of a single lump sum payment, provided the Plan Administrator's exercise of discretion (on behalf of the Company) complies with the requirements of Treas. Reg. Sec. 1.409A-3(j)(4)(v).

6.2.5 Default. If for any reason a Participant shall have failed to make a timely designation of the form or time of distribution with respect to credits for a Plan Year (including reasons entirely beyond the control of the Participant), except as provided in Section 6.2.6, the distribution shall be made as indicated below:

(a) In the case of SPP Benefit Transfer Credits, other than those pursuant to Appendix A, Section A-4.3 - a single lump sum within 60 days following the one-year anniversary of the Participant's Termination of Employment.

(b) In the case of SPP Benefit Transfer Credits pursuant to Appendix A, Section A-4.3:

(i) Twenty-four (24) monthly installment payments commencing within 60 days following the Participant's Termination of Employment;

(ii) Each monthly installment payment will be determined by dividing: (A) the amount of the vested portion of the Account attributable to Appendix A, Section A-4.3 and an amount of Earnings Credits equal to the investment adjustment that would have been credited on such SPP Benefit Transfer Credits at the Stable Value Crediting Rate Alternative through the most recent Valuation Date preceding the earlier of June 5, 2012 or date the installment is due, and after June 5, 2012, at the Intermediate-Term Bond Crediting Rate Alternative through the most recent Valuation Date preceding the date the installment is due, by (B) twenty-four (24), less the number of monthly installment payments that have previously been made from the Plan.

(c) In all other cases - a single lump sum payment within 60 days following the Participant's Termination of Employment.

6.2.6 Crediting of Amounts after Termination of Employment or Benefit Distribution. Notwithstanding any provision in this Plan Statement to the contrary other than Section 6.3:

(a) **Enhancement, Deferral and Restoration Match Credits.**

(i) **Lump Sum Distribution.** If Enhancement, Deferral or Restoration Match Credits are due after the complete distribution of the Participant's vested Account balance, or subaccount balance to which such Enhancement, Deferral or Restoration Match Credit relate, then such subsequent credits will be made to the Account and paid to the Participant in a single lump sum cash payment within 60 days of being credited to the Account.

(ii) **Installment Distribution.** If Enhancement, Deferral or Restoration Match Credits are due after a related installment distribution occurs, then such subsequent credits will be made to the Account and included in the Account balance to determine the amount of the remaining scheduled payments as applicable.

(b) **SPP or ESBP Benefit Transfer Credit.** The SPP Benefit Transfer Credit other than those pursuant to Appendix A, Section A-4.3 or ESBP Benefit Transfer Credit, as applicable, arising after a Participant's Termination of Employment pursuant to Sections 3.3.3(f) and 3.4.1(e) shall be distributed as follows:

(i) For amounts accruing prior to January 1, 2014, in a single lump sum within 60 days following the Termination of Employment; and

(ii) For amounts accruing on or after January 1, 2014,

(A) If the SPP Benefit Transfer Credit is due after the complete distribution of the Participant's vested Account balance, or subaccount balance to which such Credit relates, then such Credit will be made to the Account and paid to the Participant in a single lump sum payment within 60 days of being credited to the Account;

(B) If the SPP Benefit Transfer Credit is due after a related installment distribution occurs, then such subsequent Credit will be made to the Account and included in the Account balance to determine the amount of the remaining scheduled payments as applicable; and

(C) If the SPP Benefit Transfer Credit is due prior to the commencement of payment to which such credit relates, distribution shall be made at the time and in the manner elected by the Participant or pursuant to the Plan's rule, all as provided in Section 6.2.2.

6.2.7 Vesting in Benefits After the Distribution Date. No portion of a Participant's Account will be distributed prior to being vested. Subject to Section 6.3, if Participant is scheduled to receive a distribution of a portion of his or her Account that is not vested, such unvested amount will not be paid until subsequently vested, at which time it will be paid out in accordance with the respective distribution election.

6.2.8 No Spousal Rights. No spouse, former spouse, Beneficiary or other person shall have any right to participate in the Participant's designation of a form or time of payment.

6.3 Six-Month Suspension for Specified Employees. Notwithstanding any other provision in this Section 6 to the contrary, if a Participant is a Specified Employee at Termination of Employment, then any distributions arising on account of the Participant's Termination of Employment (other than on account of death) that are due shall be suspended and not be made until (6) months have elapsed since such Participant's Termination of Employment (or, if earlier, upon the date of the Participant's death). Any payments that were otherwise payable during the six-month suspension period referred to in the preceding sentence, will be paid within 60 days after the end of such six-month suspension period.

6.4 Distribution on Account of Death; Distribution Following Death. Upon the death of a Participant prior to Termination of Employment or other distribution trigger, the Participant's Account balance will be paid to the Participant's Beneficiary in a single lump sum as soon as practicable following the Participant's death, but in no event later than the last day of the calendar year immediately following the calendar year in which the Participant's death occurs. Upon the death of a Participant following Termination of Employment or other distribution trigger, distribution will continue in the same form and at the same time it was scheduled to be paid to the Participant, subject to Section 6.3, but will be paid in a single lump sum to the estate of the Beneficiary as soon as practicable following the Beneficiary's death.

6.5 Distribution on Account of Unforeseeable Emergency.

6.5.1 When Available. A Participant may receive a distribution from the vested portion of his or her Account (which shall be deemed to include the deferral that would have been made but for the cancellation under Section 6.5.3) if the Plan Administrator determines that such distribution is on account of an Unforeseeable Emergency and the conditions in Section 6.5.2 have been fulfilled. To receive such a distribution, the Participant must request a distribution by filing an application with the Plan Administrator and furnish such supporting documentation as the Plan Administrator may require. In the application, the Participant shall specify the basis for the distribution and the dollar amount to be distributed. If such request is approved by the Plan Administrator, distribution shall be made in a lump sum payment within 60 days following the approval by the Plan Administrator of the completed application.

6.5.2 Limitations. The amount that may be distributed with respect to a Participant's Unforeseeable Emergency shall not exceed the amounts necessary to satisfy the emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), and/or cancellation of deferrals pursuant to Section 6.5.3, provided the determination of such limitation is consistent with the requirements of Code section 409A(a)(2)(B)(ii).

6.5.3 Cancellation of Deferral Elections. As provided by Section 2.12, in the event of a distribution under Section 6.5.1 the Plan Administrator will cancel the Participant's deferral elections for the balance of the applicable Plan Year.

6.6 Designation of Beneficiaries.

6.6.1 Right to Designate or Revoke.

(a) Each Participant may designate one or more primary Beneficiaries or secondary Beneficiaries to receive all or a specified part of such Participant's vested Account in the event of such Participant's death. If fewer than all designated primary or secondary Beneficiaries predecease the Participant, then the amount of such predeceased Beneficiary's portion shall be allocated to the remaining primary or secondary Beneficiaries, as the case may be.

(b) The Participant may change or revoke any such designation from time to time without notice to or consent from any spouse, any person named as Beneficiary or any other person.

(c) No such designation, change or revocation shall be effective unless completed and filed with the Plan Administrator in accordance with Plan Rules during the Participant's lifetime.

6.6.2 Failure of Designation. If a Participant:

(a) fails to designate a Beneficiary,

(b) designates a Beneficiary and thereafter revokes such designation without naming another Beneficiary, or

(c) designates one or more Beneficiaries and all such Beneficiaries so designated fail to survive the Participant, such Participant's vested Account, shall be payable to the first class of the following classes of automatic Beneficiaries:

Participant’s surviving spouse
Representative of Participant’s estate

6.6.3 Disclaimers by Beneficiaries. A Beneficiary entitled to a distribution of all or a portion of a deceased Participant’s vested Account may disclaim an interest therein subject to the Plan Rules.

6.6.4 Special Rules. Unless the Participant has otherwise specified in the Participant’s Beneficiary designation, the following rules shall apply:

(a) If there is not sufficient evidence that a person designated as a Beneficiary was living at the time of the death of the Participant, it shall be deemed that the Beneficiary was not living at the time of the death of the Participant.

(b) The automatic Beneficiaries specified in Section 6.6.2 and the Beneficiaries designated by the Participant shall become fixed at the time of the Participant’s death (subject to Section 6.6.3) so that, if a Beneficiary survives the Participant but dies before the receipt of all payments due such Beneficiary hereunder, such remaining payments shall be payable to the representative of such Beneficiary’s estate.

(c) If the Participant designates as a Beneficiary the person who is the Participant’s spouse on the date of the designation, either by name or by relationship, or both, the dissolution, annulment or other legal termination of the marriage between the Participant and such person shall automatically revoke such designation. The foregoing shall not prevent the Participant from designating a former spouse as a beneficiary on a form that is both executed by the Participant and received by the Plan Administrator (i) after the date of the legal termination of the marriage between the Participant and such former spouse and (ii) during the Participant’s lifetime.

(d) A finalized marriage (other than a common law marriage) of a Participant subsequent to the date of filing of a Beneficiary designation shall revoke such designation unless the Participant’s new spouse had previously been designated as the Beneficiary.

(e) Any designation of a nonspouse Beneficiary by name that is accompanied by a description of relationship to the Participant shall be given effect without regard to whether the relationship to the Participant exists either then or at the Participant’s death.

(f) Any designation of a Beneficiary only by statement of relationship to the Participant shall be effective only to designate the person or persons standing in such relationship to the Participant at the Participant’s death.

