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 30, 2016

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 August 1, 2015 was $51,550,988,273, based on the closing price of $81.85 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 4, 2016 were 599,982,121.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Target's Proxy Statement to be filed on or about April 25, 2016 are incorporated into Part III.

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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, 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 sales channels.

Prior to the first quarter of 2013, we operated a U.S. Credit Card Segment that offered credit to qualified guests through our branded credit cards. In the first quarter of 2013, we sold our U.S. consumer credit card portfolio, and TD Bank Group (TD) now underwrites, funds, and owns Target Credit Card and Target MasterCard consumer receivables in the U.S. We perform account servicing and primary marketing functions and earn a substantial portion of the profits generated by the portfolio. 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 receivables transaction.

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 pharmacies and clinics in 1,672 and 79 of our stores, respectively. On December 16, 2015, we sold our pharmacy and clinic businesses to CVS Pharmacy, Inc. (CVS). Following the sale, CVS will operate 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 edited 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 2015 sales related to our owned and exclusive brands, including but not limited to the following:

Owned Brands

Archer Farms®	Market Pantry®	Threshold™
Simply Balanced™	Merona®	up & up®
Boots & Barkley®	Room Essentials®	Wine Cube®
Circo®	Smith & Hawken®	Xhilaration®
Embark®	Spritz™	Ava & Viv®
Gilligan & O'Malley®	Sutton & Dodge®	Sonia Kashuk®

Exclusive Brands

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

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, Portrait Studio, 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 sales 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 30, 2016, we employed approximately 341,000 full-time, part-time and seasonal employees, referred to as "team members." During the 2015 holiday sales period our employment levels peaked at approximately 390,000 team members. We offer a broad range of company-paid benefits to our team members. Eligibility for, and the level of, these benefits varies depending on team members' full-time or part-time status, compensation level, date of hire, and/or length of service. These company-paid benefits include a pension plan, 401(k) plan, medical and dental plans, disability insurance, paid vacation, tuition reimbursement, various team member assistance programs, life insurance, 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 determine 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 from continuing operations are generated within the United States. Through 2014, our discontinued operations generated revenues in Canada. 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 www.Target.com/Investors 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 www.Target.com/Investors.

Item 1A. Risk Factors

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

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, grow, and leverage the value of Target's reputation. Reputational value is based in large part on perceptions. While reputations may take decades to build, any negative incidents can quickly erode trust and confidence, particularly if they result in adverse mainstream and social media publicity, governmental investigations, or litigation. Those types of incidents could have an adverse impact on perceptions and 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. For example, we experienced weaker than expected sales immediately following the announcement of a data breach that occurred in the fourth quarter of 2013. More recently, the sale of our pharmacy and clinic assets to CVS means that CVS will be operating clinics and pharmacies within our stores, and our guests' perceptions of and experiences with CVS, whether within our stores, at independent CVS locations, or otherwise may impact our reputation.

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

The retail business is highly competitive. 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 and reliability of our digital channels, 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 to drive traffic across all sales channels 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 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 our owned and exclusive brands, our sales and gross margins could be adversely affected.

The continuing migration and evolution of retailing to online and mobile 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; providing and maintaining digital tools for our guests and team members that have the right features and are reliable and easy to use; working with our vendors to offer unique and distinctive merchandise, offering certain services our guests desire in our stores through third parties, such as CVS, offering a compelling guest loyalty program, and encouraging our guests to shop with confidence with our price-match policy. 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 develop and maintain 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 currently provide full and mobile versions of our website (Target.com), offer applications for mobile phones and tablets, and interact with our guests through social media. Retailing is rapidly evolving so that the majority of our sales in all of our channels are digitally enabled, and 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, 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, or if we are unable consistently meet our guests' expectations, 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 becoming more localized with 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 support our efforts to provide a consistent guest experience across all sales channels, implement improvements to our guest-facing technology, and evolve our supply chain and our inventory management systems, information processes, and computer systems to more efficiently run our business and remain competitive and relevant to our guests. These technology initiatives might not provide the anticipated benefits or may provide them on a delayed schedule or at a higher cost. We must monitor and choose the right investments and implement them at the right pace, which depends on our ability to accurately forecast our needs and is influenced by the amount and pace of investments by our competitors. In addition, our growth 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 opportunities, failing to make the best investments, 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, summarize and analyze results, and 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 and 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 will 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.

An important component of our business involves the receipt and storage of 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 in the fourth quarter of 2013, all incidents we experienced were insignificant. The data breach we experienced in 2013 was significant and went undetected for several weeks. Both we and our vendors have experienced 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 or our vendors 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

Interruptions in our supply chain or fulfillment network, increased commodity, supply chain and fulfillment costs, or changes in our relationships with our vendors could adversely affect our gross margins, expenses and results of operations.

We are dependent on our vendors to supply merchandise to our distribution centers, stores and our guests in a timely and efficient manner. As we continue to add fulfillment capabilities or pursue strategies with different fulfillment requirements, 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, whether due to financial difficulties or other reasons, we could experience merchandise out-of-stocks, delivery delays or increased delivery costs that could lead to lost sales and decreased guest confidence, and adversely affect our results of operations.

In addition, a large portion of our merchandise is sourced, directly or indirectly, from outside the United States, with China as our single largest source. Political or financial instability, currency fluctuations, trade restrictions, 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 disrupt our supply of merchandise and/or adversely affect our results of operations. There have been periodic labor disputes impacting the U.S. ports that have caused us to make alternative arrangements to continue the flow of inventory, and if these types of disputes recur or worsen, 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, 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 parties who provide us services in connection with certain aspects of our business could adversely affect our operations.

We rely on third parties to support a variety of business functions, including portions of our technology development and systems, our digital platforms and distribution network 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, or if we fail to properly manage those third parties or 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 new team members to provide these services in-house. 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.

Legal, Regulatory, Global and Other External Risks

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 U.S. consumer confidence and the health of the U.S. 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 or reduction in overall sales, and reducing gross margins. These same considerations impact the success of our credit card program. Even though we no longer own a consumer credit card receivables portfolio, we share in the economic performance of the credit card program with TD. 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.

Weather conditions where our stores are located may impact consumer shopping patterns, which alone or together with natural disasters, particularly in areas where our sales are concentrated, could adversely affect our results of 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 Target 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 approximately 341,000 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 unemployment levels, prevailing wage rates, collective bargaining efforts, health care and other benefit 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 and support functions 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 where there has generally been greater political, financial, environmental and health instability than the United States. An extended disruption of our operations in India could adversely affect certain operations supporting stability and maintenance of our digital sales channels and information technology development.

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

If our merchandise offerings, including food, drug and children's products, do not meet applicable safety standards or our guests' expectations regarding safety, 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. In addition, negative guest perceptions regarding the safety of the products we sell could cause our guests to seek alternative sources for their needs, resulting in lost sales. In those circumstances, 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.

Financial Risks

Changes in our effective income tax rate could adversely affect our 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

U.S. Stores at January 30, 2016	Stores	Retail Sq. Ft. (in thousands)		Stores	Retail Sq. Ft. (in thousands)
Alabama	22	3,150	Montana	7	780
Alaska	3	504	Nebraska	14	2,006
Arizona	46	6,136	Nevada	17	2,230
Arkansas	9	1,165	New Hampshire	9	1,148
California	272	35,674	New Jersey	44	5,837
Colorado	41	6,215	New Mexico	10	1,185
Connecticut	20	2,672	New York	71	9,747
Delaware	3	440	North Carolina	49	6,496
District of Columbia	1	179	North Dakota	4	554
Florida	122	17,137	Ohio	61	7,659
Georgia	52	7,099	Oklahoma	16	2,285
Hawaii	6	971	Oregon	19	2,280
Idaho	6	664	Pennsylvania	65	8,549
Illinois	90	12,307	Rhode Island	4	517
Indiana	31	4,174	South Carolina	19	2,359
Iowa	20	2,835	South Dakota	5	580
Kansas	18	2,473	Tennessee	31	3,990
Kentucky	13	1,551	Texas	148	20,822
Louisiana	16	2,246	Utah	13	1,953
Maine	5	630	Vermont	—	—
Maryland	39	4,952	Virginia	58	7,671
Massachusetts	39	5,171	Washington	37	4,328
Michigan	55	6,603	West Virginia	6	755
Minnesota	75	10,634	Wisconsin	37	4,560
Mississippi	6	743	Wyoming	2	187
Missouri	36	4,736			
			Total	**1,792**	**239,539**

U.S. Stores and Distribution Centers at January 30, 2016	Stores	Distribution Centers [(a)]
Owned	1,537	33
Leased	103	7
Owned buildings on leased land	152	—
Total	**1,792**	**40**

[(a)] The 40 distribution centers have a total of 51,671 thousand square feet.

We own our corporate headquarters buildings located in and around Minneapolis, Minnesota, and we lease and own additional office space in Minneapolis and elsewhere in the United States. We also lease office space in 13 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

On January 15, 2015, Target Canada Co. and certain other wholly owned subsidiaries of Target (collectively Canada Subsidiaries), filed for protection under the Companies' Creditors Arrangement Act with the Ontario Superior Court of Justice in Toronto (the Court). The Canada Subsidiaries comprise substantially all of our former Canadian operations and our former Canadian Segment. The Canada Subsidiaries are in the process of liquidation. See MD&A and Note 7 of the Financial Statements for more information.

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, 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. No formal legal action has been commenced to date.

For a description of other legal proceedings, including a discussion of litigation and government inquiries related to the Data Breach, 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
Timothy R. Baer	Executive Vice President, Chief Legal Officer and Corporate Secretary since March 2007.	55
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. From July 2008 to November 2011, Mr. Carl held several leadership positions with Target in Merchandising.	40
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. Chief Executive Officer and President of Sam's Club, a division of Wal-Mart Stores, Inc., a discount retailer, and Executive Vice President of Wal-Mart Stores, Inc. from April 2009 to January 2012.	57
Jeffrey J. Jones II	Executive Vice President and Chief Marketing Officer since April 2012. Partner and President of McKinney Ventures LLC, an advertising agency, from March 2006 to March 2012.	48
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.	40
Michael E. McNamara	Executive Vice President and Chief Information Officer since June 2015. Chief Information Officer of Tesco PLC, a multinational grocery and general merchandise retailer, from March 2011 to May 2015.	51
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. Senior Vice President, Treasury, Accounting and Operations from February 2010 to March 2012.	50
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.	48
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.	44
Catherine 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.	52
Laysha L. Ward	Executive Vice President and Chief Corporate Social Responsibility Officer since December 2014. President, Community Relations and Target Foundation from July 2008 to December 2014.	48

PART II

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

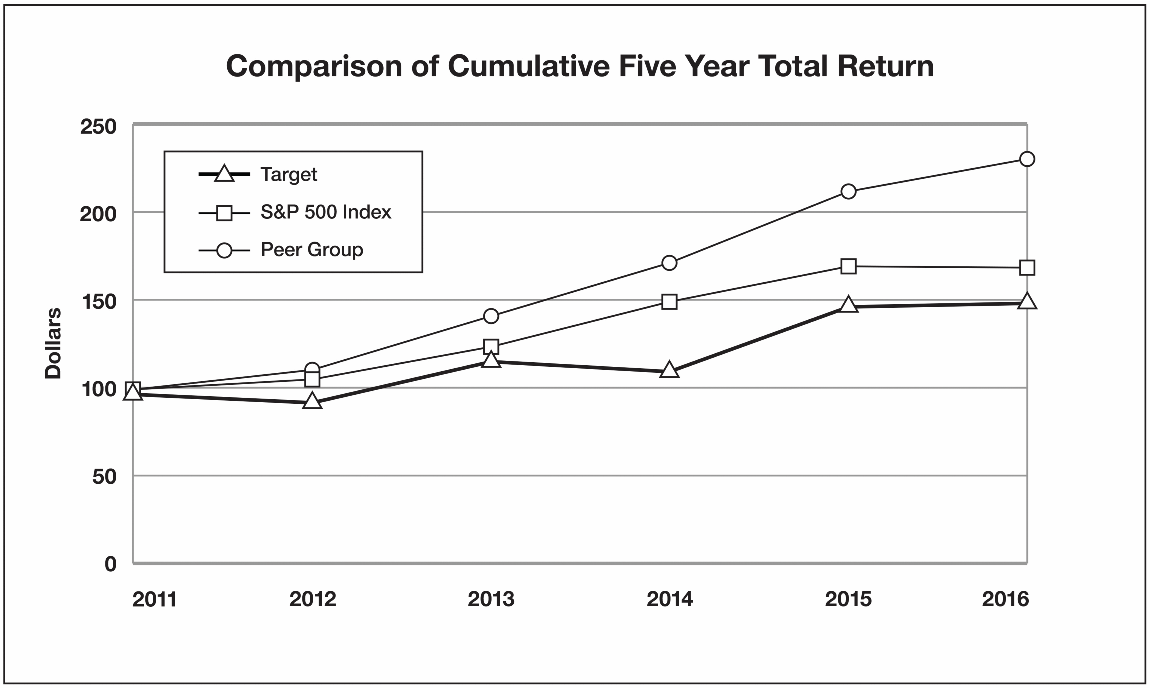
Our common stock is listed on the New York Stock Exchange under the symbol "TGT." We are authorized to issue up to 6,000,000,000 shares of common stock, par value $0.0833, and up to 5,000,000 shares of preferred stock, par value $0.01. At March 4, 2016, there were 15,416 shareholders of record. Dividends declared per share and the high and low closing common stock price for each fiscal quarter during 2015 and 2014 are disclosed in Note 31 of the Financial Statements.

In January 2012, our Board of Directors authorized the repurchase of $5 billion of our common stock and in June 2015 expanded the program by an additional $5 billion for a total authorization of $10 billion. There is no stated expiration for the share repurchase program. Under this program, we have repurchased 94.6 million shares of common stock through January 30, 2016, at an average price of $69.57, for a total investment of $6.6 billion. The table below presents information with respect to Target common stock purchases made during the three months ended January 30, 2016, 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 [(a)(b)]	Average Price Paid per Share [(a)]	Total Number of Shares Purchased as Part of the Current Program [(a)]	Dollar Value of Shares that May Yet Be Purchased Under the Program
November 1, 2015 through November 28, 2015				
Open market and privately negotiated purchases	4,291,434	$ 74.57	4,291,434	$ 4,360,899,740
November 29, 2015 through January 2, 2016				
Open market and privately negotiated purchases	7,442,198	72.59	7,430,138	3,821,513,044
January 3, 2016 through January 30, 2016				
Open market and privately negotiated purchases	5,600,350	71.42	5,600,350	3,421,513,081
Total	17,333,982	$ 72.70	17,321,922	$ 3,421,513,081

(a) The table above includes shares reacquired upon the noncash settlement of prepaid forward contracts. At January 30, 2016, we held asset positions in prepaid forward contracts for 0.4 million shares of our common stock, for a total cash investment of $18.2 million, or an average per share price of $41.13. During the fourth quarter, no shares were reacquired under such contracts. Refer to Note 27 of the Financial Statements for further details of these contracts.

