

TARGET CORP  
Form 8-K  
November 15, 2005

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **November 9, 2005**

**Target Corporation**

(Exact name of registrant as specified in its charter)

**Minnesota**  
(State or other jurisdiction of incorporation)

**1-6049**  
(Commission File Number)

**41-0215170**  
(I.R.S. Employer Identification No.)

**1000 Nicollet Mall, Minneapolis, Minnesota 55403**

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(Address of principal executive offices, including zip code)

**(612) 304-6073**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01**

**Entry into a Material Definitive Agreement**

On November 9, 2005, the Board of Directors of Target Corporation approved certain changes in the compensation program for non-employee directors, to take effect beginning January 1, 2006. The director compensation program, as amended, will provide non-employee directors with a choice of one of three forms for receiving his or her annual compensation, as follows:

Form #1

Cash retainer of \$80,000, paid quarterly, with the ability to defer the cash retainer under the Director Deferred Compensation Plan;

Grant of stock options having a face value of \$200,000 on the date of grant. All options are granted at fair market value as of the grant date, which will occur in January of each year; and

Grant of restricted stock units (RSUs) with a face value of \$65,000. RSUs will generally vest over a three year period and will be settled in shares of Target common stock after the director's departure from the Board. RSUs will be granted in June of each year.

Form #2

An award of RSUs with a face value of \$215,000. One-half of the RSUs will be granted in January, and the balance in June.

Form #3

If the director has satisfied Target's stock ownership guidelines for directors, a grant of stock options having a face value of \$615,000 on the date of grant. One-half of the options will be granted in January, and the balance in June.

In addition to the annual compensation described above, newly-elected directors will receive a one-time award of RSUs with a face value of \$50,000 upon joining the Board.

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The chairpersons of the Audit and Compensation Committees will receive additional annual compensation of \$25,000 and \$15,000, respectively, and the Vice Chairman of the Executive Committee will receive an additional \$10,000. These additional amounts will be paid in cash if Form #1 is elected, in RSUs if Form #2 is elected, or if Form #3 is elected, stock options having a face value of \$75,000 for the Audit Committee Chair, \$45,000 for the Compensation Committee Chair and \$30,000 for the Vice Chairman of the Executive Committee.

All non-employee directors also receive the same merchandise discount provided by Target to employees generally, and are provided with \$100,000 of accidental death life insurance.

**SIGNATURE**

SIGNATURE



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

**TARGET CORPORATION**

Date: November 15, 2005

/s/ Douglas A. Scovanner  
Douglas A. Scovanner  
Executive Vice President and Chief Financial Officer