6.7 Facility of Payment.

6.7.1 Legal Disability. In case of the legal disability, including minority, of an individual entitled to receive any payment under this Plan, payment shall be made, if the Plan Administrator shall be advised of the existence of such condition:

(a) to the duly appointed guardian, conservator or other legal representative of such individual, or

(b) to a person or institution entrusted with the care or maintenance of the incompetent or disable Participant or Beneficiary, provided such person or institution has satisfied the Plan Administrator that the payment will be used for the best interest and assist in the care of such individual, and provided further, that no prior claim for said payment has been made by a duly appointed guardian, conservator or other legal representative of such individual.

6.7.2 Discharge of Liability. Any payment made in accordance with the foregoing provisions of this Section 6.7 shall constitute a complete discharge of any liability or obligation of the Participating Employers under this Plan.

6.8 Tax Withholding. The Participating Employer (or any other person legally obligated to do so) shall withhold the amount of any federal, state or local income tax, payroll tax or other tax that the payer reasonably determines is required to be withheld under applicable law with respect to any amount payable under this Plan. All benefits otherwise due hereunder shall be reduced by the amount to be withheld.

6.9 Payments Upon Rehire. If a Participant who is receiving installment payments or due a deferred lump sum payment under this Plan is rehired, the payments will continue in accordance with the prior distribution elections.

6.10 Application for Distribution. A Participant may be required to make application to receive payment and to complete other forms and furnish other documentation required by the Plan Administrator. Distribution shall not be made to any Beneficiary until such Beneficiary shall have filed an application for benefits in a form acceptable to the Plan Administrator and such application shall have been approved by the Plan Administrator and the Plan Administrator has determined that the applicant is entitled to payment.

6.11 Acceleration of Distributions. The Plan Administrator in its sole discretion may exercise discretion on behalf of the Company to accelerate the distribution of any payment under this Plan to the extent allowed under Code section 409A.

6.12 Delay of Distributions. The Plan Administrator in its sole discretion may exercise discretion on behalf of the Company to delay the distribution of any payment under this Plan to the extent allowed under Code section 409A, including, but not limited to, as necessary to maximize the Company’s tax deductions as allowed pursuant to Code section 162(m) or to avoid violation of federal securities or other applicable law.

SECTION 7
SOURCE OF PAYMENTS; NATURE OF INTEREST

7.1 Source of Payments.

7.1.1 General Assets. Each Participating Employer will pay, from its general assets, the distribution of the Participant's Account under Section 6, and all costs, charges and expenses relating thereto.

7.1.2 Trust. Upon a Change-in-Control that causes the Plan to be terminated under Section 8.3.2, the trustee of the Trust will make distributions to Participants and Beneficiaries from the Trust in satisfaction of a Participating Employer's obligations to make distributions under this Plan in accordance with and subject to the terms of the Trust to the extent such payments are not otherwise made directly by the Participating Employer.

7.2 Unfunded Obligation. The obligation of the Participating Employers to make payments under this Plan constitutes only the unsecured (but legally enforceable) promise of the Participating Employers to make such payments. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, claims or interests in any specific property or assets of the Company or a Participating Employer, nor shall they be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company.

7.3 Establishment of Trust. The Participating Employers shall have no obligation to establish or maintain any fund, trust or account (other than a bookkeeping account or reserve) for the purpose of funding or paying the benefits promised under this Plan except as provided in the Trust. The Participating Employers may from time to time transfer to the Trust cash, or other marketable securities or other property acceptable to the trustee in accordance with the terms of the Trust. If the Participating Employers have deposited funds in the Trust, such funds shall remain the sole and exclusive property of the Participating Employer that deposited such funds.

7.4 Spendthrift Provision. Except as otherwise provided in this Section 7.4, no Participant or Beneficiary shall have any interest in any Account which can be transferred nor shall any Participant or Beneficiary have any power to anticipate, alienate, dispose of, pledge or encumber the same while in the possession or control of the Participating Employers. The Plan Administrator shall not recognize any such effort to convey any interest under this Plan. No benefit payable under this Plan shall be subject to attachment, garnishment, or execution following judgment or other legal process before actual payment to such person.

7.4.1 Right to Designate Beneficiary. The power to designate Beneficiaries to receive the Account of a Participant in the event of such Participant's death shall not permit or be construed to permit such power or right to be exercised by the Participant so as thereby to anticipate, pledge, mortgage or encumber such Participant's Account or any part thereof, and any attempt of a Participant so to exercise said power in violation of this provision shall be of no force and effect and shall be disregarded by the Participating Employers.

7.4.2 Plan Administrator's Right to Exercise Discretion. This Section 7.4 shall not prevent the Plan Administrator from exercising, in its discretion, any of the applicable powers and options granted to it under any applicable provision hereof.

7.5 Compensation Recovery (Recoupment). Notwithstanding any other provision of the Plan, a Participant who becomes subject to the Company's recoupment policy as adopted by the Compensation Committee of the Company's Board of Directors and amended from time to time ("Recoupment Policy") may have all or a portion of his or her benefit under this Plan forfeited and/or all or a portion of any distributions payable to the Participant or his or her Beneficiary recovered by the Company.

7.5.1 Any Deferral Credit and related Earnings Credits resulting from the deferral of Eligible Compensation that is subject to recovery under the Recoupment Policy may be forfeited and, in such event, a corresponding adjustment will be made to the Participant's Account balance.

7.5.2 If a Participant has commenced distributions and is subject to a claim for recovery under the Recoupment Policy, then the Company may, subject to any limitations under Code section 409A, retain all or any portion of the Participant's (or his or her Beneficiary's) taxable distribution, net of state, federal or foreign tax withholding, to satisfy such claim.

SECTION 8
ADOPTION, AMENDMENT AND TERMINATION

8.1 Adoption. With the prior approval of the Plan Administrator, an Affiliate may adopt the Plan and become a Participating Employer by furnishing to the Plan Administrator a certified copy of a resolution of its board of directors adopting this Plan.

8.2 Amendment.

8.2.1 General Rule. The Company, by action of its Board of Directors, or by action of a person so authorized by resolution of the Board of Directors and subject to any limitations or conditions in such authorization, may at any time amend the Plan, in whole or in part, for any reason, including but not limited to tax, accounting or insurance changes, a result of which may be to terminate the Plan for future deferrals provided, however, that no amendment shall be effective to decrease the benefits, nature or timing thereof payable under the Plan to any Participant with respect to deferrals made (and benefits thereafter accruing) prior to the date of such amendment. Written notice of any amendment shall be given each Participant then participating in the Plan.

8.2.2 Amendment to Benefit of Executive Officer. Any amendment to the benefit of an executive Officer under this Plan, to the extent approval of such amendment by the Board would be required by the Securities and Exchange Commission and its regulations or the rules of any applicable securities exchange, will require the approval of the Board.

8.2.3 No Oral Amendments. No modification of the terms of this Plan Statement shall be effective unless it is in writing. No oral representation concerning the interpretation or effect of this Plan Statement shall be effective to amend this Plan Statement.

8.3 Termination and Liquidation.

8.3.1 General Rule.

(a) To the extent necessary or reasonable to comply with any changes in law, the Board may at any time terminate and liquidate this Plan, provided such termination and liquidation satisfies the requirements of Code section 409A.

(b) To the extent that a Participant's benefit under the Plan will be immediately included in the income of the Participant, as determined by a court of competent jurisdiction or the Internal Revenue Service, to the extent permitted under Code section 409A, the Board may terminate and liquidate this Plan, in whole or in part, as it relates to the impacted Participant.

8.3.2 Plan Termination and Liquidation on Account of a Change-in-Control. Upon a Change-in-Control, the Plan will terminate and payment of all amounts under the Plan will be accelerated if and to the extent provided in this Section 8.3.2.

(a) The Plan will be terminated effective as of the first date on which there has occurred both (i) a Change-in-Control under Section 1.2.8, and (ii) a funding of the Trust on account of such Change-in-Control (referred to herein as the "Plan termination effective date") unless, prior to such Plan termination effective date, the Board affirmatively determines that the Plan will not be terminated as of such effective date. The Board will be deemed to have taken action to irrevocably terminate the Plan as of the Plan termination effective date by its failure to affirmatively determine that the Plan will not terminate as of such date.

(b) The determination by the Board under paragraph (a) constitutes a determination that such termination will satisfy the requirements of Code section 409A, including an agreement by the Company that it will take such additional action or refrain from taking such action as may be necessary to satisfy the requirements necessary to terminate and liquidate the Plan under paragraph (c) below.

(c) In the event the Board does not affirmatively determine not to terminate the Plan as provided in paragraph (a), such termination shall be subject to either (i) or (ii), as follows:

(i) If the Change-in-Control qualifies as a “change in control event” for purposes of Code section 409A, payment of all amounts under the Plan will be accelerated and made in a lump sum as soon a administratively practicable but not more than 90 days following the Plan termination effective date, provided the requirements of Treasury Regulation Section 1.409A-3(j)(4)(ix)(B) have been satisfied.

(ii) If the Change-in-Control does not qualify as a “change in control event” for purposes of Code section 409A, payment of all amounts under the Plan will be accelerated and made in a lump sum as soon as administratively practicable but not more than 60 days following the 12 month anniversary of the Plan termination effective date, provided the requirements of Treasury Regulation Section 1.409A-3(j)(4)(ix)(C) have been satisfied.

SECTION 9
CLAIM PROCEDURES

9.1 Claims Procedure. Until modified by the Plan Administrator, the claim and review procedures set forth in this Section shall be the mandatory claim and review procedures for the resolution of disputes and disposition of claims filed under this Plan. An application for a distribution or withdrawal shall be considered as a claim for the purposes of this Section.