(b) The number of shares above includes shares of common stock reacquired from team members who tendered owned shares to i) satisfy the tax withholding on equity awards as part of our long-term incentive plans or ii) satisfy the exercise price on stock option exercises. For the three months ended January 30, 2016, 12,060 shares were reacquired at an weighted average per share price of $71.71 pursuant to our long-term incentive plan.



	Fiscal Years Ended					
	January 29, 2011	January 28, 2012	February 2, 2013	February 1, 2014	January 31, 2015	January 30, 2016
Target	$ 100.00	$ 94.08	$ 117.57	$ 111.51	$ 149.56	$ 151.35
S&P 500 Index	100.00	105.33	123.87	149.02	170.22	169.09
Peer Group	100.00	111.14	141.62	171.29	212.31	231.19

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). Safeway, Inc. was included in the peer group used in previous filings, but was removed because the company was acquired during 2015 and its equity is no longer publicly traded. The peer group is consistent with the retail peer group used for our definitive Proxy Statement to be filed on or about April 25, 2016.

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 29, 2011, and reinvestment of all dividends.

Item 6. Selected Financial Data

	As of or for the Fiscal Year Ended					
(millions, except per share data)	2015	2014	2013	2012 [(a)]	2011	2010
Sales [(b)]	$ 73,785	$ 72,618	$ 71,279	$ 73,301	$ 69,865	$ 67,390
Net Earnings / (Loss)						
Continuing operations	3,321	2,449	2,694	3,315	3,049	2,920
Discontinued operations	42	(4,085)	(723)	(316)	(120)	—
Net earnings / (loss)	3,363	(1,636)	1,971	2,999	2,929	2,920
Basic Earnings / (Loss) Per Share						
Continuing operations	5.29	3.86	4.24	5.05	4.49	4.03
Discontinued operations	0.07	(6.44)	(1.14)	(0.48)	(0.18)	—
Basic earnings / (loss) per share	5.35	(2.58)	3.10	4.57	4.31	4.03
Diluted Earnings / (Loss) Per Share						
Continuing operations	5.25	3.83	4.20	5.00	4.46	4.00
Discontinued operations	0.07	(6.38)	(1.13)	(0.48)	(0.18)	—
Diluted earnings / (loss) per share	5.31	(2.56)	3.07	4.52	4.28	4.00
Cash dividends declared per share	2.20	1.99	1.65	1.38	1.15	0.92
Total assets [(c)]	40,262	41,172	44,325	47,878	46,260	43,240
Long-term debt, including current portion	12,760	12,725	12,494	16,260	16,127	15,638

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

(a) Consisted of 53 weeks.

(b) For 2012 and prior, includes sales generated by our retail operations and credit card revenues.

(c) Prior year balances have been revised to reflect the impact of adopting ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* and ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*, described further in Notes 20 and 23 to the Financial Statements, respectively.

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

Executive Summary

Fiscal 2015 included the following notable items:

- GAAP earnings per share were $5.31, including $0.07 related to discontinued operations.
- Adjusted earnings per share from continuing operations were $4.69.
- Comparable sales grew 2.1 percent. Digital channel sales growth of more than 30 percent contributed 0.8 percentage points to 2015 comparable sales growth.
- We sold our pharmacy and clinic businesses to CVS, recognizing a pretax gain of $620 million.
- We paid dividends of $1,362 million in 2015, an increase of 13.0 percent above 2014.
- We returned cash through share repurchase for the first time since second quarter 2013, with purchases of $3,441 million of common stock at an average price of $77.07 per share.

Sales were $73,785 million for 2015, an increase of $1,167 million or 1.6 percent from the prior year. Earnings from continuing operations before interest expense and income taxes in 2015 increased by $995 million or 22.0 percent from 2014 to $5,530 million. Operating cash flow provided by continuing operations was $5,140 million, $5,131 million, and $7,519 million for 2015, 2014, and 2013, respectively. Proceeds from the sale of our pharmacy and clinic businesses to CVS are included in investing cash flows provided by continuing operations. In 2013, operating cash flow provided by continuing operations includes $2.7 billion of proceeds from the sale of our U.S. credit card receivables.

Earnings Per Share From Continuing Operations	2015	2014	2013	Percent Change 2015/2014	2014/2013
GAAP diluted earnings per share	$ 5.25	$ 3.83	$ 4.20	37.2%	(8.8)%
Adjustments	(0.56)	0.39	0.09		
Adjusted diluted earnings per share	$ 4.69	$ 4.22	$ 4.29	11.3%	(1.7)%

Note: Adjusted diluted earnings per share from continuing operations (Adjusted EPS), a non-GAAP metric, excludes the impact of certain matters not related to our routine retail operations and the impact of our discontinued Canadian 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 23.

We report after-tax return on invested capital (ROIC) from continuing operations as we believe ROIC provides a meaningful measure of the effectiveness of our capital allocation over time. For the trailing twelve months ended January 30, 2016, ROIC was 16.0 percent, compared with 12.4 percent for the trailing twelve months ended January 31, 2015. Excluding the net gain on the sale of our pharmacy and clinic businesses, ROIC was 13.9 percent for the trailing twelve months ended January 30, 2016. A reconciliation of ROIC is provided on page 24.

Pharmacies and Clinics Transaction

In December 2015, we closed the previously announced sale of our pharmacy and clinic businesses to CVS for cash consideration of $1.9 billion. CVS now operates the pharmacy and clinic businesses in our stores under a perpetual operating agreement, subject to termination in limited circumstances. No profit-sharing arrangement exists, but CVS will make an annual, inflation-adjusted occupancy-related payment to us, starting at $20 million to $25 million in the first year of the agreement. We also entered into a development agreement with CVS through which we may jointly develop small-format stores.

In connection with the sale, we recognized a pretax gain of $620 million, which we recorded outside of segment results and excluded from Adjusted EPS. We also recorded deferred income of $694 million, which we will amortize into income evenly over the 23-year weighted average remaining accounting useful life of our stores.

During 2015, we used a portion of the $1.9 billion cash consideration to repurchase shares of our common stock and settle approximately $200 million of retained pharmacy and clinic net liabilities. We expect to use the remaining proceeds to pay approximately $500 million of related taxes and repurchase shares.

Had this transaction closed prior to this year, our 2015 reported sales and cost of goods sold would have been lower by approximately $3.8 billion and $3.1 billion, respectively, with no notable effect on EBITDA or EBIT.

This transaction is expected to be accretive to EPS in every period following the closing, and should add 50 basis points or more to ROIC over time. In addition, due to the lower sales base without a significant effect on profits, we expect the transaction to have a favorable impact on our EBITDA and EBIT margin rates.

Refer to Note 6 of the Financial Statements for additional information about the transaction.

Analysis of Results of Operations

Segment Results

(dollars in millions)	2015	2014	2013	Percent Change 2015/2014	Percent Change 2014/2013
Sales	$ 73,785	$ 72,618	$ 71,279	1.6 %	1.9 %
Cost of sales	51,997	51,278	50,039	1.4	2.5
Gross margin	21,788	21,340	21,240	2.1	0.5
SG&A expenses [(a)]	14,448	14,503	14,383	(0.4)	0.8
EBITDA	7,340	6,837	6,857	7.4	(0.3)
Depreciation and amortization	2,213	2,129	1,996	3.9	6.7
EBIT	$ 5,127	$ 4,708	$ 4,861	8.9 %	(3.1)%

Note: Effective January 15, 2015, we operate as a single segment which includes all of our continuing operations, excluding net interest expense, data breach related costs, and certain other expenses which are discretely managed. Our segment operations are designed to enable guests to purchase products seamlessly in stores or through our digital sales channels. Beginning with the first quarter of 2015, segment EBIT includes the impact of the reduction of the beneficial interest asset. For comparison purposes, prior years' segment EBIT has been revised. See Note 30 of our Financial Statements for a reconciliation of our segment results to earnings before income taxes.

(a) SG&A includes credit card revenues and expenses for all periods presented prior to the March 2013 sale of our U.S. consumer credit card portfolio to TD. For 2015, 2014, and 2013, SG&A also includes $641 million, $629 million, and $555 million, respectively, of net profit-sharing income from the arrangement with TD.

Rate Analysis	2015	2014	2013
Gross margin rate	29.5%	29.4%	29.8%
SG&A expense rate	19.6	20.0	20.2
EBITDA margin rate	9.9	9.4	9.6
Depreciation and amortization expense rate	3.0	2.9	2.8
EBIT margin rate	6.9	6.5	6.8

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

Sales

Sales include 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. The increase in 2015 and 2014 sales reflects an increase in comparable sales of 2.1 percent and 1.3 percent, respectively, and the contribution from new stores, partially offset by a decrease in 2015 of approximately $550 million due to the sale of our pharmacy and clinic businesses. Inflation did not materially affect sales in any period presented.

Sales by Channel	2015	2014	2013
Stores	96.6%	97.4%	98.0%
Digital	3.4	2.6	2.0
Total	100%	100%	100%

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 operating less than one year, stores that have been closed, and digital acquisitions that we no longer operate. Pharmacy and clinic sales for the comparable period following the sale to CVS are excluded from the calculation. 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	2015	2014	2013
Comparable sales change	2.1 %	1.3 %	(0.4)%
Drivers of change in comparable sales:			
Number of transactions	1.3	(0.2)	(2.7)
Average transaction amount	0.8	1.5	2.3
Selling price per unit	3.3	3.2	1.6
Units per transaction	(2.4)	(1.6)	0.7

Contribution to Comparable Sales Change	2015	2014	2013
Stores channel comparable sales change	1.3%	0.7%	(0.7)%
Digital channel contribution to comparable sales change	0.8	0.7	0.3
Total comparable sales change	2.1%	1.3%	(0.4)%

Note: Amounts may not foot due to rounding.

Sales by Product Category	Percentage of Sales		
	2015	2014	2013
Household essentials [(a)]	26%	25%	25%
Hardlines [(b)]	17	18	18
Apparel and accessories [(c)]	19	19	19
Food and pet supplies [(d)]	21	21	21
Home furnishings and décor [(e)]	17	17	17
Total	100%	100%	100%

(a) Includes pharmacy, beauty, personal care, baby care, cleaning, and paper products. Pharmacy represented 5 percent, 6 percent, and 6 percent in 2015, 2014, and 2013, respectively.

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

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

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

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

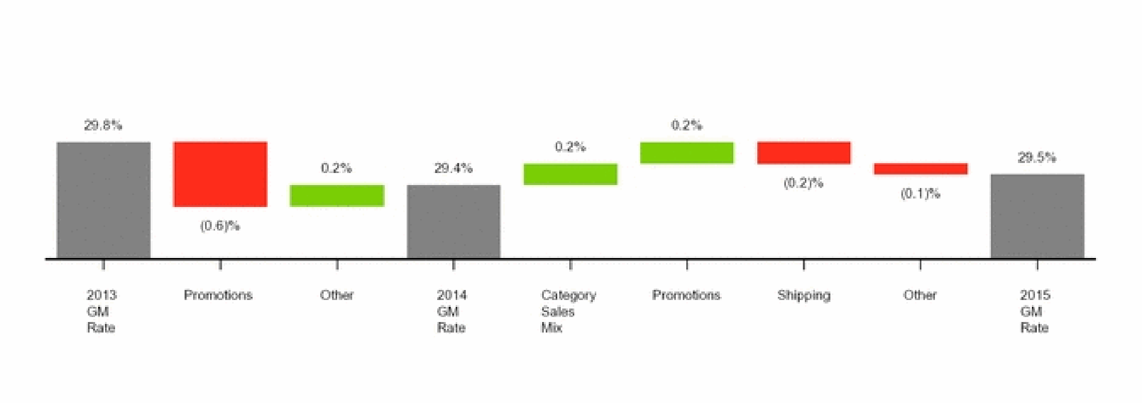
Further analysis of sales metrics is infeasible due to the collective interaction of a broad array of macroeconomic, competitive, and consumer behavioral factors, as well as sales mix and transfer of sales to new stores.

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	2015	2014	2013
Target Debit Card	12.1%	11.2%	9.9%
Target Credit Cards	10.1	9.7	9.3
Total REDcard Penetration	22.3%	20.9%	19.3%

Note: Excluding pharmacy and clinic sales, total REDcard penetration would have been 23.2 percent, 21.9 percent, and 20.1 percent for 2015, 2014, and 2013, respectively. The sum of Target Credit Cards and Target Debit Card penetration may not equal Total REDcard Penetration due to rounding.

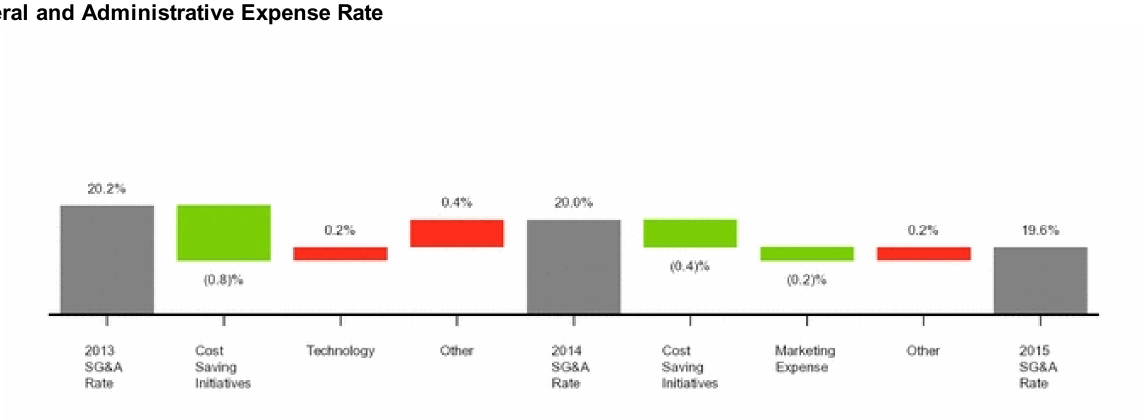
Gross Margin Rate



Our gross margin rate was 29.5 percent in 2015, 29.4 percent in 2014, and 29.8 percent in 2013. 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.

The 2014 decrease was primarily due to promotional activity.

Selling, General and Administrative Expense Rate



Our SG&A expense rate was 19.6 percent in 2015, 20.0 percent in 2014, and 20.2 percent in 2013. 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. We will continue to seek efficiency savings to reinvest in our business; however, we do not expect the SG&A rate to continue to decline at the pace realized during 2014 and 2015.

The decrease in 2014 was primarily related to cost savings initiatives, partially offset by investments in technology and other initiatives, none of which were individually significant.

Store Data

Change in Number of Stores	2015	2014
Beginning store count	1,790	1,793
Opened	15	16
Closed	(13)	(19)
Relocated	—	—
Ending store count	1,792	1,790
Number of stores remodeled during the year	9	39

Number of Stores and Retail Square Feet	Number of Stores		Retail Square Feet [(a)]	
	January 30, 2016	January 31, 2015	January 30, 2016	January 31, 2015
170,000 or more sq. ft.	278	280	49,688	50,037
50,000 to 169,999 sq. ft.	1,505	1,509	189,677	189,905
0 to 49,999 sq. ft.	9	1	174	21
Total	1,792	1,790	239,539	239,963

(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 $216 million, $174 million, and $81 million of selling, general and administrative expenses outside of the segment during 2015, 2014, and 2013, respectively. Additional information about these items is provided within the Reconciliation of Non-GAAP Financial Measures to GAAP Measures on page 23 and Note 30 of the Financial Statements.

Net Interest Expense

Net interest expense from continuing operations was $607 million, $882 million, and $1,049 million for 2015, 2014, and 2013, respectively. Net interest expense for 2014 and 2013 included a loss on early retirement of debt of $285 million and $445 million, respectively.

Provision for Income Taxes

Our effective income tax rate from continuing operations decreased to 32.5 percent in 2015, from 33.0 percent in 2014, driven primarily by the $112 million tax benefit that resulted from releasing the valuation allowance on a capital loss related to our Canada exit. This benefit is recorded in continuing operations as the release of the valuation allowance is attributable to a capital gain generated by the CVS transaction. The tax rate benefit from this valuation allowance release 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. Note 23 of the Financial Statements provides a tax rate reconciliation.

Our effective income tax rate from continuing operations decreased to 33.0 percent in 2014, from 34.6 percent in 2013, driven primarily by the net tax effect of our global sourcing operations and the favorable resolution of various income tax matters. The resolution of various income tax matters reduced tax expense by $35 million and $16 million in 2014 and 2013, respectively.

Discontinued Operations

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 (the Filing) under the Companies' Creditors Arrangement Act (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 charges, collectively totaling $5.1 billion. The Canada Subsidiaries are executing a liquidation through the CCAA process.

Income from discontinued operations, net of tax, was $42 million during 2015.

In the fourth quarter of 2015, we reached settlements with two entities that controlled guaranteed leases representing approximately 46 percent of the recorded accrual at that time. Under the settlement terms, these entities have subrogated to us their claims against the Canada Subsidiaries. The settlement amounts were materially consistent with our previously recorded accruals.

As part of a March 2016 settlement between the Canada Subsidiaries and all of their former landlords, we have agreed to subordinate a portion of our intercompany claims and make certain cash contributions to the estate in exchange for a full release from obligations under guarantees of certain leases. This agreement remains subject to creditor and Court approval. The financial impact of this agreement is materially consistent with amounts recorded in our financial statements.

For more information about our Canada exit, see Note 7 of the Financial Statements.

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 the impact of the 2015 sale of our pharmacy and clinic businesses, the 2013 sale of our U.S. consumer credit card receivables portfolio, losses on early retirement of debt, net expenses related to the 2013 data breach, and other matters 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 from continuing operations should not be considered in isolation or as a substitution for analysis of our results as reported under GAAP. Other companies may calculate non-GAAP adjusted EPS from continuing operations differently than we do, limiting the usefulness of the measure for comparisons with other companies. Prior year amounts have been revised to present Adjusted EPS on a continuing operations basis.

	2015			2014			2013		
(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			$ 5.25			$ 3.83			$ 4.20
Adjustments									
Gain on sale [(a)]	$ (620)	$ (487)	$ (0.77)	$ —	$ —	$ —	$ (391)	$ (247)	$ (0.38)
Restructuring costs [(b)]	138	87	0.14	—	—	—	—	—	—
Loss on early retirement of debt	—	—	—	285	173	0.27	445	270	0.42
Data breach-related costs, net of insurance [(c)]	39	28	0.04	145	94	0.15	17	11	0.02
Other [(d)]	39	29	0.05	29	18	0.03	64	40	0.06
Resolution of income tax matters	—	(8)	(0.01)	—	(35)	(0.06)	—	(16)	(0.03)
Adjusted diluted earnings per share from continuing operations			$ 4.69			$ 4.22			$ 4.29

Note: The sum of the non-GAAP adjustments may not equal the total adjustment amounts due to rounding.

(a) For 2015, includes the gain on the pharmacies and clinics transaction. Refer to Note 6 of the Financial Statements for more information. For 2013, includes the gain on receivables transaction. Refer to Note 9 of the Financial Statements for more information.

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

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

(d) For 2015, represents impairments related to our decision to wind down certain noncore operations. Refer to Note 16 of the Financial Statements for more information. 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. 2013 includes a $23 million workforce-reduction charge primarily related to severance and benefits costs, a $22 million charge related to part-time team member health benefit changes, and $19 million in impairment charges related to certain parcels of undeveloped land.

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 30, 2016	January 31, 2015
Earnings from continuing operations before interest expense and income taxes	$ 5,530	$ 4,535
+ Operating lease interest [(a)(b)]	87	89
Adjusted earnings from continuing operations before interest expense and income taxes	5,617	4,624
- Income taxes [(c)]	1,827	1,524
Net operating profit after taxes	**$ 3,790**	**$ 3,100**

Denominator (dollars in millions)	January 30, 2016	January 31, 2015	February 1, 2014
Current portion of long-term debt and other borrowings	$ 815	$ 91	$ 1,143
+ Noncurrent portion of long-term debt	11,945	12,634	11,351
+ Shareholders' equity	12,957	13,997	16,231
+ Capitalized operating lease obligations [(b)(d)]	1,457	1,490	1,635
- Cash and cash equivalents	4,046	2,210	670
- Net assets of discontinued operations	226	1,479	4,270
Invested capital	$ 22,902	$ 24,523	$ 25,420
Average invested capital [(e)]	**$ 23,713**	**$ 24,971**	

After-tax return on invested capital	**16.0%** [(f)]	**12.4%**

[(a)] Represents the add-back to operating income driven by the hypothetical capitalization of our operating 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 32.5 percent and 33.0 percent for the trailing twelve months ended January 30, 2016 and January 31, 2015.
[(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 sale of our pharmacy and clinic businesses, 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 30, 2016	January 31, 2015	February 1, 2014
Total rent expense	$ 182	$ 186	$ 204
Capitalized operating lease obligations (total rent expense x 8)	1,457	1,490	1,635
Operating lease interest (capitalized operating lease obligations x 6%)	87	89	n/a

Analysis of Financial Condition

Liquidity and Capital Resources

Our period-end cash and cash equivalents balance increased to $4,046 million from $2,210 million in 2014, primarily reflecting the proceeds from the sale of the pharmacy and clinic businesses. 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 $3,008 million and $1,520 million were included in cash and cash equivalents at the end of 2015 and 2014, 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.

Cash Flows

Our 2015 operations were funded by internally generated funds. Operating cash flow provided by continuing operations was $5,140 million in 2015 compared with $5,131 million in 2014. Proceeds from the sale of our pharmacy and clinic businesses to CVS are included in investing cash flows provided by continuing operations. These cash flows, combined with period year-end cash position, allowed us to invest in the business, pay dividends and repurchase shares under our share repurchase program.

Inventory

Year-end inventory was $8,601 million, compared with $8,282 million in 2014. The increase was due to investments to drive growth in certain merchandise categories, improve in-stocks, and earlier receipts of certain merchandise.

Share Repurchases

In June 2015, our Board of Directors authorized a $5 billion expansion of our existing share repurchase program to $10 billion. Under this program, we have repurchased 94.6 million shares of common stock through January 30, 2016, at an average price of $69.57, for a total investment of $6.6 billion.

During 2015, we repurchased 44.7 million shares of our common stock, for a total investment of $3,441 million ($77.07 per share), including shares repurchased under accelerated share repurchase agreements. We did not repurchase any shares on the open market during 2014. However, as described in Note 25 to the Financial Statements, we reacquired 0.8 million shares upon the noncash settlement of prepaid forward contracts related to nonqualified deferred compensation plans.

Dividends

We paid dividends totaling $1,362 million in 2015 and $1,205 million in 2014, an increase of 13.0 percent. We declared dividends totaling $1,378 million ($2.20 per share) in 2015, a per share increase of 10.6 percent over 2014. We declared dividends totaling $1,271 million ($1.99 per share) in 2014, a per share increase of 20.6 percent over 2013. 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, to manage our net exposure to floating interest rate volatility, and to maintain a balanced spectrum of debt maturities. 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 30, 2016, 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 2015, we funded our peak holiday sales period working capital needs through internally generated funds. In 2014, we funded our peak holiday sales period working capital needs through internally generated funds and the issuance of commercial paper.

Commercial Paper (dollars in millions)	2015	2014	2013
Maximum daily amount outstanding during the year	$ —	$ 590	$ 1,465
Average amount outstanding during the year	—	129	408
Amount outstanding at year-end	—	—	80
Weighted average interest rate	—%	0.11%	0.13%

We have additional liquidity through a committed $2.25 billion revolving credit facility that expires in October 2018. No balances were outstanding at any time during 2015, 2014, or 2013 under this facility.

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 30, 2016, 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 obligations incurred as a result of our exit from Canada, pay dividends, and execute purchases under our share repurchase program for the foreseeable future. Our exit from Canada increased our after-tax cash flows beginning in 2015. We continue to anticipate ample access to commercial paper and long-term financing.

Capital Expenditures

Capital Expenditures (millions)	2015	2014	2013
Information technology, distribution and other	$ 1,289	$ 1,306	$ 1,069
New stores	115	381	536
Store remodels and expansions	34	99	281
Total	$ 1,438	$ 1,786	$ 1,886

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. Capital expenditures were less than our initial expectations reflecting efficiency gains in technology combined with the impact of project timing shifts as we aligned investments against specific initiatives to drive growth, invest in our supply chain, and build out our omnichannel capabilities. Capital expenditures decreased in 2014 from the prior year due to fewer remodels and new stores, partially offset by increased technology investments to support our omnichannel efforts and security enhancements.

We expect capital expenditures in 2016 to return to a level comparable with 2013 and 2014.

Commitments and Contingencies

Contractual Obligations as of January 30, 2016 (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)]	$ 11,955	$ 751	$ 2,453	$ 2,095	$ 6,656
Capital lease obligations [(b)]	1,690	130	144	139	1,277
Deferred compensation [(c)]	499	57	118	125	199
Real estate liabilities [(d)]	52	52	—	—	—
Tax contingencies [(e)]	—	—	—	—	—
Loss contingencies [(f)]	—	—	—	—	—
Unrecorded contractual obligations:					
Interest payments – long-term debt	6,717	569	936	753	4,459
Operating leases [(b)]	3,713	186	361	324	2,842
Purchase obligations [(g)]	1,950	605	801	379	165
Real estate obligations [(h)]	227	192	35	—	—
Future contributions to retirement plans [(i)]	—	—	—	—	—
Contractual obligations	$ 26,803	$ 2,542	$ 4,848	$ 3,815	$ 15,598

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

(b) These payments also include $311 million and $90 million of legally binding minimum lease payments for stores that are expected to open in 2016 or later for capital and operating leases, respectively. Capital lease obligations include interest. See Note 22 of the Financial Statements for further information.

(c) Deferred compensation obligations include commitments related to our nonqualified deferred compensation plans. 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 $215 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) Estimated loss contingencies, including those related to the Canada Exit and the 2013 data breach, 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 7 and Note 19 of the Financial Statements for further information.

(g) 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.

(h) Real estate obligations include commitments for the purchase, construction, or remodeling of real estate and facilities.

(i) 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 30, 2016. 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 analysis of operations and financial condition is based on our consolidated financial statements prepared in accordance with GAAP. Preparation of these consolidated financial statements requires us to make estimates and assumptions affecting the reported amounts of assets and liabilities at the date of the consolidated financial statements, reported amounts of revenues and expenses during the reporting period, and related disclosures of contingent assets and liabilities. In the Notes to Consolidated Financial Statements, we describe the significant accounting policies used in preparing the consolidated financial statements. Our estimates are evaluated on an ongoing basis and are drawn from historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results could differ under other assumptions or conditions. However, except as discussed below regarding Canada Exit-related costs, we do not believe there is a reasonable likelihood that there will be a material change in future estimates or assumptions. Our senior management has discussed the development and selection of our critical accounting estimates with the Audit & Finance Committee of our Board of Directors. The following items in our consolidated financial statements require significant estimation or judgment:

Inventory and cost of sales: We use the retail inventory method to account for the majority of our inventory and the related cost of sales. Under this method, inventory is stated at cost using the last-in, first-out (LIFO) method as determined by applying a cost-to-retail ratio to each merchandise grouping's ending retail value. 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 to cost of sales in the period incurred. Since inventory value is adjusted regularly to reflect market conditions, our inventory methodology reflects 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. Markdowns designated for clearance activity are recorded when the salability of the merchandise has diminished. Inventory is at risk of obsolescence if economic conditions change, including changing consumer demand, guest preferences, changing consumer credit markets, or increasing competition. We believe these risks are largely mitigated because our inventory typically turns in less than three months. Inventory was $8,601 million and $8,282 million at January 30, 2016 and January 31, 2015, respectively, and is further described in Note 12 of the Financial Statements.

Vendor income receivable: Cost of sales and SG&A expenses are partially offset by various forms of consideration received from our vendors (Vendor Income). Vendor Income is earned for a variety of programs, such as volume rebates, markdown allowances, promotions, advertising allowances, and compliance programs. 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 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. Excluding pharmacy-related receivables, which were insignificant at period-end, Vendor Income receivable was $379 million and $426 million at January 30, 2016 and January 31, 2015, respectively. The Vendor Income receivable balance 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 $54 million, $124 million, and $77 million in 2015, 2014, and 2013, respectively, which are described further in Note 14. As of January 30, 2016, a 10 percent decrease in the fair value of assets we intend to sell or close would result in additional impairment of $7 million in 2015. Historically, we have not realized material losses upon sale of long-lived assets.

Investments in and receivables from Canada Subsidiaries: We determined the fair value and recoverability of our Canadian investments by comparing the estimated fair value of the underlying assets of the Canada Subsidiaries to estimated liabilities. We estimated the fair value of the major asset classes using estimated selling price less cost to sell, the income approach based on estimated market rents and capitalization rates, and discounted cash flow analysis of the differential between estimated market rent and contractual rent payments, as appropriate. We also applied an estimated liquidation discount to reflect the CCAA filing.