9.1.1 Initial Claim. An individual may, subject to any applicable deadline, file with the Plan Administrator a written claim for benefits under this Plan in a form and manner prescribed by the Plan Administrator.

(a) If the claim is denied in whole or in part, the Plan Administrator shall notify the claimant of the adverse benefit determination within ninety (90) days after receipt of the claim.

(b) The ninety (90) day period for making the claim determination may be extended for ninety (90) days if the Plan Administrator determines that special circumstances require an extension of time for determination of the claim, provided that the Plan Administrator notifies the claimant, prior to the expiration of the initial ninety (90) day period, of the special circumstances requiring an extension and the date by which a claim determination is expected to be made.

9.1.2 Notice of Initial Adverse Determination. A notice of an adverse determination shall set forth in a manner calculated to be understood by the claimant.

(a) The specific reasons for the adverse determinations,

(b) references to the specific provisions of this Plan Statement (or other applicable Plan document) on which the adverse determination is based,

(c) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and

(d) a description of the claim and review procedures, including the time limits applicable to such procedure, and a statement of the claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination on review.

9.1.3 Request for Review. Within sixty (60) days after receipt of an initial adverse benefit determination notice, the claimant may file with the Plan Administrator a written request for a review of the adverse determination and may, in connection therewith submit written comments, documents, records and other information relating to the claim benefits. Any request for review of the initial adverse determination not filed within sixty (60) days after receipt of the initial adverse determination notice shall be untimely.

9.1.4 Claim on Review. If the claim, upon review, is denied in whole or in part, the Plan Administrator shall notify the claimant of the adverse benefit determination within sixty (60) days after receipt of such a request for review.

(a) The sixty (60) day period for deciding the claim on review may be extended for sixty (60) days if the Plan Administrator determines that special circumstances require an extension of time for determination of the claim, provided that the Plan Administrator notifies the claimant, prior to the expiration of the initial sixty (60) day period, of the special circumstances requiring an extension and the date by which a claim determination is expected to be made.

(b) In the event that the time period is extended due to a claimant's failure to submit information necessary to decide a claim on review, the claimant shall have sixty (60) days within which to provide the necessary information and the period for making the claim determination on review shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information or, if earlier, the expiration of sixty (60) days.

(c) The Plan Administrator's review of a denied claim shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

9.1.5 Notice of Adverse Determination for Claim on Review. A notice of an adverse determination for a claim on review shall set forth in a manner calculated to be understood by the claimant.

(a) the specific reasons for the denial,

(b) references to the specific provisions of this Plan Statement (or other applicable Plan document) on which the adverse determination is based,

(c) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits,

(d) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain information about such procedures, and

(e) a statement of the claimant's right to bring an action under ERISA section 502(a).

9.2 Rules and Regulations.

9.2.1 Adoption of Rules. Any rule not in conflict or at variance with the provisions hereof may be adopted by the Plan Administrator.

9.2.2 Specific Rules.

(a) No inquiry or question shall be deemed to be a claim or a request for a review of a denied claim unless made in accordance with the established claim procedures. The Plan Administrator may require that any claim for benefits and any request for a review of a denied claim be filed on forms to be furnished by the Plan Administrator upon request.

(b) All decisions on claims and on requests for a review of denied claims shall be made by the Plan Administrator unless delegated as provided for in the Plan, in which case references in this Section 9 to the Plan Administrator shall be treated as references to the Plan Administrator's delegate.

(c) Claimants may be represented by a lawyer or other representative at their own expense, but the Plan Administrator reserves the right to require the claimant to furnish written authorization and establish reasonable procedures for determining whether an individual has been authorized to act on behalf of a claimant. A claimant's representative shall be entitled to copies of all notices given to the claimant.

(d) The decision of the Plan Administrator on a claim and on a request for a review of a denied claim may be provided to the claimant in electronic form instead of in writing at the discretion of the Plan Administrator.

(e) In connection with the review of a denied claim, the claimant or the claimant's representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information necessary to make a benefit determination accompanies the filing.

(f) The time period within which a benefit determination will be made shall begin to run at the time a claim or request for review is filed in accordance with the claims procedures, without regard to whether all the information necessary to make a benefit determination accompanies the filing.

(g) The claims and review procedures shall be administered with appropriate safeguards to that benefit claim determinations are made in accordance with governing plan documents and, where appropriate, the plan provisions have been applied consistently with respect to similarly situated claimants.

(h) The Plan Administrator may, in its discretion, rely on any applicable statute of limitation or deadline as a basis for denial of any claim.

9.3 Limitations and Exhaustion.

9.3.1 Claims. No claim shall be considered under these administrative procedures unless it is filed with the Plan Administrator within two (2) years after the Participant knew (or reasonably should have known) of the general nature of the dispute giving rise to the claim. Every untimely claim shall be denied by the Plan Administrator without regard to the merits of the claim.

9.3.2 Lawsuits. No suit may be brought by or on behalf of any Participant or Beneficiary on any matter pertaining to this Plan unless the action is commenced in the proper forum within two (2) years from the earlier of:

(a) the date the Participant knew (or reasonably should have known) of the general nature of the dispute giving rise to the action, or

(b) the date the claim was denied.

9.3.3 Exhaustion of Remedies. These administrative procedures are the exclusive means for resolving any dispute arising under this Plan. As to such matters:

(a) no Participant or Beneficiary shall be permitted to litigate any such matter unless a timely claim has been filed under these administrative procedures and these administrative procedures have been exhausted, and

(b) determinations by the Plan Administrator (including determinations as to whether the claim was timely filed shall be afforded the maximum deference permitted by law.

9.3.4 Imputed Knowledge. For the purpose of applying the deadlines to file a claim or a legal action, knowledge of all facts that a Participant knew or reasonably should have known shall be imputed to every claimant who is or claims to be a Beneficiary of the Participant or otherwise claims to derive an entitlement by reference to the Participant for the purpose of applying the previously specified periods.

SECTION 10
PLAN ADMINISTRATION

10.1 Plan Administration

10.1.1 Administrator. The Company's Vice President, Pay & Benefits (or any successor thereto) is the "administrator" of the Plan for purposes of section 3(16)(A) of ERISA. Except as otherwise expressly provided herein, the Plan Administrator shall control and manage the operation and administration of this Plan and make all decisions and determinations.

10.1.2 Authority and Delegation. The Plan Administrator is authorized to:

(a) Appoint one or more individuals or entities and delegate such of his or her powers and duties as he or she deems desirable to any individual or entity, in which case every reference herein made to Plan Administrator shall be deemed to mean or include the individual or entity as to matters within their jurisdiction. Such individual may be an officer or other employee of a Participating Employer or Affiliate, provided that any delegation to an employee of a Participating Employer or Affiliate will automatically terminate when he or she ceases to be an employee. Any delegation may be rescinded at any time; and

(b) Select, employ and compensate from time to time such agents or consultants as the Plan Administrator may deem necessary or advisable in carrying out its duties and to rely on the advice and information provided by them.

10.1.3 Determination. The Plan Administrator shall make such determinations as may be required from time to time in the administration of this Plan. The Plan Administrator shall have the discretionary authority and responsibility to interpret and construe this Plan Statement and to determine all factual and legal questions under this Plan, including but not limited to the entitlement of Participants and Beneficiaries, and the amounts of their respective interests. Each decision of the Plan Administrator shall be final and binding upon all parties. Benefits under the Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them.

10.1.4 Reliance. The Plan Administrator may act and rely upon all information reported to it hereunder and need not inquire into the accuracy thereof, nor be charged with any notice to the contrary.

10.1.5 Rules and Regulations. Any rule, regulation, policy, practice or procedure not in conflict or at variance with the provisions hereof may be adopted by the Plan Administrator.

10.2 Conflict of Interest. If any individual to whom authority has been delegated or redelegated hereunder shall also be a Participant in this Plan, such Participant shall have no authority with respect to any matter specially affecting such Participant's individual interest hereunder or the interest of a person superior to him or her in the organization (as distinguished from the interests of all Participants and Beneficiaries or a broad class of Participants and Beneficiaries), all such authority being reserved exclusively to other individuals as the case may be, to the exclusion of such Participant, and such Participant shall act only in such Participant's individual capacity in connection with any such matter.

10.3 Service of Process. In the absence of any designation to the contrary by the Plan Administrator, the General Counsel of the Company is designated as the appropriate and exclusive agent for the receipt of service of process directed to this Plan in any legal proceeding, including arbitration, involving this Plan.

10.4 Choice of Law. Except to the extent that federal law is controlling, this Plan Statement will be construed and enforced in accordance with the laws of the State of Minnesota.

10.5 Responsibility for Delegate. No person shall be liable for an act or omission of another person with regard to a responsibility that has been allocated to or delegated to such other person pursuant to the terms of the Plan Statement or pursuant to procedures set forth in the Plan Statement.

10.6 Expenses. All expenses of administering the benefits due under this Plan shall be borne by the Participating Employers.

10.7 Errors in Computations. It is recognized that in the operation and administration of the Plan certain mathematical and accounting errors may be made or mistakes may arise by reason of factual errors in information supplied to the Plan Administrator or trustee. The Plan Administrator shall have power to cause such equitable adjustments to be made to correct for such errors as the Plan Administrator, in its sole discretion, considers appropriate. Such adjustments shall be final and binding on all persons.

10.8 Indemnification. In addition to any other applicable provisions for indemnification, the Participating Employers jointly and severally agree to indemnify and hold harmless, to the extent permitted by law, each director, officer and Employee of the Participating Employers against any and all liabilities, losses, costs or expenses (including legal fees) of whatsoever kind and nature which may be imposed on, incurred by or asserted against such person at any time by reason of such person's services as an administrator in connection with this Plan, but only if such person did not act dishonestly, or in bad faith, or in willful violation of the law or regulations under which such liability, loss, cost or expense arises.

10.9 Notice. Any notice required under this Plan Statement may be waived by the person entitled thereto.

SECTION 11
CONSTRUCTION

11.1 ERISA Status. This Plan was adopted and is maintained with the understanding that it is an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as provided in section 201(2), section 301(a)(3) and section 401(a)(1) of ERISA. This Plan shall be interpreted and administered accordingly.

11.2 IRC Status. This Plan is intended to be a nonqualified deferred compensation arrangement that will comply in form and operation with the requirements of Code section 409A and this Plan will be construed and administered in a manner that is consistent with and gives effect to such intention.

11.3 Rules of Document Construction. In the event any provision of this Plan Statement is held invalid, void or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan. The titles given to the various Sections of this Plan Statement are inserted for convenience of reference only and are not part of this Plan Statement, and they shall not be considered in determining the scope, purpose, meaning or intent of any provision hereof. The provisions of this Plan Statement shall be construed as a whole in such manner as to carry out the provisions thereof and shall not be construed separately without relation to the context.

11.4 References to Laws. Any reference in this Plan Statement to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation unless, under the circumstances, it would be inappropriate to do so.

11.5 Appendices. The Plan provisions that have application to a limited number of Participants or that otherwise do not apply equally to all Participants may be described in an appendix to this Plan Statement. In the event of a conflict between the terms of an appendix and the terms of the remainder of this Plan Statement, the appendix will control.

APPENDIX A

SPP Benefit

A-1 Purpose and Application. The purpose of this Appendix A to this Plan Statement is to establish the rules for determining the amount of the SPP Benefit Transfer Credit under this Plan.

A-2 Background.

A-2.1 Transfer Credits. The Company has adopted and maintained several nonqualified supplemental pension plans to provide retirement income to a select group of highly compensated and key management employees in excess of the retirement income that can be provided under the Target Pension Plan on account of limitations imposed by the Code. Effective April 30, 2002, the Company began converting the accrued supplemental pension benefits of certain participants to credits under this Plan as adjusted annually to reflect changes in such benefits.

A-2.2 Cash Balance Formula. Effective January 1, 2003, the Target Pension Plan was amended to add a cash balance pension plan formula (referred to as the "personal pension account"). Depending on the date participation commences or an election was made, a Participant who has a benefit under the Target Pension Plan may have his or her accrued benefit under such plan based solely on the final average pay formula (the "traditional formula"), solely on the personal pension account, or a combination of the traditional formula (frozen as of December 31, 2002) and the personal pension account.

A-3 Definitions.

A-3.1 SPP I "SPP I" means the Target Corporation SPP I.

A-3.2 SPP II "SPP II" means the Target Corporation SPP II.

A-3.3 SPP III "SPP III" means the Target Corporation SPP III.

A-4 SPP Benefit. Each Participant's SPP Benefit is equal to the sum of the benefits under Section A-4.1, Section A-4.2 and Section A-4.3.

A-4.1 Traditional Formula Benefit. A Participant's SPP Benefit is the excess, if any, of the monthly pension benefit under (a) over the monthly pension benefit under (b):

(a) The monthly pension benefit the Participant would be entitled to under the Target Pension Plan, based on the "traditional formula," if such formula were applied

(i) without regard to the maximum benefit limitation required by Code section 415;

(ii) without regard to the maximum compensation limitation under Code section 401(a)(17);

(iii) as if the definition of "certified earnings" under the Target Pension Plan for a plan year included compensation that would have been paid in the plan year in the absence of the Participant's election to defer payment of the compensation to a later date pursuant to the provisions of a deferred compensation plan;

(iv) without regard to the alternative benefit formula of Sections 4.6(a)(3) and 4.6(b)(2) of the Target Pension Plan.

(b) The monthly pension benefit the Participant is entitled to receive under the Target Pension Plan on account of the "traditional formula."

A-4.2 Personal Pension Account. A Participant's SPP Benefit includes the excess, if any, of the amount determined under (a) over the amount determined under (b):

(a) The amount that would have been credited each quarter (including both "pay credits" and "interest credits") to the Participant's "personal pension account" under the Target Pension Plan, if such account were applied:

(i) without regard to the maximum benefit limitations required by Code section 415;

(ii) without regard to the maximum compensation limitation under Code section 401(a)(17);

(iii) as if the definition of "certified earnings" under the Target Pension Plan for a calendar quarter included compensation that would have been paid during such calendar quarter in the absence of the Participant's election to defer payment of the compensation to a later date pursuant to the provisions of a deferred compensation plan;

(iv) as if a distribution had been made from such account equal to any SPP Benefit Transfer Credits made under Section 3.3.

(b) The amount of the credits actually made to the Participant's "personal pension account" under the Target Pension Plan.

A-4.3 SPP III. For a Participant who was participating in SPP III, the Participant's SPP Benefit includes the actuarial equivalent lump sum present value of the monthly pension benefit under (a) over the monthly pension benefit under (b):

(a) The monthly pension benefits determined under Section A-4.1(a) determined by treating the Participant as five (5) years older than his or her actual age solely for purposes of determining the early commencement factor (but in no case shall the Participant's age be deemed to be greater than age 65); provided, however, the early commencement factor shall be equal to the factor in effect under this Paragraph (a) on February 1, 2013, or, if greater, the Participant's actual early commencement factor under the Target Pension Plan.

(b) The monthly pension benefits determined under Section A-4.1(a).

A-4.4 Company Determination. The actuarial lump sum present value of a Participant's benefit determined under this Appendix A will be determined by the Company, in its sole and absolute discretion, by using such factors and assumptions as the Company considers appropriate in its sole and absolute discretion as of the date of distribution or transfer.

A-5 Forfeiture of SPP III Benefit.

A-5.1 Pre-Age 55 SPP III Forfeiture. A Participant who has a Termination of Employment prior to attaining age 55 will forfeit that portion of his or her SPP Benefit Transfer Credit and Earnings Credit determined under Section A-5.3.

A-5.2 ICP Eligibility SPP III Forfeiture. A Participant who becomes entitled to receive payments under an income continuation plan or policy of an Affiliate on account of his or her Termination of Employment after attaining age 55 will forfeit that portion of his or her SPP Benefit Transfer Credit and Earnings Credit determined under Section A-5.3.

A-5.3 Amount of SPP III Forfeiture. A Participant's forfeiture under Sections A-5.1 or A-5.2 is that portion of the SPP Benefit Transfer Credits attributable to his or her SPP Benefit determined under Section A-4.3 of Appendix A, and an amount of Earnings Credits equal to the investment adjustment that would have been credited on such SPP Benefit Transfer Credits at the Stable Value Crediting Rate Alternative through June 5, 2012 and for periods after June 5, 2012, at the Intermediate-Term Bond Crediting Rate Alternative.

Exhibit (10)S

Amended and Restated Target Corporation 2011 Long-Term Incentive Plan

EXECUTIVE

RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (the “Agreement”) is made in Minneapolis, Minnesota as of the date of grant (the “Grant Date”) set forth in the award letter (the “Award Letter”) by and between the Company and the person (the “Executive”) identified in the Award Letter. This award (the “Award”) of Restricted Stock Units (“RSUs”), provided to you as a Service Provider, is being issued under the Amended and Restated Target Corporation 2011 Long-Term Incentive Plan (the “Plan”), subject to the following terms and conditions. The intent of the Award is for the Executive to earn the Award, subject to minimum Company performance, for providing Service to the Company or a Subsidiary over the four years starting on the Grant Date and, except for the specific circumstances described in this Agreement, receive one-fourth (1/4) of the Shares issuable under the RSUs after each anniversary of the Grant Date.

1. Definitions. Except as otherwise provided in this Agreement, the defined terms used in this Agreement shall have the same meaning as in the Plan. The term “Committee” shall also include those persons to whom authority has been delegated under the Plan.

2. Grant of RSUs. Subject to the relevant terms of the Plan and this Agreement, as of the Grant Date, the Company has granted the Executive the number of RSUs set forth in the Award Letter.

3. Minimum Performance Condition. The Award is subject to a minimum performance condition established by the Committee for the Company’s fiscal year in which the Grant Date occurs (the “Performance Period”). Except as set forth in Section 6, as a condition to the receipt of any Shares in settlement of the Award, the Company’s earnings from continuing operations before interest expense and income taxes, excluding: (a) restructuring, exit or disposal costs under ASC 420 and ASC 712, (b) impairment charges under ASC 350 and ASC 360, and (c) benefit plan curtailment, settlement, amendment and termination gains and losses under ASC 715, must be greater than zero for the Performance Period (the “Minimum Performance Condition”). The Committee shall determine whether the Minimum Performance Condition is satisfied as soon as practicable after completion of the Performance Period, but in any event not later than November 30 of the calendar year in which the Performance Period ends (the date the Committee so determines, the “Determination Date”). Except as set forth in Section 6, the Award shall be cancelled and the Executive shall have no rights hereunder if either (i) the Determination Date does not occur or (ii) the Committee determines on the Determination Date that the Minimum Performance Condition has not been satisfied.