Outstanding liabilities include accounts payable and other liabilities, forward commitments, unsubordinated related party payables, lease liabilities, and other potential claims. Potential claims include an accrual for the estimated probable loss related to claims that may be asserted against the Canada Subsidiaries under certain contracts. Based on our estimates, the fair value of liabilities exceeds the fair value of assets.

To assess the fair value and recoverability of amounts receivable from the Canada Subsidiaries, we estimated the fair value of the underlying net assets of the Canada Subsidiaries available for distribution to their creditors in relation to the estimated creditor claims and the priority of those claims.

Our estimates involve significant judgment and are based on currently available information, an assessment of the validity of certain claims, and estimated payments by the Canada Subsidiaries. Our ultimate recovery is subject to the final liquidation value of the Canada Subsidiaries and may vary significantly from our current estimates. See Note 7 of the Financial Statements for further information.

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 $498 million and $566 million at January 30, 2016 and January 31, 2015, 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 $25 million in 2015. 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 $215 million and $195 million at January 30, 2016 and January 31, 2015, 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, 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 2015 expected long-term rate of return on plan assets of 7.5 percent is determined by the portfolio composition, historical long-term investment performance, and current market conditions. Our compound annual rate of return on qualified plans' assets was 8.4 percent, 7.2 percent, 6.8 percent, and 8.5 percent for the 5-year, 10-year, 15-year, and 20-year periods, respectively. A one percentage point decrease in our expected long-term rate of return would increase annual expense by $35 million. Based on a change in our asset allocation policy in late 2015, our expected long-term rate of return is 6.8 percent for 2016.

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 $32 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 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 disclose the estimated range. 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 accruals recorded in our consolidated financial statements properly reflect loss exposures that are both probable and reasonably estimable. With the exception of Canada Exit-related loss exposures, 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 7 of the Financial Statements for further information on the Canada Exit-related contingencies, respectively.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, to require organizations that lease assets to recognize the rights and obligations created by those leases on the balance sheet. The new standard is effective in 2019, with early adoption permitted. We are currently evaluating the effect the new standard will have on our financial statements.

We do not expect that 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 pharmacies and clinics sale transaction on our financial performance and the anticipated use of proceeds, the continued execution of our share repurchase program, our expected capital expenditures, 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 timing and financial impact of discontinuing postretirement health care benefits that were offered to team members upon early retirement and prior to Medicare eligibility, 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 and discontinuing our Canadian operations, 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 and timing of cash disbursements related to 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 30, 2016, 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 30, 2016, our floating rate short-term investments exceeded our floating rate debt by approximately $1,758 million. Based on our balance sheet position at January 30, 2016, the annualized effect of a 0.1 percentage point decrease in floating interest rates on our floating rate short-term investments, net of our debt obligations, would decrease earnings before income taxes by approximately $2 million. 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 of the Notes to 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 30, 2016, the annualized effect of a 0.5 percentage point decrease in interest rates would be to decrease earnings before income taxes by $9 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 $32 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 Note 15 and Note 27 of 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 11, 2016

Catherine 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 30, 2016 and January 31, 2015, 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 30, 2016. 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 30, 2016 and January 31, 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 30, 2016, 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 30, 2016, 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 11, 2016, expressed an unqualified opinion thereon.

Ernst + Young LLP

Minneapolis, Minnesota
March 11, 2016

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 30, 2016, 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 30, 2016, 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	Catherine R. Smith
Chairman and Chief Executive Officer	Executive Vice President and
March 11, 2016	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 30, 2016, 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 30, 2016, 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 30, 2016 and January 31, 2015, 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 30, 2016, and our report dated March 11, 2016, expressed an unqualified opinion thereon.

Ernst & Young LLP

Minneapolis, Minnesota
March 11, 2016

Consolidated Statements of Operations

(millions, except per share data)	2015	2014	2013
Sales	$ 73,785	$ 72,618	$ 71,279
Cost of sales	51,997	51,278	50,039
Gross margin	21,788	21,340	21,240
Selling, general and administrative expenses	14,665	14,676	14,465
Depreciation and amortization	2,213	2,129	1,996
Gain on sale	(620)	—	(391)
Earnings from continuing operations before interest expense and income taxes	5,530	4,535	5,170
Net interest expense	607	882	1,049
Earnings from continuing operations before income taxes	4,923	3,653	4,121
Provision for income taxes	1,602	1,204	1,427
Net earnings from continuing operations	3,321	2,449	2,694
Discontinued operations, net of tax	42	(4,085)	(723)
Net earnings / (loss)	$ 3,363	$ (1,636)	$ 1,971
Basic earnings / (loss) per share			
Continuing operations	$ 5.29	$ 3.86	$ 4.24
Discontinued operations	0.07	(6.44)	(1.14)
Net earnings / (loss) per share	$ 5.35	$ (2.58)	$ 3.10
Diluted earnings / (loss) per share			
Continuing operations	$ 5.25	$ 3.83	$ 4.20
Discontinued operations	0.07	(6.38)	(1.13)
Net earnings / (loss) per share	$ 5.31	$ (2.56)	$ 3.07
Weighted average common shares outstanding			
Basic	627.7	634.7	635.1
Dilutive effect of share-based awards	5.2	5.4	6.7
Diluted	632.9	640.1	641.8
Antidilutive shares	—	3.3	2.3

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

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

(millions)	2015	2014	2013
Net income / (loss)	$ 3,363	$ (1,636)	$ 1,971
Other comprehensive income / (loss), net of tax			
Pension and other benefit liabilities, net of (benefit) / provision for taxes of $(18), $(90), and $71	(27)	(139)	110
Currency translation adjustment and cash flow hedges, net of provision for taxes of $2, $2, and $11	(3)	431	(425)
Other comprehensive income / (loss)	(30)	292	(315)
Comprehensive (loss) / income	$ 3,333	$ (1,344)	$ 1,656

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Financial Position

(millions, except footnotes)		January 30, 2016		January 31, 2015
Assets				
Cash and cash equivalents, including short-term investments of $3,008 and $1,520	$	4,046	$	2,210
Inventory		8,601		8,282
Assets of discontinued operations		322		1,058
Other current assets		1,161		2,074
Total current assets		14,130		13,624
Property and equipment				
Land		6,125		6,127
Buildings and improvements		27,059		26,613
Fixtures and equipment		5,347		5,329
Computer hardware and software		2,617		2,552
Construction-in-progress		315		424
Accumulated depreciation		(16,246)		(15,093)
Property and equipment, net		25,217		25,952
Noncurrent assets of discontinued operations		75		717
Other noncurrent assets		840		879
Total assets	$	40,262	$	41,172
Liabilities and shareholders' investment				
Accounts payable	$	7,418	$	7,759
Accrued and other current liabilities		4,236		3,783
Current portion of long-term debt and other borrowings		815		91
Liabilities of discontinued operations		153		103
Total current liabilities		12,622		11,736
Long-term debt and other borrowings		11,945		12,634
Deferred income taxes		823		1,160
Noncurrent liabilities of discontinued operations		18		193
Other noncurrent liabilities		1,897		1,452
Total noncurrent liabilities		14,683		15,439
Shareholders' investment				
Common stock		50		53
Additional paid-in capital		5,348		4,899
Retained earnings		8,188		9,644
Accumulated other comprehensive loss				
Pension and other benefit liabilities		(588)		(561)
Currency translation adjustment and cash flow hedges		(41)		(38)
Total shareholders' investment		12,957		13,997
Total liabilities and shareholders' investment	$	40,262	$	41,172

Common Stock Authorized 6,000,000,000 shares, $0.0833 par value; 602,226,517 shares issued and outstanding at January 30, 2016; 640,213,987 shares issued and outstanding at January 31, 2015.

Preferred Stock Authorized 5,000,000 shares, $0.01 par value; no shares were issued or outstanding at January 30, 2016 or January 31, 2015.

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(millions)	2015	2014	2013
Operating activities			
Net earnings / (loss)	$ 3,363	$ (1,636)	$ 1,971
Earnings / (losses) from discontinued operations, net of tax	42	(4,085)	(723)
Net earnings from continuing operations	3,321	2,449	2,694
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation and amortization	2,213	2,129	1,996
Share-based compensation expense	115	71	106
Deferred income taxes	(322)	7	58
Gain on sale	(620)	—	(391)
Loss on debt extinguishment	—	285	445
Noncash (gains) / losses and other, net	(12)	40	87
Changes in operating accounts:			
Accounts receivable originated at Target	—	—	157
Proceeds on sale of accounts receivable originated at Target	—	—	2,703
Inventory	(316)	(512)	(504)
Other assets	227	(115)	(79)
Accounts payable and accrued liabilities	534	777	247
Cash provided by operating activities—continuing operations	5,140	5,131	7,519
Cash provided by / (required for) operating activities—discontinued operations	704	(692)	(999)
Cash provided by operations	5,844	4,439	6,520
Investing activities			
Expenditures for property and equipment	(1,438)	(1,786)	(1,886)
Proceeds from disposal of property and equipment	28	95	70
Proceeds from sale of businesses	1,875	—	—
Change in accounts receivable originated at third parties	—	—	121
Proceeds from sale of accounts receivable originated at third parties	—	—	3,002
Cash paid for acquisitions, net of cash assumed	—	(20)	(157)
Other investments	24	106	130
Cash provided by / (required for) investing activities—continuing operations	489	(1,605)	1,280
Cash provided by / (required for) investing activities—discontinued operations	19	(321)	(1,551)
Cash provided by / (required for) investing activities	508	(1,926)	(271)
Financing activities			
Change in commercial paper, net	—	(80)	(890)
Additions to long-term debt	—	1,993	—
Reductions of long-term debt	(85)	(2,079)	(3,463)
Dividends paid	(1,362)	(1,205)	(1,006)
Repurchase of stock	(3,438)	—	(1,461)
Stock option exercises and related tax benefit	369	373	456
Cash required for financing activities	(4,516)	(998)	(6,364)
Effect of exchange rate changes on cash and cash equivalents	—	—	26
Net increase / (decrease) in cash and cash equivalents	1,836	1,515	(89)
Cash and cash equivalents at beginning of period [a]	2,210	695	784
Cash and cash equivalents at end of period [b]	$ 4,046	$ 2,210	$ 695
Supplemental information			
Interest paid, net of capitalized interest	$ 604	$ 871	$ 1,043
Income taxes (refunded) / paid	(127)	1,251	1,386
Property and equipment acquired through capital lease obligations	126	88	132

[a] Includes cash of our discontinued operations of $25 million and $59 million at February 1, 2014 and February 2, 2013, respectively.
[b] 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, except footnotes)	Common Stock Shares	Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
February 2, 2013	645.3	$ 54	$ 3,925	$ 13,155	$ (576)	$ 16,558
Net earnings	—	—	—	1,971	—	1,971
Other comprehensive income	—	—	—	—	(315)	(315)
Dividends declared	—	—	—	(1,051)	—	(1,051)
Repurchase of stock	(21.9)	(2)	—	(1,476)	—	(1,478)
Stock options and awards	9.5	1	545	—	—	546
February 1, 2014	632.9	$ 53	$ 4,470	$ 12,599	$ (891)	$ 16,231
Net loss	—	—	—	(1,636)	—	(1,636)
Other comprehensive loss	—	—	—	—	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 income	—	—	—	—	(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

Dividends declared per share were $2.20, $1.99, and $1.65 in 2015, 2014, and 2013, respectively.

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 more fully 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, online, or through mobile devices.

Consolidation The consolidated financial statements include the balances of the Corporation 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 the Corporation 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 2015 ended January 30, 2016, and consisted of 52 weeks. Fiscal 2014 ended January 31, 2015, and consisted of 52 weeks. Fiscal 2013 ended February 1, 2014, and consisted of 52 weeks. Fiscal 2016 will end January 28, 2017, and will consist of 52 weeks.

Accounting policies Our accounting policies are disclosed in the applicable Notes to the Consolidated Financial Statements. Certain prior-year amounts have been reclassified to conform to current year presentation.

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. Commissions earned on sales generated by leased departments are included within sales and were $37 million, $32 million, and $29 million in 2015, 2014, and 2013, 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 discounts associated with loyalty programs are included as reductions in sales in our Consolidated Statements of Operations and were $1,067 million, $943 million, and $833 million in 2015, 2014, and 2013, respectively.

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 our distribution centers and our retail stores, and among our distribution and retail facilities • Vendor income that is not reimbursement of specific, incremental, and identifiable costs Inventory shrink Markdowns Outbound shipping and handling expenses associated with sales to our guests Payment term cash discounts Distribution center costs, including compensation and benefits costs Import costs	Compensation and benefit costs including • Stores • 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 Pre-opening costs of stores and other facilities U.S. credit cards servicing expenses and profit sharing Litigation and defense costs and related insurance recovery 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." Vendor income reduces either our inventory costs or SG&A expenses based on the provisions of the arrangement. Under our compliance programs, vendors are charged for merchandise shipments that do not meet our requirements (violations), such as late or incomplete shipments. These allowances are recorded when violations occur. 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 expensed at first showing or distribution of the advertisement.

Advertising Costs (millions)	2015	2014	2013
Gross advertising costs	$ 1,472	$ 1,647	$ 1,623
Vendor income	38	47	75
Net advertising costs	$ 1,434	$ 1,600	$ 1,548

6. Pharmacies and Clinics Transaction

In December 2015, we closed the previously announced sale of our pharmacy and clinic businesses to CVS for cash consideration of $1.9 billion, recognizing a gain of $620 million, and deferred income of $694 million. This transaction was accounted for as a sale, and following the transaction, the inventory and other assets sold are no longer reported in our Consolidated Statement of Financial Position.

CVS now operates the pharmacy and clinic businesses in our stores under a perpetual operating agreement. No profit sharing arrangement exists, but CVS will make an ongoing annual, inflation-adjusted occupancy-related payment to us, starting at $20 million to $25 million in the first year of the agreement that will be recorded as a reduction to SG&A expense. The operating agreement may only be terminated by mutual consent of both parties, or by either party if (i) the other party suffers an adverse event that materially and adversely harms such other party’s goodwill or reputation that could reasonably be expected to have a material adverse effect on the reputation or goodwill of the terminating party if it continued its association with the nonterminating party, (ii) the other party breaches its obligations, which breach remains uncured and results in a material adverse effect on the business or operations of the nonterminating party in Target stores, (iii) the other party files for bankruptcy protection, or (iv) the other party is acquired by or consolidated with certain identified competitors of the terminating party. We also entered a development agreement with CVS through which we may jointly develop small-format stores.

Gain on Pharmacies and Clinics 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 pharmacies and clinics transaction [(c)]	$	620

(a) Represents deferred income that 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 30, 2016, $690 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.

Deferred income of $694 million represents the consideration received at the close of the sale related to CVS's leasehold interest in the related space within our stores. We estimated the fair value of this leasehold interest using a discounted cash flow analysis.

The pharmacy and clinic inventory and other assets sold had the following balances as of January 31, 2015:

(millions)		January 31, 2015
Inventory included in other current assets	$	508
Other current assets		2
Other noncurrent assets		12
Total	$	522

7. Canada Exit

Background

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 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 30, 2016 and January 31, 2015 based on the estimated fair value of the Canada Subsidiaries' net assets.

Income / (Loss) on Discontinued Operations

Our Canadian exit represented a strategic shift in our business. For this reason, our Canadian Segment results for all periods prior to deconsolidation and costs to exit are classified as discontinued operations.

Income / (Loss) on Discontinued Operations (millions)	2015	2014	2013
Sales	$ —	$ 1,902	$ 1,317
Cost of sales	—	1,541	1,121
SG&A expenses	—	909	910
Depreciation and amortization	—	248	227
Interest expense	—	73	77
Pretax loss from operations	—	(869)	(1,018)
Pretax exit costs	(129)	(5,105)	—
Income taxes	171	1,889	295
Income / (loss) from discontinued operations	$ 42	$ (4,085)	$ (723)

The 2015 and 2014 Canadian pretax exit costs totaled $129 million and $5,105 million, respectively, and included the following:

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

Investments in Canada Subsidiaries

Target continues to indirectly own 100% of the common stock of the Canada Subsidiaries, but has deconsolidated those entities because Target no longer has a controlling interest. At the date of deconsolidation, we adjusted our investment in the Canada Subsidiaries to fair value with a corresponding charge to income. Because the estimated amount of the Canada Subsidiaries' liabilities exceed the estimated fair value of the assets available for distribution to its creditors, the fair value of Target's equity investment approximates zero.

Target Corporation Amounts Receivable from Canada Subsidiaries

Prior to deconsolidation, Target Corporation made loans to the Canada Subsidiaries for the purpose of funding its operations and had accounts receivable generated in the ordinary course of business. The loans, corresponding interest and the accounts receivable were considered intercompany transactions and eliminated in the consolidated Target Corporation financial statements. As of the deconsolidation date, the loans, associated interest, and accounts receivable are now considered related party transactions and have been recognized in Target Corporation's consolidated financial statements at $320 million and $326 million at January 30, 2016 and January 31, 2015, respectively.

Recovery Estimates and Valuation Techniques

We assessed the recoverability of amounts receivable from the Canada Subsidiaries by comparing the estimated fair value of the underlying net assets of the Canada Subsidiaries available for distribution to their creditors in relation to the estimated creditor claims and the priority of those claims. The net assets were valued based on the liquidation price received by the Canada Subsidiaries, less the operating costs incurred to execute the liquidation process. Estimated creditor claims were valued based on our estimate of probable loss related to claims submitted to the Canada Subsidiaries. Based on our estimates, creditor claims exceed net assets.

Our estimates involve significant judgment and are based on currently available information, an assessment of the validity of certain claims and estimated payments by the Canada Subsidiaries. Our ultimate recovery is subject to the final liquidation value of the Canada Subsidiaries. Further, the final liquidation value and ultimate recovery by the creditors of the Canada Subsidiaries, including Target Corporation, is likely to be impacted by the manner in which the Target Corporation guarantees described below are resolved.

Target Corporation Contingencies

The recorded expenses include 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. The beneficiaries of those guarantees may seek damages or other related relief as a result of our exit from Canada. Our probable loss estimate is based on the expectation that claims will be asserted against us and negotiated settlements will be reached, and not on any determination that it is probable we would be found liable were these claims to be litigated. Our estimates involve significant judgment and are based on currently available information, an assessment of the validity of certain claims and estimated payments by the Canada Subsidiaries in the liquidation process, including estimated payments to the beneficiaries of the guarantees.

In the fourth quarter of 2015, we reached settlements with two entities that controlled guaranteed leases representing approximately 46 percent of the recorded accrual at that time. Under the settlement terms, these entities have subrogated to us their claims against the Canada Subsidiaries. The settlement amounts were materially consistent with our previously recorded accruals.

As part of a March 2016 settlement between the Canada Subsidiaries and all of their former landlords, we have agreed to subordinate a portion of our intercompany claims and make certain cash contributions to the estate in exchange for a full release from obligations under guarantees of certain leases. This agreement remains subject to creditor and Court approval. The financial impact of this agreement is materially consistent with amounts recorded in our financial statements. If the agreement is not approved by the creditors and the Court, it is reasonably possible that future changes to our estimates of loss and the ultimate amount paid on these claims could be material to our results of operations in future periods. We are not able to reasonably estimate a range of possible losses in excess of the year-end accrual because there would be significant factual and legal issues to be resolved if the agreement is not approved. Any such losses would be reported in discontinued operations.

Recorded Assets and Liabilities

Assets and Liabilities of Discontinued Operations (millions)		January 30, 2016		January 31, 2015
Income tax benefit	$	77	$	1,430
Receivables from Canada Subsidiaries [(a)]		320		326
Receivables under the debtor-in-possession credit facility		—		19
Total assets	$	397	$	1,775
Accrued liabilities	$	171		296
Total liabilities	$	171	$	296

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

Income Taxes

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 $1,627 million in discontinued operations, which primarily related to a loss on our investment in Canada and includes 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.

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, we recorded the following charges within SG&A, the vast majority of which required cash expenditures:

Restructuring Costs [(a)]		
(millions)		2015
Severance	$	128
Pension and other		10
Total	$	138

(a) Restructuring costs are not included in our segment results.

Accruals for restructuring costs are included in other current liabilities.

Restructuring-Related Liabilities (millions)	Severance	Pension and Other	Total
Restructuring liability as of January 31, 2015	$ —	$ —	$ —
Charges during period	128	10	138
Paid or otherwise settled	(125)	(10)	(135)
Restructuring liability as of January 30, 2016	$ 3	$ —	$ 3

9. Credit Card Receivables Transaction

In March 2013, we sold our entire U.S. consumer credit card portfolio to TD Bank Group (TD) and recognized a gain of $391 million. This transaction was accounted for as a sale, and the receivables are no longer reported in our Consolidated Statements of Financial Position. Consideration received included cash of $5.7 billion, equal to the gross (par) value of the outstanding receivables at the time of closing, and a $225 million beneficial interest asset.

TD 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 $641 million, $629 million, and $555 million of net profit-sharing income during 2015, 2014, and 2013, 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 30, 2016	January 31, 2015
Assets			
Cash and cash equivalents			
Short-term investments	Level 1	$ 3,008	$ 1,520
Other current assets			
Interest rate swaps[(a)]	Level 2	12	—
Prepaid forward contracts	Level 1	32	38
Beneficial interest asset	Level 3	19	43
Other noncurrent assets			
Interest rate swaps[(a)]	Level 2	27	65
Beneficial interest asset	Level 3	12	31
Liabilities			
Other current liabilities			
Interest rate swaps[(a)]	Level 2	8	—
Other noncurrent liabilities			
Interest rate swaps[(a)]	Level 2	—	24

(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)]	2015		2014	
(millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Debt [(b)]	$ 11,859	$ 13,385	$ 11,875	$ 14,089

(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.

Refer to Note 7 for information about fair value measurements related to our discontinued Canadian operations.

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 $3,008 million and $1,520 million at January 30, 2016 and January 31, 2015, 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 $375 million and $379 million at January 30, 2016 and January 31, 2015, respectively.

12. Inventory

The 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.

Certain other inventory is recorded at the lower of cost or market using the cost method. The valuation allowance for inventory valued under a cost method was not material to our Consolidated Financial Statements as of the end of fiscal 2015 or 2014.

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 $2,261 million, $2,040 million, and $1,833 million in 2015, 2014, and 2013, respectively.

13. Other Current Assets

Other Current Assets (millions)	January 30, 2016	January 31, 2015
Income tax and other receivables	$ 352	$ 426
Vendor income receivable	379	426
Prepaid expenses	214	231
Pharmacy-related receivables [(a)]	48	274
Pharmacy and clinic assets held for sale [(b)]	—	510
Other	168	207
Total	$ 1,161	$ 2,074

(a) We did not sell outstanding pharmacy-related receivables as part of the pharmacies and clinics transaction. See Note 6 for more information on the pharmacies and clinics transaction.

(b) See Note 6 for additional information relating to the pharmacy and clinic assets held for sale.

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 2015, 2014, and 2013 was $2,191 million, $2,108 million, and $1,975 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)	2015	2014	2013
Impairments included in segment SG&A	$ 50	$ 108	$ 58
Unallocated impairments [b]	4	16	19
Total impairments	$ 54	$ 124	$ 77

(a) Substantially all of the impairments are recorded in SG&A expense on the Consolidated Statements of Operations, primarily from completed or planned store closures and software changes.

(b) For 2015, represents long-lived asset impairments from our decision to wind down certain noncore operations. For 2014 and 2013, represents impairments of undeveloped land.

15. Other Noncurrent Assets

Other Noncurrent Assets (millions)	January 30, 2016	January 31, 2015
Goodwill and intangible assets	$ 277	$ 298
Company-owned life insurance investments [a]	308	322
Pension asset	66	1
Interest rate swaps [b]	27	65
Other	162	193
Total	$ 840	$ 879

(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.

(b) See Notes 10 and 21 for additional information relating to our interest rate swaps.

16. Goodwill and Intangible Assets

Goodwill totaled $133 million and $147 million at January 30, 2016 and January 31, 2015, respectively. 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 2015, 2014 or 2013 as a result of the annual goodwill impairment tests performed.

Intangible Assets	Leasehold Acquisition Costs		Other [(a)]		Total	
(millions)	January 30, 2016	January 31, 2015	January 30, 2016	January 31, 2015	January 30, 2016	January 31, 2015
Gross asset	$ 211	$ 224	$ 88	$ 181	$ 299	$ 405
Accumulated amortization	(127)	(133)	(27)	(117)	(154)	(250)
Net intangible assets	$ 84	$ 91	$ 61	$ 64	$ 145	$ 155

(a) Other intangible assets relate primarily to trademarks. We sold $91 million of gross intangible assets with accumulated depreciation of $88 million in connection with the sale of our pharmacy and clinics businesses. See Note 6 for additional information.

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 30, 2016. Amortization expense was $23 million, $22 million, and $20 million in 2015, 2014, and 2013, respectively.

Estimated Amortization Expense (millions)	2016	2017	2018	2019	2020
Amortization expense	$ 18	$ 16	$ 12	$ 11	$ 11

17. Accounts Payable

At January 30, 2016 and January 31, 2015, we reclassified book overdrafts of $534 million and $682 million, respectively, to accounts payable and $99 million and $82 million, respectively, to accrued and other current liabilities.

18. Accrued and Other Current Liabilities

Accrued and Other Current Liabilities (millions)	January 30, 2016	January 31, 2015
Wages and benefits	$ 884	$ 951
Gift card liability, net of estimated breakage	644	612
Real estate, sales, and other taxes payable	574	550
Income tax payable	502	26
Dividends payable	337	333
Straight-line rent accrual [(a)]	262	255
Workers' compensation and general liability [(b)]	146	153
Interest payable	76	76
Project costs accrual	73	69
Other	738	758
Total	$ 4,236	$ 3,783

(a) Straight-line rent accrual represents the amount of rent expense recorded that exceeds cash payments remitted in connection with operating leases.

(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

As previously reported, 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, several of which have been finally or preliminarily resolved as follows:

Payment Card Network Claims. Each of the four major payment card networks made a written claim against us regarding the Data Breach. During 2015 we entered into settlement agreements with all four networks.

Consumer Class Action. A class action suit was asserted on behalf of a class of guests whose information was compromised in the Data Breach. This action was settled and received Court approval during 2015, but is being appealed by several objecting parties. We believe the settlement terms will be maintained on appeal.

Financial Institutions Class Action. A class action was asserted on behalf of financial institution issuers of credit cards impacted by the Data Breach. This action was settled and received preliminary Court approval in the fourth quarter of 2015. A hearing for final Court approval of the settlement is scheduled for the second quarter of our fiscal 2016.

Actions related to the Data Breach that remain pending are: (1) one action previously filed in Canada; (2) several putative class action suits brought on behalf of shareholders; and (3) ongoing investigations by State Attorneys General and the Federal Trade Commission.

Our accrual for estimated probable losses is based on actual settlements reached to date and the expectation of negotiated settlements in the pending actions. We have not based our accrual on any determination that it is probable we would be found liable for the losses we have accrued were these claims to be litigated. While our estimates may change as new information becomes available, we do not believe any adjustments will be material.

Expenses Incurred and Amounts Accrued

Data Breach Balance Sheet Rollforward (millions)	Liabilities	Insurance Receivable
Balance at February 1, 2014	$ 61	$ 44
Expenses incurred/insurance receivable recorded [(a)]	191	46
Payments made/received	(81)	(30)
Balance at January 31, 2015	$ 171	$ 60
Expenses incurred/insurance receivable recorded [(a)]	39	—
Payments made/received	(130)	(40)
Balance at January 30, 2016	$ 80	$ 20

[(a)] Includes expenditures and accruals for Data Breach-related costs and expected insurance recoveries as discussed below.

We recorded $39 million of pretax Data Breach-related expenses during 2015. Along with legal and other professional services, expenses included an adjustment to the accrual based on refined estimates of our probable exposure. We recorded $191 million of Data Breach-related expenses, partially offset by expected insurance proceeds of $46 million, for net expenses of $145 million during 2014. These expenses were included in our Consolidated Statements of Operations as SG&A, but were not part of segment results.

Since the Data Breach, we have incurred $291 million of cumulative expenses, partially offset by expected insurance recoveries of $90 million, for net cumulative expenses of $201 million.

Canada Exit

See Note 7 for information related to Canada exit-related contingent liabilities.

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. 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 $1,950 million and $2,411 million at January 30, 2016 and January 31, 2015, 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 $279 million and $243 million at January 30, 2016 and January 31, 2015, 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 $1,510 million and $1,447 million at January 30, 2016 and January 31, 2015, 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 $438 million and $459 million at January 30, 2016 and January 31, 2015, respectively.

20. Notes Payable and Long-Term Debt

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 amended ASC 835-30 *Interest-Imputation of Debt Interest*, to simplify the presentation of deferred issuance costs by requiring they be classified as a direct reduction of the debt balances. We have retrospectively adopted this ASU for the year ended January 30, 2016. As a result, $63 million and $71 million of deferred issuance costs have been reclassified from Other noncurrent assets to Long-term debt and other borrowings in our Consolidated Statements of Financial Position as of January 30, 2016 and January 31, 2015, respectively.