4. Vesting Schedule. (a) Subject to Section 4(b), one fourth (1/4) of the Shares issuable under the RSUs shall vest on the first anniversary of the Grant Date and on each succeeding anniversary of the Grant Date until all of the Shares have been issued (after the fourth anniversary of the Grant Date).

(b) Notwithstanding Section 4(a), the Shares issuable under the RSUs shall vest on the earlier of: (i) the date that the conditions for an Accelerated Vesting Event set forth in Section 5 are satisfied, in which case, all of the outstanding unvested RSUs shall become vested; or (ii) as specified in Section 6.

(c) Each date of vesting is referred to as a "Vesting Date". All vested RSUs shall be paid out as provided in Section 11, in accordance with and subject to any restrictions set forth in this Agreement, the Plan or any Release Agreement that the Executive may be required to enter pursuant to Sections 5 or 6. "Release Agreement" means an agreement containing a release of claims, a covenant not to engage in competitive employment, and/or other provisions deemed appropriate by the Committee in its sole discretion.

5. Accelerated Vesting Events. Upon the occurrence of one of the following events (each, an "Accelerated Vesting Event"), the outstanding unvested RSUs subject to this Agreement shall vest as provided below:

(a) Retirement. If the Retirement Conditions are satisfied any outstanding unvested RSUs shall vest in full (if the Minimum Performance Condition is satisfied) as of the later of (i) the Determination Date, or (ii) the date the last of the Retirement Conditions is satisfied, as applicable. The "Retirement Conditions" are: (i) the Executive attaining age 55 and completing at least 5 years of Service (which 5 years need not be continuous) on or prior to the Executive's voluntary termination of Service, (ii) the Company receiving a valid unrevoked Release Agreement from the Executive, and (iii) the Executive must have commenced discussions with the Company's Chief Executive Officer or most senior human resources executive regarding the Executive's consideration of termination at least six months prior to the Executive's voluntary termination of Service.

(b) Death. In the case of the Executive's death prior to the Executive's termination of Service, any outstanding unvested RSUs shall vest in full (if the Minimum Performance Condition is satisfied) as of the later of (i) the Determination Date, or (ii) the date of the Executive's death.

(c) Disability. In the case of the Executive's Disability prior to the Executive's termination of Service, any outstanding unvested RSUs shall vest in full (if the Minimum Performance Condition is satisfied) as of the later of (i) the Determination Date, or (ii) the date of the Executive's Disability.

6. Change in Control.

(a) If a Change in Control occurs prior to the Determination Date or after a Committee determination on the Determination Date that the Minimum Performance Condition has been satisfied, the Award will continue to be subject to the Vesting Schedule provided in Section 4 and the Minimum Performance Condition shall be deemed to be satisfied, except that if, after a Change in Control and prior to the fourth anniversary of the Grant Date:

(i) the Executive's Service terminates voluntarily by the Executive for Good Reason or involuntarily without Cause, and provided that the Company has received a valid unrevoked Release Agreement from the Executive, then a number of unvested RSUs will immediately vest such that the total number of RSUs that vest and are converted to Shares under this Award equals the total number of Shares subject to this Award multiplied by a fraction. The numerator of such fraction referred to in this Section 6(a)(i) shall be the number of months that have elapsed between the Grant Date and the date of termination of Service following the Change in Control, and the denominator shall be the number of months between the Grant Date and the fourth anniversary of the Grant Date. Notwithstanding the foregoing in this Section 6(a)(i), any outstanding unvested RSUs shall vest in full if, on or prior to the termination of Service under this Section 6(a)(i), the Executive satisfies the age and years of Service requirements of the "Retirement Conditions" in Section 5(a) and the Company has received a valid unrevoked Release Agreement from the Executive.

(ii) the Executive experiences an Accelerated Vesting Event described in Section 5, then any outstanding unvested RSUs subject to this Agreement shall vest in full as of the date specified for the applicable Accelerated Vesting Event in Section 5.

(b) If, prior to a Change in Control, the Committee has determined on the Determination Date that the Minimum Performance Condition has not been satisfied, then the Award shall be cancelled and the Executive shall have no rights hereunder.

7. Cause. Notwithstanding any other provisions of this Agreement to the contrary, if the Committee concludes, in its sole discretion, that the Executive's Service was terminated in whole or in part for Cause, all of the RSUs subject to the Award that have not previously been converted to Shares shall terminate immediately and the Executive shall have no rights hereunder.

8. Other Termination; Changes of Service. If the Executive's termination of Service occurs at any time prior to the fourth anniversary of the Grant Date for any reason not meeting the conditions specified in Sections 5 or 6, all of the outstanding unvested RSUs subject to the Award shall terminate effective as of the date of termination of Service and the Executive shall have no rights hereunder. Service shall not be deemed terminated in the case of (a) any approved leave of absence, or (b) transfers among the Company and any Subsidiaries in the same Service Provider capacity; however, a termination of Service shall occur if (i) the relationship the Executive had with the Company or a Subsidiary at the Grant Date terminates, even if the Executive continues in another Service Provider capacity with the Company or a Subsidiary, or (ii) the Executive experiences a "separation from service" within the meaning of Code Section 409A.

9. Dividend Equivalents. The Executive shall have the right to receive additional RSUs with a value equal to the regular cash dividend paid on one Share for each RSU held pursuant to this Agreement prior to the conversion of RSUs and issuance of Shares pursuant

to Section 10. The number of additional RSUs to be received as dividend equivalents for each RSU held shall be determined by dividing the cash dividend per share by the Fair Market Value of one Share on the dividend payment date; provided, however, that for purposes of avoiding the issuance of fractional RSUs, on each dividend payment date the additional RSUs issued as dividend equivalents shall be rounded up to the nearest whole number. All such additional RSUs received as dividend equivalents shall be subject to forfeiture in the same manner and to the same extent as the original RSUs granted hereby, and shall be converted into Shares on the basis and at the time set forth in Section 10 hereof.

10. Conversion of RSUs and Issuance of Shares.

(a) Timing. Vested RSUs shall be converted to Shares and shall be issued within 90 days following the earliest to occur of (i) each anniversary of the Grant Date, (ii) the Executive's "separation from service" as such term is defined for purposes of Code Section 409A, (iii) the Executive's death, or (iv) the Executive's Disability (as determined by the Committee in its sole discretion, provided such determination complies with the definition of disability under Code Section 409A). Notwithstanding the foregoing, if any of the events specified in subsections (ii), (iii), or (iv) of this Section 10(a) occur prior to the end of the Performance Period, then the vested RSUs shall be converted to Shares on a one-for-one basis and shall be issued within 90 days following completion of the Performance Period.

(b) Limitation for Specified Employees. If any Shares shall be issuable with respect to the RSUs as a result of the Executive's "separation from service" at such time as the Executive is a "specified employee" within the meaning of Code Section 409A, then no Shares shall be issued, except as permitted under Code Section 409A, prior to the first business day after the earlier of (i) the date that is six months after the Executive's "separation from service", or (ii) the Executive's death.

(c) Unvested RSUs. All of the RSUs subject to the Award that are unvested as of the time the vested RSUs are converted and Shares are issued under Section 10(a)(ii) shall terminate immediately and the Executive shall have no rights hereunder with respect to those unvested RSUs.

(d) Code Section 409A. The Committee in its sole discretion may accelerate or delay the distribution of any payment under this Agreement to the extent allowed or required under Code Section 409A. Payment of amounts under this Agreement are intended to comply with the requirements of Code Section 409A and this Agreement shall in all respects be administered and construed to give effect to such intent.

11. Taxes. The Executive acknowledges that (a) the ultimate liability for any and all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items") legally due by him or her is and remains the Executive's responsibility and may exceed the amount actually withheld by the Company and/or a Subsidiary to which the Executive is providing the ("Service Recipient") and (b) the Company and/or the Service Recipient or a former Service Recipient, as applicable, (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect

of the RSUs, including, but not limited to, the grant, vesting and/or conversion of the RSUs and issuance of Shares; (ii) do not commit and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Executive's liability for Tax-Related Items; (iii) may be required to withhold or account for Tax-Related Items in more than one jurisdiction if the Executive has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event; and (iv) may refuse to deliver the Shares to the Executive if he or she fails to comply with his or her obligations in connection with the Tax-Related Items as provided in this Section.

The Executive authorizes and consents to the Company and/or the Service Recipient, or their respective agents, satisfying all applicable Tax-Related Items which the Company reasonably determines are legally payable by him or her by withholding from the Shares that would otherwise be delivered to the Executive the highest number of whole Shares that the Company determines has a value less than or equal to the aggregate applicable Tax-Related Items. In lieu thereof, the Executive may elect at the time of conversion of the RSUs such other then-permitted method or combination of methods established by the Company and/or the Service Recipient to satisfy the Executive's Tax-Related Items.

12. Limitations on Transfer. The Award shall not be sold, assigned, transferred, exchanged or encumbered by the Executive other than pursuant to the terms of the Plan.

13. Recoupment Provision. In the event of a restatement of the Company's consolidated financial statements that is caused, in whole or in part, by the intentional misconduct of the Executive, the Company may take one or more of the following actions with respect to the Award, as determined by the Compensation Committee of the Board (the "Compensation Committee") in its sole discretion, and the Executive shall be bound by such determination:

(a) cancel all or a portion of the RSUs, whether vested or unvested, including any dividend equivalents related to the Award; and

(b) require repayment of all or any portion of the amounts realized or received by the Executive resulting from the conversion of RSUs to Shares or the sale of Shares related to the Award.