At January 30, 2016, the carrying value and maturities of our debt portfolio were as follows:

Debt Maturities	January 30, 2016	
(dollars in millions)	Rate [(a)]	Balance
Due 2016-2020	4.8%	$ 5,268
Due 2021-2025	3.5	2,104
Due 2026-2030	6.7	244
Due 2031-2035	6.5	762
Due 2036-2040	6.7	2,010
Due 2041-2045	4.0	1,471
Total notes and debentures	4.9	11,859
Swap valuation adjustments		42
Capital lease obligations		859
Less: Amounts due within one year		(815)
Long-term debt		$ 11,945

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

Required Principal Payments (millions)	2016	2017	2018	2019	2020
Total required principal payments	$ 751	$ 2,251	$ 201	$ 1,001	$ 1,094

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 periodically obtain short-term financing under our commercial paper program, a form of notes payable.

Commercial Paper (dollars in millions)	2015	2014	2013
Maximum daily amount outstanding during the year	$ —	$ 590	$ 1,465
Average amount outstanding during the year	—	129	408
Amount outstanding at year-end	—	—	80
Weighted average interest rate	—%	0.11%	0.13%

No balances were outstanding at any time during 2015 or 2014 under our $2.25 billion revolving credit facility that expires in October 2018.

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 30, 2016 and January 31, 2015, three interest rate swaps with notional amounts totaling $1,250 million were designated as fair value hedges. No ineffectiveness was recognized in 2015 or 2014.

Outstanding Interest Rate Swap Summary	January 30, 2016		
	Designated	De-Designated	
(dollars in millions)	Pay Floating	Pay Floating	Pay Fixed
Weighted average rate:			
Pay	[(a)]	1-month LIBOR	3.8%
Receive	1.7%	5.7%	1-month LIBOR
Weighted average maturity	3.1 years	0.5 years	0.5 years
Notional	$ 1,250	$ 500	$ 500

(a) There are three designated swaps at January 30, 2016. Two swaps have floating pay rates equal to 3-month LIBOR and one swap has a floating pay rate equal to 1-month LIBOR.

Classification and Fair Value (millions)	Assets			Liabilities		
	Classification	Jan 30, 2016	Jan 31, 2015	Classification	Jan 30, 2016	Jan 31, 2015
Designated:	Other noncurrent assets	$ 27	$ 27	N/A	$ —	$ —
De-designated:	Other current assets	12	—	Other current liabilities	8	—
	Other noncurrent assets	—	38	Other noncurrent liabilities	—	24
Total		$ 39	$ 65		$ 8	$ 24

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	2015	2014	2013
Interest rate swaps	Net interest expense	$ (36)	$ (32)	$ (29)

The amount remaining on unamortized hedged debt valuation gains from terminated or de-designated interest rate swaps that will be amortized into earnings over the remaining lives of the underlying debt totaled $15 million, $34 million, and $52 million, at the end of 2015, 2014, and 2013, respectively.

22. Leases

We lease certain retail locations, warehouses, distribution centers, office space, land, equipment, and software. 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. Rent income received from tenants who rent properties is recorded as a reduction to SG&A expense.

Rent Expense (millions)	2015	2014	2013
Property, equipment, and software	$ 198	$ 195	$ 212
Rent income [(a)]	(16)	(9)	(8)
Total rent expense	$ 182	$ 186	$ 204

[(a)] Includes rental income from CVS. See Note 6 for further discussion.

Total capital lease interest expense was $42 million, $38 million, and $39 million in 2015, 2014, and 2013, 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 30, 2016 and January 31, 2015 were $735 million and $711 million, respectively. These assets are recorded net of accumulated amortization of $321 million and $242 million as of January 30, 2016 and January 31, 2015, respectively.

Future Minimum Lease Payments (millions)	Operating Leases [a]	Capital Leases [b]	Rent Income	Total
2016	$ 186	$ 130	$ (21)	$ 295
2017	183	73	(19)	237
2018	178	71	(18)	231
2019	167	70	(17)	220
2020	157	69	(17)	209
After 2020	2,842	1,277	(286)	3,833
Total future minimum lease payments	$ 3,713	$ 1,690	$ (378)	$ 5,025
Less: Interest [c]		831		
Present value of future minimum capital lease payments [d]		$ 859		

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 $1,995 million related to options to extend lease terms that are reasonably assured of being exercised and also includes $90 million of legally binding minimum lease payments for stores that are expected to open in 2016 or later.

(b) Capital lease payments include $614 million related to options to extend lease terms that are reasonably assured of being exercised and also includes $311 million of legally binding minimum lease payments for stores that are expected to open in 2016 or later.

(c) Calculated using the interest rate at inception for each lease.

(d) Includes the current portion of $59 million.

23. Income Taxes

Earnings from continuing operations before income taxes were $4,923 million, $3,653 million, and $4,121 million during 2015, 2014, and 2013, including $373 million, $261 million, and $196 million earned by our foreign entities subject to tax outside of the U.S.

Tax Rate Reconciliation – Continuing Operations	2015	2014	2013
Federal statutory rate	35.0 %	35.0 %	35.0 %
State income taxes, net of the federal tax benefit	3.0	2.2	2.4
International	(2.3)	(2.3)	(1.2)
Change in valuation allowance	(2.3)	—	—
Other	(0.9)	(1.9)	(1.6)
Effective tax rate	32.5 %	33.0 %	34.6 %

Provision for Income Taxes (millions)	2015	2014	2013
Current:			
Federal	$ 1,652	$ 1,074	$ 1,206
State	265	116	150
International	7	7	13
Total current	1,924	1,197	1,369
Deferred:			
Federal	(272)	(2)	56
State	(50)	10	—
International	—	(1)	2
Total deferred	(322)	7	58
Total provision	$ 1,602	$ 1,204	$ 1,427

Net Deferred Tax Asset/(Liability) (millions)		January 30, 2016		January 31, 2015
Gross deferred tax assets:				
Accrued and deferred compensation	$	476	$	531
Accruals and reserves not currently deductible		323		316
Self-insured benefits		199		223
Prepaid store-in-store lease income		270		—
Other		90		176
Total gross deferred tax assets		1,358		1,246
Gross deferred tax liabilities:				
Property and equipment		(1,790)		(1,946)
Inventory		(190)		(307)
Other		(168)		(123)
Total gross deferred tax liabilities		(2,148)		(2,376)
Total net deferred tax liability	$	(790)	$	(1,130)

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 sale of our pharmacy and clinic businesses. The benefit of the valuation allowance release is recorded in continuing operations.

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 in income 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 $685 million at January 30, 2016 and $328 million at January 31, 2015. It is not practicable to determine the income tax liability that would be payable if such earnings were repatriated.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*. ASU 2015-17 amended ASC 740, Income Taxes, to simplify the presentation of deferred taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the balance sheet. We have retrospectively adopted this ASU for the year ended January 30, 2016. As a result, $289 million and $188 million of current deferred tax assets from continuing operations have been reclassified from other current assets to deferred income taxes in our Consolidated Statements of Financial Position as of January 30, 2016 and January 31, 2015, respectively, and $74 million and $274 million of current deferred tax assets from discontinued operations have been reclassified from assets of discontinued operations to noncurrent assets of discontinued operations, respectively.

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 2003.

Reconciliation of Liability for Unrecognized Tax Benefits (millions)	2015	2014	2013
Balance at beginning of period	$ 155	$ 183	$ 216
Additions based on tax positions related to the current year	10	10	15
Additions for tax positions of prior years	14	17	28
Reductions for tax positions of prior years	(26)	(42)	(57)
Settlements	—	(13)	(19)
Balance at end of period	$ 153	$ 155	$ 183

If we were to prevail on all unrecognized tax benefits recorded, $99 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 30, 2016, January 31, 2015, and February 1, 2014, we recorded a net expense/(benefit) from accrued penalties and interest of $5 million, $(12) million, and $(1) million, respectively. As of January 30, 2016, January 31, 2015, and February 1, 2014 total accrued interest and penalties were $44 million, $40 million, and $58 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 30, 2016	January 31, 2015
Deferred income liability [(a)]	$ 660	$ —
Deferred compensation	454	507
Workers' compensation and general liability [(b)]	353	413
Income tax	122	128
Pension and postretirement health care benefits	54	151
Other	254	253
Total	$ 1,897	$ 1,452

(a) Represents deferred income related to the pharmacies and clinics 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

In 2015, our Board of Directors authorized a $5 billion expansion of our existing share repurchase program to $10 billion. Under this program, we have repurchased 94.6 million shares of common stock through January 30, 2016, at an average price of $69.57, for a total investment of $6.6 billion.

Share Repurchases (millions, except per share data)	2015	2014	2013
Total number of shares purchased [(a)]	44.7	0.8	21.9
Average price paid per share	$ 77.07	$ 54.07	$ 67.41
Total investment	$ 3,441	$ 41	$ 1,474

(a) Includes 0.1 million, 0.8 million, and 0.2 million shares delivered upon the non-cash settlement of prepaid contracts in 2015, 2014, and 2013, respectively. These contracts had an original cash investment of $3 million, $41 million, and $14 million, respectively, and an aggregate market value of $7 million, $46 million, and $17 million. These contracts are among the investment vehicles used to reduce our economic exposure related to our nonqualified deferred compensation plans. Note 27 provides the details of our positions in prepaid forward contracts.

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 31.5 million and 14.0 million at January 30, 2016 and January 31, 2015, 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 for continuing operations recognized in the Consolidated Statements of Operations was $118 million, $73 million, and $106 million in 2015, 2014, and 2013, respectively. The related income tax benefit was $46 million, $29 million, and $41 million in 2015, 2014, and 2013, respectively.

Share information includes all outstanding awards for continuing and discontinued operations.

Restricted Stock

We issue restricted stock units and performance-based restricted stock units generally with three-year cliff vesting from the grant date (collectively restricted stock) 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 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 was $73.76, $70.50, and $62.76 in 2015, 2014, and 2013, respectively.

Restricted Stock Activity	Total Nonvested Units	
	Restricted Stock [(a)]	Grant Date Fair Value [(b)]
January 31, 2015	4,713	$ 65.11
Granted	1,677	73.76
Forfeited	(704)	65.87
Vested	(1,460)	61.51
January 30, 2016	4,226	$ 69.49

(a) Represents the number of shares of restricted stock, 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 30, 2016 was 3,471 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 30, 2016, there was $149 million of total unrecognized compensation expense related to restricted stock, which is expected to be recognized over a weighted average period of 1.3 years. The fair value of restricted stock vested and converted to shares of Target common stock was $90 million, $40 million, and $28 million in 2015, 2014, and 2013, 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 $74.19, $73.12, and $57.22 in 2015, 2014, and 2013, respectively.

Performance Share Unit Activity	Total Nonvested Units	
	Performance Share Units [(a)]	Grant Date Fair Value [(b)]
January 31, 2015	3,600	$ 63.16
Granted	2,190	74.19
Forfeited	(1,728)	60.48
Vested	(39)	55.58
January 30, 2016	4,023	$ 70.70

(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 30, 2016 was 1,812 thousand.
(b) Weighted average per unit.

The expense recognized each period is 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 $230 million assuming payout of all unvested awards. The unrecognized expense is expected to be recognized over a weighted average period of 2.0 years. The fair value of performance share units vested and converted was $2 million in 2015, $11 million in 2014, and $14 million in 2013.

Stock Options

Through 2013, we granted nonqualified stock options to certain team members that generally vest and become exercisable annually in equal amounts over a four-year period and expire 10 years after the grant date. We previously granted options with a ten-year term to the non-employee members of our Board of Directors that vest immediately, but are not exercisable until one year after the grant date.

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 31, 2015	16,725	$ 53.04	$ 344	12,843	$ 52.02	$ 277
Granted	—	—				
Expired/forfeited	(404)	55.77				
Exercised/issued	(5,821)	52.07				
January 30, 2016	10,500	$ 53.47	$ 199	9,405	$ 52.57	$ 187

(a) In thousands.
(b) Weighted average per share.
(c) Represents stock price appreciation subsequent to the grant date, in millions.

Stock Option Exercises (millions)	2015	2014	2013
Cash received for exercise price	$ 303	$ 374	$ 422
Intrinsic value	159	143	197
Income tax benefit	77	41	77

The weighted average remaining life of exercisable options is 4.6 years, and the weighted average remaining life of all outstanding options is 4.7 years. The total fair value of options vested was $23 million, $37 million, and $53 million in 2015, 2014, and 2013, 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 2,500 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 nonqualified, unfunded deferred compensation plan that was frozen during 1996, covering approximately 55 participants, all of whom are no longer at Target. In this plan, deferred compensation earns returns tied to market levels of interest rates plus an additional 6 percent return, with a minimum of 12 percent and a maximum of 20 percent, as determined by the plan's terms. Our total liability under these plans was $497 million and $539 million at January 30, 2016 and January 31, 2015, respectively.

We mitigate some of our risk of offering the nonqualified plans through investing in vehicles, including company-owned life insurance and prepaid forward contracts in our own common stock, that offset a substantial portion of our economic exposure to the returns of these plans. These investment vehicles 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.

There was no change in fair value for contracts indexed to our own common stock recognized in earnings during 2015. The total change in fair value for contracts indexed to our own common stock recognized in earnings was pretax income/(loss) of $11 million and $(5) million in 2014 and 2013, respectively. During 2015 and 2014, we made no investments in prepaid forward contracts in our own common stock. Adjusting our position in these investment vehicles may involve repurchasing shares of Target common stock when settling the forward contracts as described in Note 25. The settlement dates of these instruments are regularly renegotiated with the counterparty.

Prepaid Forward Contracts on Target Common Stock (millions, except per share data)	Number of Shares	Contractual Price Paid per Share	Contractual Fair Value	Total Cash Investment
January 31, 2015	0.5	$ 41.11	$ 38	$ 21
January 30, 2016	0.4	$ 41.11	$ 32	$ 18

Plan Expenses (millions)	2015	2014	2013
401(k) plan matching contributions expense	$ 224	$ 220	$ 229
Nonqualified deferred compensation plans			
Benefits expense [(a)]	5	52	41
Related investment expense (income) [(b)]	15	(45)	(23)
Nonqualified plan net expense	$ 20	$ 7	$ 18

(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

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. Effective April 1, 2016, we will discontinue 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 have extinguished the remaining benefit obligation related to this plan.