The term "restatement" shall mean the result of revising financial statements previously filed with the Securities and Exchange Commission to reflect the correction of an error. The term "intentional misconduct" shall be limited to conduct that the Compensation Committee determines indicates intent to mislead management, the Board, or the Company's shareholders, but shall not include good faith errors in judgment made by the Executive.

The Executive agrees that the Company may setoff any amounts it is entitled to recover under this Section against any amounts owed by the Company to the Executive under any of the Company's deferred compensation plans to the extent permitted under Code Section 409A. The Executive further agrees that the terms of this Section shall survive the Executive's termination of Service and any conversion of the Award into Shares. This Section 13 shall not apply, and no amounts may be recovered hereunder, following a Change in Control.

14. No Employment Rights. Nothing in this Agreement, the Plan or the Award Letter shall confer upon the Executive any right to continued Service with the Company or any Subsidiary, as applicable, nor shall it interfere with or limit in any way any right of the Company or any Subsidiary, as applicable, to terminate the Executive's Service at any time with or without Cause or change the Executive's compensation, other benefits, job responsibilities or title provided in compliance with applicable local laws and permitted under the terms of the Executive's Service contract, if any.

(a) The Executive's rights to vest in the RSUs or receive Shares after termination of Service shall be determined pursuant to Sections 4 through 10. Those rights and the Executive's date of termination of Service will not be extended by any notice period mandated under local law (e.g., active service would not include a period of "garden leave" or similar notice period pursuant to local law).

(b) This Agreement, the Plan and the Award Letter are separate from, and shall not form, any part of the contract of Service of the Executive, or affect any of the rights and obligations arising from the Service relationship between the Executive and the Company and/or the Service Recipient.

(c) No Service Provider has a right to participate in the Plan. All decisions with respect to future grants, if any, shall be at the sole discretion of the Company and/or the Service Recipient.

(d) The Executive will have no claim or right of action in respect of any decision, omission or discretion which may operate to the disadvantage of the Executive.

15. Nature of Grant. In accepting the grant, the Executive acknowledges, understands, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement, and any such modification, amendment, suspension or termination will not constitute a constructive or wrongful dismissal;

(b) the RSUs are extraordinary items and are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or welfare or retirement benefits or similar payments;

(c) in no event should the RSUs be considered as compensation for, or relating in any way to, past services for the Company or the Service Recipient, nor are the RSUs or the underlying Shares intended to replace any pension rights or compensation;

(d) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(e) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Executive's participation in the Plan or the RSUs;

(f) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of the Executive's Service (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of the grant of the RSUs to which the Executive is otherwise not entitled, the Executive irrevocably (i) agrees never to institute any such claim against the Company or the Service Recipient, (ii) waives the Executive's ability, if any, to bring any such claim, and (iii) releases the Company and the Service Recipient from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Executive shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(g) the Executive is hereby advised to consult with personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the RSUs or the Plan.

16. Governing Law; Venue; Jurisdiction; Severability. To the extent that federal laws do not otherwise control, this Agreement, the Award Letter, the Plan and all determinations made and actions taken pursuant to the Plan shall be governed by the laws of the State of Minnesota without regard to its conflicts-of-law principles and shall be construed accordingly. The exclusive forum and venue for any legal action arising out of or related to this Agreement shall be the United States District Court for the District of Minnesota, and the parties submit to the personal jurisdiction of that court. If neither subject matter nor diversity jurisdiction exists in the United States District Court for the District of Minnesota, then the exclusive forum and venue for any such action shall be the courts of the State of Minnesota located in Hennepin County, and the Executive, as a condition of this Agreement, consents to the personal jurisdiction of that court. If any provision of this Agreement, the Award Letter or the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Agreement, the Award Letter or the Plan, and the Agreement, the Award Letter and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

17. Currencies and Dates. Unless otherwise stated, all dollars specified in this Agreement and the Award Letter shall be in U.S. dollars and all dates specified in this Agreement shall be U.S. dates.

18. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Executive's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. Plan and Award Letter Incorporated by Reference; Electronic Delivery. The Plan, as hereafter amended from time to time, and the Award Letter shall be deemed to be incorporated into this Agreement and are integral parts hereof. In the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern. The Company or a third party designated by the Company may deliver to the Executive by electronic means any documents related to his or her participation in the Plan. The Executive acknowledges receipt of a copy of the Plan and the Award Letter.

[End of Agreement]

Exhibit (10)U

TARGET

Amended and Restated Target Corporation 2011 Long-Term Incentive Plan

EXECUTIVE

PERFORMANCE SHARE UNIT AGREEMENT

THIS PERFORMANCE SHARE UNIT AGREEMENT (the “Agreement”) is made in Minneapolis, Minnesota as of the date of grant (the “Grant Date”) set forth in the award letter (the “Award Letter”) by and between the Company and the person (the “Executive”) identified in the Award Letter. This award (the “Award”) of Performance Share Units (“PSUs”), provided to you as a Service Provider, is being issued under the Amended and Restated Target Corporation 2011 Long-Term Incentive Plan (the “Plan”), subject to the following terms and conditions.

1. Definitions. Except as otherwise provided in this Agreement, the defined terms used in this Agreement shall have the same meaning as in the Plan. The term “Committee” shall also include those persons to whom authority has been delegated under the Plan.

2. Grant of PSUs. Subject to the relevant terms of the Plan and this Agreement, as of the Grant Date, the Company has granted the Executive the number of PSUs set forth in the Award Letter (the “Goal Payout”). The maximum number of Shares that may be earned is equal to 175% of the Goal Payout (the “Maximum Payout”). The number of Shares actually earned, if any, shall depend on the Company’s performance during the period comprised of the Company’s three consecutive fiscal years beginning with the first full fiscal year commencing after the Grant Date (the “Performance Period”).

3 . Minimum Performance Condition. Except as set forth in Section 6, as a condition to the receipt of any Shares in settlement of the Award, the Company’s earnings from continuing operations before interest expense and income taxes, excluding: (a) restructuring, exit or disposal costs under ASC 420 and ASC 712, (b) impairment charges under ASC 350 and ASC 360, and (c) benefit plan curtailment, settlement, amendment and termination gains and losses under ASC 715, must be greater than zero for the first full fiscal year of the Performance Period (the “Minimum Performance Condition”). The Committee shall determine whether the Minimum Performance Condition is satisfied as soon as practicable after completion of the first full fiscal year of the Performance Period (the “Determination Date”).

4. Payout Formula. Except as set forth in Section 6, if the Minimum Performance Condition is satisfied, the actual number of Shares earned will be determined by the Committee pursuant to a formula established by the Committee to measure the Company’s performance during the Performance Period (the “Payout Formula”). The determination of the actual number of Shares earned, which shall not exceed the Maximum Payout, shall occur as soon as practicable after completion of the Performance Period, but in any event not later than

November 30 of the calendar year in which the Performance Period ends (the date the Committee so determines, the "Final Determination Date"). A description of the Payout Formula and the percentage of Shares to be earned, if any, for the various levels of performance will be communicated to the Executive. All decisions of the Committee regarding the application of the Payout Formula and the number of Shares earned shall be final and binding on the Executive. Except as set forth in Section 6, the Award shall be cancelled and the Executive shall have no rights hereunder if any of the following occur: (a) the Committee determines on the Determination Date that the Minimum Performance Condition has not been satisfied, (b) the Final Determination Date does not occur, or (c) the Committee determines on the Final Determination Date that no Shares have been earned.

5. Continuous Service Requirement. In order to earn any Shares, the Executive must be continuously providing Service from the Grant Date to the end of the Performance Period, except as described in this Section and Section 6. Even if the Executive is not continuously providing Service through the end of the Performance Period, upon the occurrence of one of the events specified in Sections 5(a) through 5(d), the Shares that are earned during the Performance Period, if any, shall be paid out as provided in Section 10, in accordance with and subject to any restrictions set forth in this Agreement, the Plan or any Release Agreement that the Executive may be required to enter pursuant to this Section or Section 6. "Release Agreement" means an agreement containing a release of claims, a covenant not to engage in competitive employment, and/or other provisions deemed appropriate by the Committee in its sole discretion.

(a) Early Retirement Date. The Executive's Service terminates on or after the Executive's Early Retirement Date and the Company receives a valid unrevoked Release Agreement from the Executive. "Early Retirement Date" is the date that is (i) on or prior to the Executive's termination of Service, (ii) at or after attaining age 45 and prior to attaining age 55 and completing at least 15 years of Service (which 15 years need not be continuous), (iii) if the Executive's termination of Service is voluntary, at least six months after the Executive commenced discussions with the Company's Chief Executive Officer or most senior human resources executive regarding the Executive's consideration of termination, and (iv) the following additional requirements are satisfied, to the extent applicable: (A) if the Executive's Early Retirement Date occurs prior to the Executive's attainment of age 48, the Executive was providing Service for at least the first 24 months of the Performance Period, (B) if the Executive's Early Retirement Date occurs prior to the Executive's attainment of age 52 and on or after attainment of age 48, the Executive was providing Service for at least the first 18 months of the Performance Period, and (C) if the Executive's Early Retirement Date occurs prior to the Executive's attainment of age 55 and on or after attainment of age 52, the Executive was providing Service for at least the first 12 months of the Performance Period.

(b) Normal Retirement Date. The Executive's Service terminates on or after the Executive's Normal Retirement Date and the Company receives a valid unrevoked Release Agreement from the Executive. "Normal Retirement Date" is the date that is (i) on or prior to the Executive's termination of Service, (ii) at or after attaining age 55 and completing at least 5 years of Service (which 5 years need not be continuous), and (iii) if the Executive's termination of Service is voluntary, at least six months after the Executive commenced discussions with the

Company's Chief Executive Officer or most senior human resources executive regarding the Executive's consideration of termination.

(c) Death. The Executive's death prior to the Executive's termination of Service.

(d) Disability. The Executive's Disability (as determined by the Committee in its sole discretion, provided such determination complies with the definition of disability under Code Section 409A) prior to the Executive's termination of Service.

6. Change in Control.

(a) If a Change in Control occurs prior to the Determination Date or after a Committee determination on the Determination Date that the Minimum Performance Condition has been satisfied, the Award will continue to be subject to the Continuous Service Requirement provided in Section 5, the Minimum Performance Condition shall be deemed to be satisfied and, at the end of the Performance Period, the total number of Shares earned under the Payout Formula shall be deemed to be equal to the Goal Payout, except that if, after a Change in Control and prior to the end of the Performance Period:

(i) the Executive's Service terminates voluntarily by the Executive for Good Reason or involuntarily without Cause, and provided that the Company has received a valid unrevoked Release Agreement from the Executive, then the total number of Shares earned under the Payout Formula shall be deemed to be equal to the Goal Payout multiplied by a fraction. The numerator of such fraction shall be the number of months that have elapsed between the Grant Date and the date of termination of Service following the Change in Control, and the denominator shall be the number of months between the Grant Date and the end of the Performance Period. Notwithstanding the foregoing in this Section 6(a)(i), the total number of Shares earned under the Payout Formula shall be deemed to be equal to the Goal Payout if, on or prior to the termination of Service under this Section 6(a)(i), the Executive meets the requirements for age, years of Service and minimum Service during the Performance Period for an "Early Retirement Date" in Section 5(a) or a "Normal Retirement Date" in Section 5(b) and the Company has received a valid unrevoked Release Agreement from the Executive.

(ii) the Executive experiences one of the events specified in Sections 5(a) through 5(d), then the total number of Shares earned under the Payout Formula shall be deemed to be equal to the Goal Payout.

(b) If, prior to a Change in Control, the Committee has determined on the Determination Date that the Minimum Performance Condition has not been satisfied, then the Award shall be cancelled and the Executive shall have no rights hereunder.

7. Cause. Notwithstanding any other provisions of this Agreement to the contrary, if the Committee concludes, in its sole discretion, that the Executive's Service was terminated in whole or in part for Cause, all of the PSUs subject to the Award shall terminate immediately and the Executive shall have no rights hereunder.

8. Other Termination; Changes of Service. If the Executive's termination of Service occurs at any time prior to the end of the Performance Period for any reason not meeting the conditions specified in Sections 5 through 7, all of the PSUs subject to the Award shall terminate effective as of the date of termination of Service and the Executive shall have no rights hereunder. Service shall not be deemed terminated in the case of (a) any approved leave of absence, or (b) transfers among the Company and any Subsidiaries in the same Service Provider capacity; however, a termination of Service shall occur if (i) the relationship the Executive had with the Company or a Subsidiary at the Grant Date terminates, even if the Executive continues in another Service Provider capacity with the Company or a Subsidiary, or (ii) the Executive experiences a "separation from service" within the meaning of Code Section 409A.

9. Dividend Equivalents. The Executive shall have the right to receive additional PSUs with a value equal to the regular cash dividend paid on one Share for each PSU earned pursuant to this Agreement prior to the conversion of PSUs and issuance of Shares pursuant to Section 10. The dividend equivalents will be based on the actual number of PSUs earned pursuant to this Agreement. The number of additional PSUs to be received as dividend equivalents for each PSU held shall be determined by dividing the cash dividend per share by the Fair Market Value of one Share on the dividend payment date; provided, however, that for purposes of avoiding the issuance of fractional PSUs, on each dividend payment date the additional PSUs issued as dividend equivalents shall be rounded up to the nearest whole number. All such additional PSUs received as dividend equivalents shall be subject to forfeiture in the same manner and to the same extent as the original PSUs granted hereby, and shall be converted into Shares on the basis and at the time set forth in Section 10 hereof.

10. Time of Payout. Vested PSUs shall be converted to Shares in accordance with the Payout Formula and shall be issued as soon as practicable following the end of the Performance Period and after the Committee has determined on the Final Determination Date that they have been earned, but not later than 90 days following the Final Determination Date. The Committee in its sole discretion may accelerate or delay the distribution of any payment under this Agreement to the extent allowed or required under Code Section 409A. Payment of amounts under this Agreement are intended to comply with the requirements of Code Section 409A and this Agreement shall in all respects be administered and construed to give effect to such intent.

11. Taxes. The Executive acknowledges that (a) the ultimate liability for any and all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items") legally due by him or her is and remains the Executive's responsibility and may exceed the amount actually withheld by the Company and/or a Subsidiary to which the Executive is providing Service (the "Service Recipient") and (b) the Company and/or the Service Recipient or a former Service Recipient, as applicable, (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting and/or conversion of the PSUs and issuance of Shares; (ii) do not commit and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Executive's liability for Tax-Related Items; (iii) may be required to withhold or account for Tax-Related Items in

more than one jurisdiction if the Executive has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event; and (iv) may refuse to deliver the Shares to the Executive if he or she fails to comply with his or her obligations in connection with the Tax-Related Items as provided in this Section.

The Executive authorizes and consents to the Company and/or the Service Recipient, or their respective agents, satisfying all applicable Tax-Related Items which the Company reasonably determines are legally payable by him or her by withholding from the Shares that would otherwise be delivered to the Executive the highest number of whole Shares that the Company determines has a value less than or equal to the aggregate applicable Tax-Related Items. In lieu thereof, the Executive may elect at the time of conversion of the PSUs such other then-permitted method or combination of methods established by the Company and/or the Service Recipient to satisfy the Executive's Tax-Related Items.

12. Limitations on Transfer. The Award shall not be sold, assigned, transferred, exchanged or encumbered by the Executive other than pursuant to the terms of the Plan.

13. Recoupment Provision. In the event of a restatement of the Company's consolidated financial statements that is caused, in whole or in part, by the intentional misconduct of the Executive, the Company may take one or more of the following actions with respect to the Award, as determined by the Compensation Committee of the Board (the "Compensation Committee") in its sole discretion, and the Executive shall be bound by such determination:

(a) cancel all or a portion of the PSUs, whether earned or unearned, including any dividend equivalents related to the Award; and

(b) require repayment of all or any portion of the amounts realized or received by the Executive resulting from the conversion of PSUs to Shares or the sale of Shares related to the Award.

The term "restatement" shall mean the result of revising financial statements previously filed with the Securities and Exchange Commission to reflect the correction of an error. The term "intentional misconduct" shall be limited to conduct that the Compensation Committee determines indicates intent to mislead management, the Board, or the Company's shareholders, but shall not include good faith errors in judgment made by the Executive.

The Executive agrees that the Company may setoff any amounts it is entitled to recover under this Section against any amounts owed by the Company to the Executive under any of the Company's deferred compensation plans to the extent permitted under Code Section 409A. The Executive further agrees that the terms of this Section shall survive the Executive's termination of Service and any conversion of the Award into Shares. This Section 13 shall not apply, and no amounts may be recovered hereunder, following a Change in Control.

14. No Employment Rights. Nothing in this Agreement, the Plan or the Award Letter shall confer upon the Executive any right to continued Service with the Company or any Subsidiary, as applicable, nor shall it interfere with or limit in any way any right of the Company

or any Subsidiary, as applicable, to terminate the Executive's Service at any time with or without Cause or change the Executive's compensation, other benefits, job responsibilities or title provided in compliance with applicable local laws and permitted under the terms of the Executive's Service contract, if any.

(a) The Executive's rights to vest in the PSUs or receive Shares after termination of Service shall be determined pursuant to Sections 4 through 10. Those rights and the Executive's date of termination of Service will not be extended by any notice period mandated under local law (e.g., active service would not include a period of "garden leave" or similar notice period pursuant to local law).

(b) This Agreement, the Plan and the Award Letter are separate from, and shall not form, any part of the contract of Service of the Executive, or affect any of the rights and obligations arising from the Service relationship between the Executive and the Company and/or the Service Recipient.

(c) No Service Provider has a right to participate in the Plan. All decisions with respect to future grants, if any, shall be at the sole discretion of the Company and/or the Service Recipient.

(d) The Executive will have no claim or right of action in respect of any decision, omission or discretion which may operate to the disadvantage of the Executive.

15. Nature of Grant. In accepting the grant, the Executive acknowledges, understands, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement, and any such modification, amendment, suspension or termination will not constitute a constructive or wrongful dismissal;

(b) the PSUs are extraordinary items and are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or welfare or retirement benefits or similar payments;

(c) in no event should the PSUs be considered as compensation for, or relating in any way to, past services for the Company or the Service Recipient, nor are the PSUs or the underlying Shares intended to replace any pension rights or compensation;

(d) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(e) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Executive's participation in the Plan or the PSUs;

(f) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from termination of the Executive's Service (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of the grant of the PSUs to which the Executive is otherwise not entitled, the Executive irrevocably (i) agrees never to institute any such claim against the Company or the Service Recipient, (ii) waives the Executive's ability, if any, to bring any such claim, and (iii) releases the Company and the Service Recipient from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Executive shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(g) the Executive is hereby advised to consult with personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the PSUs or the Plan.