Change in Projected Benefit Obligation	Qualified Plans		Nonqualified Plans	
(millions)	2015	2014	2015	2014
Benefit obligation at beginning of period	$ 3,844	$ 3,173	$ 43	$ 35
Service cost	108	111	1	1
Interest cost	152	148	2	1
Actuarial (gain)/loss	(400)	556	(4)	9
Participant contributions	6	3	—	—
Benefits paid	(155)	(147)	(3)	(3)
Plan amendments	3	—	—	—
Benefit obligation at end of period	$ 3,558	$ 3,844	$ 39	$ 43

Change in Plan Assets	Qualified Plans		Nonqualified Plans	
(millions)	2015	2014	2015	2014
Fair value of plan assets at beginning of period	$ 3,784	$ 3,267	$ —	$ —
Actual return on plan assets	(231)	507	—	—
Employer contributions	203	154	3	3
Participant contributions	6	3	—	—
Benefits paid	(155)	(147)	(3)	(3)
Fair value of plan assets at end of period	3,607	3,784	—	—
Benefit obligation at end of period	3,558	3,844	39	43
Funded/(underfunded) status	$ 49	$ (60)	$ (39)	$ (43)

Recognition of Funded/(Underfunded) Status	Qualified Plans		Nonqualified Plans	
(millions)	2015	2014	2015	2014
Other noncurrent assets	$ 66	$ —	$ —	$ —
Accrued and other current liabilities	(1)	(1)	(6)	(4)
Other noncurrent liabilities	(16)	(59)	(33)	(39)
Net amounts recognized	$ 49	$ (60)	$ (39)	$ (43)

Amounts in Accumulated Other Comprehensive Income		
(millions)	2015	2014
Net actuarial loss	$ 1,022	$ 1,018
Prior service credits	(57)	(69)
Amounts in accumulated other comprehensive income	$ 965	$ 949

Change in Accumulated Other Comprehensive Income		
(millions)	Pretax	Net of Tax
February 1, 2014	$ 712	$ 430
Net actuarial loss	291	176
Amortization of net actuarial losses	(65)	(40)
Amortization of prior service costs and transition	11	7
January 31, 2015	$ 949	$ 573
Net actuarial loss	87	53
Amortization of net actuarial losses	(82)	(50)
Amortization of prior service costs and transition	11	7
January 30, 2016	$ 965	$ 583

Expected Amortization of Amounts in Accumulated Other Comprehensive Income		
(millions)	Pretax	Net of Tax
Net actuarial loss	$ 46	$ 28
Prior service credits	(11)	(7)
Total amortization expense	$ 35	$ 21

Net Pension Benefits Expense			
(millions)	2015	2014	2013
Service cost benefits earned during the period	$ 109	$ 112	$ 118
Interest cost on projected benefit obligation	154	149	137
Expected return on assets	(260)	(233)	(235)
Amortization of losses	82	65	103
Amortization of prior service cost	(11)	(11)	(11)
Settlement and special termination charges	4	—	3
Total	$ 78	$ 82	$ 115

Prior service cost amortization is determined using the straight-line method over the average remaining service period of team members expected to receive benefits under the plan.

Defined Benefit Pension Plan Information		
(millions)	2015	2014
Accumulated benefit obligation (ABO) for all plans [(a)]	$ 3,550	$ 3,834
Projected benefit obligation for pension plans with an ABO in excess of plan assets [(b)]	65	65
Total ABO for pension plans with an ABO in excess of plan assets	60	56
Fair value of plan assets for pension plans with an ABO in excess of plan assets	10	—

(a) The present value of benefits earned to date assuming no future salary growth.
(b) The present value of benefits earned to date by plan participants, including the effect of assumed future salary increases.

Assumptions

Benefit Obligation Weighted Average Assumptions	2015	2014
Discount rate	4.70%	3.87%
Average assumed rate of compensation increase	3.00	3.00

Net Periodic Benefit Expense Weighted Average Assumptions	2015	2014	2013
Discount rate	3.87%	4.77%	4.40%
Expected long-term rate of return on plan assets	7.50	7.50	8.00
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 8.4 percent, 7.2 percent, 6.8 percent, and 8.5 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 30, 2016 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.

Plan Assets

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's asset class. 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 2015	Actual Allocation 2014
Domestic equity securities [(a)]	14%	16%	19%
International equity securities	9	10	12
Debt securities	45	44	28
Balanced funds	23	21	31
Other [(b)]	9	9	10
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 30, 2016 and January 31, 2015.

(b) Other assets include private equity, mezzanine and high-yield debt, natural resources and timberland funds, multi-strategy hedge funds, derivative instruments, and a 4 percent allocation to real estate.

In May 2015, the FASB issued ASU No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* ASU 2015-07 amended ASC 820, *Fair Value Measurements and Disclosures*, to remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendment also removes the requirement to make certain disclosures for these investments. We have retrospectively adopted this ASU for the year ended January 30, 2016.

Fair Value Measurements		Fair Value at	
(millions)	Pricing Category	January 30, 2016	January 31, 2015
Cash and cash equivalents	Level 1	$ 43	$ 7
Government securities [a]	Level 2	470	349
Fixed income [b]	Level 2	979	571
Other [c]	Level 2	8	21
		1,500	948
Investments valued using NAV per share [d]			
Cash and cash equivalents		455	204
Common collective trusts		544	1,102
Fixed Income		49	53
Balanced funds		756	1,152
Private equity funds		141	171
Other		162	154
Total plan assets		$ 3,607	$ 3,784

[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).

Contributions

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 2015 and 2014, we made discretionary contributions of $200 million and $150 million, respectively, to our qualified defined benefit pension plans. We are not required to make any contributions in 2016. However, depending on investment performance and plan funded status, we may elect to make a contribution.

Estimated Future Benefit Payments (millions)	Pension Benefits
2016	$ 169
2017	170
2018	172
2019	180
2020	188
2021-2025	1,068

29. Accumulated Other Comprehensive Income

(millions)	Cash Flow Hedges	Currency Translation Adjustment	Pension and Other Benefit	Total
January 31, 2015	$ (22)	$ (16)	$ (561)	$ (599)
Other comprehensive (loss)/income before reclassifications	—	(6)	(23)	(29)
Amounts reclassified from AOCI	3 [a]	—	(4) [b]	(1)
January 30, 2016	$ (19)	$ (22)	$ (588)	$ (629)

[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 $14 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 sales channels.

Business Segment Results (millions)	2015	2014	2013
Sales	$ 73,785	$ 72,618	$ 71,279
Cost of sales	51,997	51,278	50,039
Gross margin	21,788	21,340	21,240
Selling, general, and administrative expenses [e]	14,448	14,503	14,383
Depreciation and amortization	2,213	2,129	1,996
Segment profit	5,127	4,708	4,861
Gain on sale [a]	620	—	391
Restructuring costs [b][e]	(138)	—	—
Data breach-related costs, net of insurance [c][e]	(39)	(145)	(17)
Other [d][e]	(39)	(29)	(64)
Earnings from continuing operations before interest expense and income taxes	5,530	4,535	5,170
Net interest expense	607	882	1,049
Earnings from continuing operations before income taxes	$ 4,923	$ 3,653	$ 4,121

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

(a) For 2015, includes the gain on the pharmacies and clinics transaction. Refer to Note 6 for more information. For 2013, includes the gain on receivables transaction. Refer to Note 9 for more information.

(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 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. For 2013, includes a $23 million workforce-reduction charge primarily related to severance and benefits costs, a $22 million charge related to part-time team member health benefit changes, and $19 million in impairment charges related to undeveloped land in the U.S.

(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 30, 2016	January 31, 2015
U.S.	$ 39,845	$ 39,337
Assets of discontinued operations	397	1,775
Unallocated assets [a]	20	60
Total assets	$ 40,262	$ 41,172

(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 2015 and 2014:

Quarterly Results	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total Year	
(millions, except per share data)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sales	$ 17,119	$ 16,657	$ 17,427	$ 16,957	$ 17,613	$ 17,254	$ 21,626	$ 21,751	$ 73,785	$ 72,618
Cost of sales	11,911	11,748	12,051	11,798	12,440	12,171	15,594	15,563	51,997	51,278
Gross margin	5,208	4,909	5,376	5,159	5,173	5,083	6,032	6,188	21,788	21,340
Selling, general, and administrative expenses	3,514	3,376	3,495	3,599	3,736	3,644	3,921	4,058	14,665	14,676
Depreciation and amortization	540	511	551	537	561	535	562	545	2,213	2,129
Gain on sale	—	—	—	—	—	—	(620)	—	(620)	—
Earnings before interest expense and income taxes	1,154	1,022	1,330	1,023	876	904	2,169	1,585	5,530	4,535
Net interest expense	155	152	148	433	151	146	152	151	607	882
Earnings from continuing operations before income taxes	999	870	1,182	590	725	758	2,017	1,434	4,923	3,653
Provision for income taxes	348	299	409	199	249	232	596	474	1,602	1,204
Net earnings from continuing operations	651	571	773	391	476	526	1,421	960	3,321	2,449
Discontinued operations, net of tax	(16)	(153)	(20)	(157)	73	(174)	5	(3,600)	42	(4,085)
Net earnings/(loss)	$ 635	$ 418	$ 753	$ 234	$ 549	$ 352	$ 1,426	$ (2,640)	$ 3,363	$ (1,636)
Basic earnings/(loss) per share										
Continuing operations	$ 1.02	$ 0.90	$ 1.21	$ 0.62	$ 0.76	$ 0.83	$ 2.33	$ 1.51	$ 5.29	$ 3.86
Discontinued operations	(0.03)	(0.24)	(0.03)	(0.25)	0.12	(0.28)	0.01	(5.64)	0.07	(6.44)
Net earnings/(loss) per share	$ 0.99	$ 0.66	$ 1.18	$ 0.37	$ 0.88	$ 0.55	$ 2.33	$ (4.14)	$ 5.35	$ (2.58)
Diluted earnings/(loss) per share										
Continuing operations	$ 1.01	$ 0.89	$ 1.21	$ 0.61	$ 0.76	$ 0.82	$ 2.31	$ 1.49	$ 5.25	$ 3.83
Discontinued operations	(0.03)	(0.24)	(0.03)	(0.25)	0.11	(0.27)	0.01	(5.59)	0.07	(6.38)
Net earnings/(loss) per share	$ 0.98	$ 0.66	$ 1.18	$ 0.37	$ 0.87	$ 0.55	$ 2.32	$ (4.10)	$ 5.31	$ (2.56)
Dividends declared per share	$ 0.52	$ 0.43	$ 0.56	$ 0.52	$ 0.56	$ 0.52	$ 0.56	$ 0.52	$ 2.20	$ 1.99
Closing common stock price:										
High	83.57	62.54	85.01	61.38	80.87	63.93	78.23	77.13	85.01	77.13
Low	74.25	55.07	77.26	55.34	72.94	57.50	67.59	61.12	67.59	55.07

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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Household essentials	28%	27%	28%	28%	28%	27%	21%	22%	26%	25%
Hardlines	14	15	14	15	13	15	24	24	17	18
Apparel and accessories	20	19	21	20	19	19	18	17	19	19
Food and pet supplies	22	23	20	20	22	21	19	19	21	21
Home furnishings and décor	16	16	17	17	18	18	18	18	17	17
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Supplemental information										
Pharmacy [b]	6%	6%	6%	6%	6%	6%	3%	5%	5%	6%

[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 April 25, 2016. 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 April 25, 2016, 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 April 25, 2016, are incorporated herein by reference:

- Compensation Discussion and Analysis
- Compensation Tables
- Human Resources and 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 April 25, 2016, 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 April 25, 2016, 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 April 25, 2016, 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 30, 2016, January 31, 2015, and February 1, 2014
- Consolidated Statements of Comprehensive Income for the Years Ended January 30, 2016, January 31, 2015, and February 1, 2014
- Consolidated Statements of Financial Position at January 30, 2016 and January 31, 2015
- Consolidated Statements of Cash Flows for the Years Ended January 30, 2016, January 31, 2015, and February 1, 2014
- Consolidated Statements of Shareholders' Investment for the Years Ended January 30, 2016, January 31, 2015, and February 1, 2014
- 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 †	Amended and Restated Transaction Agreement dated September 12, 2011 among Zellers Inc., Hudson's Bay Company, Target Corporation and Target Canada Co. *(1)*
B †	First Amending Agreement dated January 20, 2012 to Amended and Restated Transaction Agreement among Zellers Inc., Hudson's Bay Company, Target Corporation and Target Canada Co. *(2)*
C	Second Amending Agreement dated June 18, 2012 to Amended and Restated Transaction Agreement among Zellers Inc., Hudson's Bay Company, Target Corporation and Target Canada Co. *(3)*
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G ‡	First Amendment to Purchase and Sale Agreement dated March 13, 2013 among Target National Bank, Target Receivables LLC, Target Corporation and TD Bank USA, N.A. *(7)*
H ⊠	Asset Purchase Agreement dated June 12, 2015 between Target Corporation and CVS Pharmacy, Inc. (*8*)
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B	By-laws (as amended through November 11, 2015) *(10)*
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C	Target agrees to furnish to the Commission on request copies of other instruments with respect to long-term debt.
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B *	Target Corporation Long-Term Incentive Plan (as amended and restated effective June 8, 2011) *(14)*
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H *	Target Corporation Deferred Compensation Plan Directors *(20)*
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AA *	Form of Non-Employee Director Restricted Stock Unit Agreement
BB *	Form of Cash Retention Award *(36)*
CC *	Advisory Period Letter to Gregg W. Steinhafel, dated May 21, 2014 *(37)*
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HH *	Aircraft Time Sharing Agreement as of March 13, 2015 among Target Corporation and Brian C. Cornell *(42)*
II ♦	First Amendment dated February 24, 2015 to Credit Card Program Agreement among Target Corporation, Target Enterprise, Inc. and TD Bank USA, N.A. *(43)*
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KK ♦	Pharmacy Operating Agreement dated December 16, 2015 between Target Corporation and CVS Pharmacy, Inc.
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101.INS	XBRL Instance Document
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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 Disclosure Letter and Schedule A referred to in the agreement, Exhibits A and B to the First Amending Agreement, and Exhibit A to the Fourth Amending Agreement which Target Corporation agrees to furnish supplementally to the Securities and Exchange Commission upon request.

‡ Excludes Schedules A through N, Annex A and Exhibits A-1 through C-2 referred to in the agreement and First Amendment, which Target Corporation agrees to furnish supplementally to the Securities and Exchange Commission upon request.

⌧ 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)KK.