16. Governing Law; Venue; Jurisdiction; Severability. To the extent that federal laws do not otherwise control, this Agreement, the Award Letter, the Plan and all determinations made and actions taken pursuant to the Plan shall be governed by the laws of the State of Minnesota without regard to its conflicts-of-law principles and shall be construed accordingly. The exclusive forum and venue for any legal action arising out of or related to this Agreement shall be the United States District Court for the District of Minnesota, and the parties submit to the personal jurisdiction of that court. If neither subject matter nor diversity jurisdiction exists in the United States District Court for the District of Minnesota, then the exclusive forum and venue for any such action shall be the courts of the State of Minnesota located in Hennepin County, and the Executive, as a condition of this Agreement, consents to the personal jurisdiction of that court. If any provision of this Agreement, the Award Letter or the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Agreement, the Award Letter or the Plan, and the Agreement, the Award Letter and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

17. Currencies and Dates. Unless otherwise stated, all dollars specified in this Agreement and the Award Letter shall be in U.S. dollars and all dates specified in this Agreement shall be U.S. dates.

18. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Executive's participation in the Plan, on the PSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. Plan and Award Letter Incorporated by Reference; Electronic Delivery. The Plan, as hereafter amended from time to time, and the Award Letter shall be deemed to be

incorporated into this Agreement and are integral parts hereof. In the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern. The Company or a third party designated by the Company may deliver to the Executive by electronic means any documents related to his or her participation in the Plan. The Executive acknowledges receipt of a copy of the Plan and the Award Letter.

[End of Agreement]

Exhibit (12)

TARGET CORPORATION
Computations of Ratios of Earnings to Fixed Charges for each of the Five Years in the Period Ended January 28, 2017

Ratio of Earnings to Fixed Charges	Fiscal Year Ended				
(dollars in millions)	January 28, 2017	January 30, 2016	January 31, 2015	February 1, 2014	February 2, 2013
Earnings from continuing operations before income taxes	$3,965	$4,923	$3,653	$4,121	$5,056
Capitalized interest, net	20	16	(1)	(14)	(12)
Adjusted earnings from continuing operations before income taxes	3,985	4,939	3,652	4,107	5,044
Fixed charges:					
Interest expense [(a)]	591	616	619	641	721
Interest portion of rental expense	107	108	108	108	106
Total fixed charges	698	724	727	749	827
Earnings from continuing operations before income taxes and fixed charges	$4,683	$5,663	$4,379	$4,856	$5,871
Ratio of earnings to fixed charges	6.71	7.82	6.02	6.48	7.10

(a) Includes interest on debt and capital leases (including capitalized interest) and amortization of debt issuance costs. Excludes interest income, the loss on early retirement of debt and interest associated with uncertain tax positions, which is recorded within income tax expense.

Exhibit (21)

Target Corporation
(A Minnesota Corporation)

<u>List of Significant Subsidiaries</u>
(As of January 28, 2017)

Target Brands, Inc. (MN)
Target Capital Corporation (MN)
Target Enterprise, Inc. (MN)
Target General Merchandise, Inc. (MN)

Subsidiaries not included in the list are omitted because, considered in the aggregate as a single subsidiary, they do not constitute a significant subsidiary.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of Target Corporation of our reports dated March 8, 2017, with respect to the consolidated financial statements of Target Corporation and the effectiveness of internal control over financial reporting of Target Corporation, included in this Annual Report (Form 10-K) for the year ended January 28, 2017.

Registration Statement Form S-3 Nos. 333-208201 and 333-65347; Form S-8 Nos. 333-30311 pertaining to the Dayton Hudson Corporation Executive Deferred Compensation Plan, the Dayton Hudson Corporation Highly Compensated Capital Accumulation Plan, the Dayton Hudson Corporation SMG Executive Deferred Compensation Plan, and the Dayton Hudson Corporation Director Deferred Compensation Plan; 333-27435 pertaining to the Dayton Hudson Corporation Supplemental Retirement, Savings, and Employee Stock Ownership Plan; 333-86373 pertaining to the Dayton Hudson Corporation Long-Term Incentive Plan of 1999; 333-112260 and 333-75782 pertaining to the Dayton Hudson Corporation Highly Compensated Capital Accumulation Plan, Target Corporation Director Deferred Compensation Plan, Target Corporation Executive Deferred Compensation Plan, and the Target Corporation SMG Executive Deferred Compensation Plan; 333-116096 pertaining to the Target Corporation Long-Term Incentive Plan; 333-131082 pertaining to the Target Corporation Director Deferred Compensation Plan, Target Corporation Executive Deferred Compensation Plan, and the Target Corporation SMG Executive Deferred Compensation Plan; 33-66050 pertaining to the Dayton Hudson Corporation 401(k) Plan; 333-103920, 333-131083, and 333-153250 pertaining to the Target Corporation 401(k) Plan, 333-174921 pertaining to the Target Corporation 2011 Long-Term Incentive Plan, 333-196026 pertaining to the Target Corporation Ventures 401(k) Plan, and 333-205027 pertaining to the Amended and Restated Target Corporation 2011 Long-Term Incentive Plan.

Ernst + Young LLP

Minneapolis, Minnesota
March 8, 2017

Exhibit (24)

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the “Corporation”), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned’s name, place and stead, to sign and affix the undersigned’s name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the “1934 Act”), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation’s 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the “SEC”), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the “1933 Act”), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 9th day of January, 2017.

/s/ Roxanne S. Austin

Roxanne S. Austin

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 10th day of January, 2017.

/s/ Douglas M. Baker, Jr.

Douglas M. Baker, Jr.

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 25th day of January, 2017.

/s/ Brian C. Cornell

Brian C. Cornell

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 13th day of January, 2017.

/s/ Calvin Darden

Calvin Darden

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 12th day of January, 2017.

/s/ Henrique De Castro

Henrique De Castro

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the “Corporation”), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned’s name, place and stead, to sign and affix the undersigned’s name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the “1934 Act”), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation’s 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the “SEC”), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the “1933 Act”), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 30th day of January, 2017.

/s/ Robert L. Edwards

Robert L. Edwards

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 19th day of January, 2017.

/s/ Melanie L. Healey

Melanie L. Healey

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 11th day of January, 2017.

/s/ Donald R. Knauss

Donald R. Knauss

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the “Corporation”), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned’s name, place and stead, to sign and affix the undersigned’s name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the “1934 Act”), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation’s 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the “SEC”), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the “1933 Act”), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 15th day of January, 2017.

/s/ Monica C. Lozano

Monica C. Lozano

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 13th day of January, 2017.

/s/ Mary E. Minnick
Mary E. Minnick

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 10th day of January, 2017.

/s/ Anne M. Mulcahy

Anne M. Mulcahy

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the “Corporation”), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned’s name, place and stead, to sign and affix the undersigned’s name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the “1934 Act”), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation’s 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the “SEC”), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the “1933 Act”), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 17th day of January, 2017.

/s/ Derica W. Rice

Derica W. Rice

TARGET CORPORATION

Power of Attorney
of Director and/or Officer

The undersigned director and/or officer of TARGET CORPORATION, a Minnesota corporation (the "Corporation"), does hereby make, constitute and appoint BRIAN C. CORNELL, CATHY R. SMITH, DON H. LIU, DAVID L. DONLIN and ANDREW J. NEUHARTH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as director and/or officer of the Corporation to (1) a Form 10-K, Annual Report, or other applicable form, pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), including any and all exhibits, schedules, supplements, certifications and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Corporation's 401(k) Plan and similar plans pursuant to the 1934 Act, and all amendments, supplementations and corrections thereto, to be filed by the Corporation with the Securities and Exchange Commission (the "SEC"), as required in connection with its registration under the 1934 Act; (2) one or more Forms 3, 4, or 5 pursuant to the 1934 Act, or Forms 144 pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and all related documents, amendments, supplementations and corrections thereto; and (3) one or more Registration Statements, on Form S-3, Form S-8, or other applicable forms, and all amendments, including post-effective amendments thereto, to be filed by the Corporation with the SEC in connection with the registration under the 1933 Act, as amended, of debt, equity and other securities of the Corporation, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

The undersigned also grants to said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted. This Power of Attorney shall remain in effect until revoked in writing by the undersigned.

The undersigned has executed this Power of Attorney as of this 13th day of January, 2017.

/s/ Kenneth L. Salazar

Kenneth L. Salazar

Exhibit (31)A

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certifications

I, Brian C. Cornell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Target Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2017

/s/ Brian C. Cornell
Brian C. Cornell
Chairman and Chief Executive Officer

Exhibit (31)B

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certifications

I, Cathy R. Smith, certify that:

1. I have reviewed this Annual Report on Form 10-K of Target Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2017

/s/ Cathy R. Smith
Cathy R. Smith
Executive Vice President and Chief Financial Officer

Exhibit (32)A

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
AS ADOPTED PURSUANT TO 18 U.S.C. SECTION 1350
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Target Corporation, a Minnesota corporation ("the Company"), for the year ended January 28, 2017, as filed with the Securities and Exchange Commission on the date hereof ("the Report"), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 8, 2017

/s/ Brian C. Cornell
Brian C. Cornell
Chairman and Chief Executive Officer

Exhibit (32)B

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
AS ADOPTED PURSUANT TO 18 U.S.C. SECTION 1350
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Target Corporation, a Minnesota corporation ("the Company"), for the year ended January 28, 2017, as filed with the Securities and Exchange Commission on the date hereof ("the Report"), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to her knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 8, 2017

/s/ Cathy R. Smith
Cathy R. Smith
Executive Vice President and Chief Financial Officer