◆ Certain portions of this exhibit have been omitted pursuant to a request for confidential treatement 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)A to Target's Form 10-Q Report for the quarter ended October 29, 2011.
(2) Incorporated by reference to Exhibit (2)B to Target's Form 10-K Report for the year ended January 28, 2012.
(3) Incorporated by reference to Exhibit (2)C to Target's Form 10-Q Report for the quarter ended July 28, 2012.
(4) Incorporated by reference to Exhibit (2)D to Target's Form 10-Q Report for the quarter ended July 28, 2012.
(5) Incorporated by reference to Exhibit (2)E to Target's Form 10-K Report for the year ended February 2, 2013.
(6) Incorporated by reference to Exhibit (2)E to Target's Form 10-Q Report for the quarter ended October 27, 2012.
(7) Incorporated by reference to Exhibit (2)G to Target's Form 8-K Report filed March 13, 2013.
(8) Incorporated by reference to Exhibit (2)H to Target's Form 10-Q Report for the quarter ended August 1, 2015.
(9) Incorporated by reference to Exhibit (3)A to Target's Form 8-K Report filed June 10, 2010.
(10) Incorporated by reference to Exhibit (3)A to Target's Form 8-K Report filed November 11, 2015.
(11) Incorporated by reference to Exhibit 4.1 to Target's Form 8-K Report filed August 10, 2000.
(12) Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K Report filed May 1, 2007.
(13) Incorporated by reference to Appendix A to the Registrant's Proxy Statement filed April 30, 2012.
(14) Incorporated by reference to Exhibit (10)B to Target's Form 10-Q Report for the quarter ended July 30, 2011.
(15) Incorporated by reference to Exhibit (10)C to Target's Form 10-Q Report for the quarter ended July 30, 2011.
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(22) Incorporated by reference to Exhibit (10)J to Target's Form 10-Q Report for the quarter ended July 30, 2011.
(23) Incorporated by reference to Exhibit (10)A to Target's Form 10-Q Report for the quarter ended October 30, 2010.
(24) Incorporated by reference to Exhibit (10)O to Target's Form 10-K Report for the year ended January 29, 2005.
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(30) Incorporated by reference to Exhibit (10)R to Target's Form 10-K Report for the year ended January 31, 2015.
(31) Incorporated by reference to Exhibit (10)S to Target's Form 10-K Report for the year ended January 31, 2015.
(32) Incorporated by reference to Exhibit (10)X to Target's Form 10-Q/A Report for the quarter ended May 4, 2013.
(33) Incorporated by reference to Appendix A to Target's Proxy Statement filed April 28, 2011.
(34) Incorporated by reference to Exhibit (10)V to Target's Form 10-K Report for the year ended January 31, 2015.
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(36) Incorporated by reference to Exhibit (10)W to Target's Form 10-K Report for year ended February 2, 2013.
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(42) Incorporated by reference to Exhibit (10)HH to Target's Form 10-K Report for the year ended January 31, 2015.
(43) Incorporated by reference to Exhibit (10)II to Target's Form 10-Q Report for the quarter ended May 2, 2015.
(44) Incorporated by reference to Exhibit (10)JJ to Target's Form 8-K Report filed June 12, 2015.

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:

Catherine R. Smith
Executive Vice President and Chief Financial Officer

Dated: March 11, 2016

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 11, 2016

Catherine R. Smith
Executive Vice President and Chief Financial Officer

Dated: March 11, 2016

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

Dated: March 11, 2016

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

Catherine R. Smith, by signing his 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: /s/ C R Smith

Catherine R. Smith
Attorney-in-fact

Dated: March 11, 2016

Exhibit Index

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101.LAB	XBRL Taxonomy Extension Label Linkbase	Filed Electronically
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Filed Electronically

Exhibit (10)AA

Amended and Restated Target Corporation 2011 Long-Term Incentive Plan

NON-EMPLOYEE DIRECTOR
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 “Director”) identified in the Award Letter. This award (the “Award”) of Restricted Stock Units (“RSUs”), provided to you as a member of the Board, 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 RSUs. Subject to the relevant terms of the Plan and this Agreement, as of the Grant Date, the Company has granted the Director the number of RSUs set forth in the Award Letter.

3. Vesting Schedule. Beginning with the calendar quarter in which the Grant Date occurs, 25% of the RSUs shall vest on the last day of each calendar quarter of the year in which the Grant Date occurs (i.e., March 31, June 30, September 30 and December 31) and any remaining RSUs shall become fully vested on December 31 of the year in which the Grant Date occurs (the “Final Vesting Date”).

4. Circumstances that Accelerate the Vesting Date. All unvested RSUs subject to this Agreement shall become immediately vested if the Director ceases to be a member of the Board due to (a) death, (b) Disability, (c) reaching the mandatory retirement age for members of the Board, or (d) reaching the maximum term limit for members of the Board.

In the event a Change in Control occurs prior to the Final Vesting Date, a pro-rata portion of the RSUs shall become immediately vested, to the extent not already vested. For this purpose a pro-rata portion of the RSUs shall be determined by multiplying the aggregate RSUs subject to the Award by a fraction, the numerator of which is the number of months that have elapsed since the Grant Date (rounded to the nearest whole month) and the denominator is 12.

5. Effect of Ceasing to be a Member of the Board. In the event that the Director ceases to be a member of the Board for any reason prior to the Final Vesting Date, except as specifically provided in this Agreement, the unvested portion of the Award shall be forfeited.

6. Dividend Equivalents. The Director 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 7. 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 fully vested upon issuance, and shall be converted into Shares on the basis and at the time set forth in Section 7 hereof.

7. Conversion of RSUs and Issuance of Shares. The Director shall receive one Share for each vested RSU on the date that is as soon as administratively feasible, but not more than 90 days, following the Director's death or other termination of service as a member of the Board and cessation of all contractual relationships as an independent contractor with the Company (or any other entity which would be treated as a single employer with the Company under Code Section 414(b) or 414(c)) which causes the Director to experience a "separation from service" within the meaning of Code Section 409A; provided, however, that in the event the Company determines that the Director is a "specified employee" under Code Section 409A (or successor provision) and that such distribution is subject to Code Section 409A(a)(2)(B), the issuance of the Director's Shares will be suspended until six months after the Director's separation from service, or if earlier, the Director's death. Until such time as the Director's RSUs have been converted into Shares pursuant to this Section 7, the RSUs will not carry any of the rights of share ownership and will not be entitled to vote or receive dividends (other than the right to receive dividend equivalents).

8. Limitations on Transfer. The Award shall not be sold, assigned, transferred, exchanged or encumbered by the Director other than pursuant to the terms of the Plan.

9. Service as a Member of the Board. Nothing in this Agreement, the Plan or the Award Letter shall give the Director any claim or right to continue as a member of the Board.

10. Governing Law; Venue; Jurisdiction. 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 Director, 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.

11. 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.

12. 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 Director by electronic means any documents related to his or her participation in the Plan. The Director acknowledges receipt of a copy of the Plan and the Award Letter.

[End of Agreement]

Exhibit (10)KK

CONFIDENTIAL TREATMENT REQUESTED

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

PHARMACY OPERATING AGREEMENT

BETWEEN

TARGET CORPORATION
AND

CVS PHARMACY, INC.

PHARMACY OPERATING AGREEMENT

THIS PHARMACY OPERATING AGREEMENT is made as of December 16, 2015 (the **"Effective Date"**), between Target Corporation, a Minnesota corporation (**"Target"**), and CVS Pharmacy, Inc., a Rhode Island corporation (**"CVS"**).

RECITALS

WHEREAS, Target operates retail stores which sell a broad assortment of general merchandise, including but not limited to apparel, electronics, beauty and personal care products, sporting goods, home goods and groceries, as well as providing various services to the general public;

WHEREAS, CVS operates retail pharmacies and drugstores nationally;

WHEREAS, on the date hereof, CVS, and/or its Affiliates acquired certain of Target's pharmacy assets and MinuteClinic, L.L.C. (together with its owned and/or managed entities, "**MinuteClinic**"), an Affiliate of CVS, acquired certain of Target's retail healthcare clinic assets (the **"Acquisition"**) pursuant to the Asset Purchase Agreement (as defined herein);

WHEREAS, in connection with the Acquisition, Target and CVS agreed that CVS will operate Pharmacies in certain Stores, and in connection therewith, Target has agreed to grant to CVS, and CVS has agreed to accept, either (i) a License to operate retail pharmacies at certain Stores on the terms and conditions set forth in this Agreement and the Pharmacy Master License Agreement entered into simultaneously herewith (as the same may be amended, modified or supplemented from time to time, the **"Pharmacy Master License Agreement"**), or (ii) a Lease to operate retail pharmacies at certain Stores on the terms and conditions set forth in this Agreement and the Pharmacy Master Lease Agreement entered into simultaneously herewith (as the same may be amended, modified or supplemented from time to time, the **"Pharmacy Master Lease Agreement**");

WHEREAS, the Parties agree that all Pharmacy Spaces (as defined herein) shall be licensed to CVS, except to the extent a Governmental Entity has required that a Pharmacy Space be leased to CVS or as required by Law;

WHEREAS, in connection with the Acquisition, Target and MinuteClinic, L.L.C. are entering into that certain Clinic Operating Agreement (as the same may be amended, modified or supplemented from time to time, the **"Clinic Operating Agreement"**) simultaneously with the execution of this Agreement; and

WHEREAS, in addition to the agreements contained in the Master Occupancy Agreement, Target and CVS desire to memorialize their agreements related to the operation of the Pharmacies within the Stores, the opening and closing of Stores, the conduct of employees, signage, Intellectual Property, access to Stores and records and other operational matters, all as more particularly set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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

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1. Definitions. The following terms shall have the meanings set forth below:

1.1 *Acquisition*. Shall have the meaning specified in the Recitals of this Agreement.

1.2 *Affiliate or Affiliates*. With respect to any Person, any Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

1.3 *Agreement*. This Pharmacy Operating Agreement and all Exhibits, Attachments and Schedules hereto, as may be amended from time to time.

1.4 *AHLA*. Shall have the meaning specified in Section 25.17 of this Agreement.

1.5 *Annual Forecast Plan*. Shall have the meaning specified in Section 4.1 of this Agreement.

1.6 *Applicable Rate*. A measure of Target's blended actual cost of payment acceptance (calculated using volume weighted tender penetration applied to the underlying cost of payment processing (e.g., processing fees, interchange and chargebacks) of each respective tender) for the prior twelve month period. As of the Effective Date, the Applicable Rate shall be [*]%.

1.7 *Asset Purchase Agreement*. That certain Asset Purchase Agreement, dated as of June 12, 2015, between CVS and Target, as amended, restated, supplemented or otherwise modified.

1.8 *Background Intellectual Property*. Shall have the meaning specified in Section 14.1 of this Agreement.

1.9 *Bankruptcy Event*. Shall have the meaning specified in Section 18.5 of this Agreement.

1.10 *Business Associate Agreement*. The Business Associate Agreement, dated as of the date hereof, entered into by and between CVS and Target.

1.11 *Business Day*. A day, other than a Saturday or a Sunday, on which commercial banks are not required or authorized to close in Minneapolis, Minnesota.

1.12 *Change of Control*. Shall have the meaning specified in Section 18.4 of this Agreement.

1.13 *Change of Control Outlet*. Shall have the meaning specified in Section 18.4(b) of this Agreement.

1.14 *Clinic Operating Agreement*. Shall have the meaning specified in the Recitals of this Agreement.

1.15 *Common Areas*. Shall have the meaning specified in the Pharmacy Master License Agreement or Pharmacy Master Lease Agreement, as applicable.

1.16 *Confidential Information*. Shall have the meaning specified in Section 21.1 of this Agreement.

1.17 *Confidential Patient Information*. Any personally identifiable information relating to CVS's Patients or customers or prospective Patients or customers including, but not limited to, names, addresses, telephone numbers, social security numbers, driver's license numbers, credit card information, location information, IP addresses or other device identifiers, account information, credit information, demographic information, and any other information that, either alone or in combination with other data, could provide information specific to a particular person.

1.18 *Consultant.* Shall have the meaning specified in Section 8.11(a) of this Agreement.

1.19 *Control, Controlling or Controlled by*. With respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person through the ownership of voting securities, by contract or otherwise.

1.20 *CVS*. Shall have the meaning specified in the first paragraph of this Agreement.

1.21 *CVS Change of Control Outlet*. Shall have the meaning specified in Section 18.4(b) of this Agreement.

1.22 *CVS Identification*. Shall have the meaning specified in Section 13.3 of this Agreement.

1.23 *CVS Indemnified Parties*. Shall have the meaning specified in Section 17.2 of this Agreement.

1.24 *CVS Operating Standard*. The operation of a pharmacy consistent in all material respects with the custom and practice of pharmacies operated by CVS's retail pharmacies not located in the Stores that are similar in type to the Pharmacy (and taking into consideration the market area of the Pharmacy).

1.25 *CVS Plans and Specs*. Shall have the meaning specified in Section 4.2(b) of this Agreement.

1.26 *CVS Products*. The following products are CVS Products: (a) pharmaceutical products that are only available for purchase pursuant to a prescription and must be dispensed by a pharmacist or other licensed healthcare professional; (b) except for Exception OTC Products, over-the-counter (**"OTC"**) products, skin care and other products for which a third party commercial or government program payor reimburses CVS and that CVS procures through its own distribution and supply chain network; (c)

Exception OTC Products to the extent provided in Section 8.3; (d) pseudoephedrine (PSE) products that are federally listed chemicals as set forth in 21 CFR Section 1310.02(a); and (e) diabetic supplies such as test strips, needles, syringes, meters, and lancets.

1.27 *CVS Related Third Party*. Shall have the meaning specified in Section 12.3(a) of this Agreement.

1.28 *CVS Restricted Competitors*. Any or all, including any or all Successors, of [*], and their respective Affiliates.

1.29 *CVS Senior Officer*. Shall have the meaning specified in Section 7.2 of this Agreement.

1.30 *CVS Standards*. Shall have the meaning specified in Section 13.3 of this Agreement.

1.31 *Effective Date*. Shall have the meaning specified in the first paragraph of this Agreement.

1.32 *Event*. Shall have the meaning specified in Section 18.3(b) of this Agreement.

1.33 *Exception OTC Products*. Any OTC products regularly bought and sold by Target set forth as an "Exception OTC Product" in the Operating Protocols or added to or removed from the "Exception OTC Product" list in accordance with Section 8.3(b).

1.34 *Excluded Products and Services*. Any prescription product or service set forth as a "Target Exclusion" in **Exhibit A** or added to the "Target Exclusion" list in accordance with Section 8.3(c).

1.35 *Expanded Space*. The Pharmacy Space in any Store that is expanded in size in accordance with the terms of this Agreement.

1.36 *Force Majeure Event*. Catastrophic acts of terrorism, fire, explosion, earthquake, storm, flood, war, insurrection, riot, acts of God, or any comparable event beyond the reasonable control of the Party seeking to excuse performance under this Agreement.

1.37 *GC Report*. Shall have the meaning specified in Section 7.5 of this Agreement.

1.38 *Governance Committee*. Shall have the meaning specified in Section 7.1 of this Agreement.

1.39 *Governmental Entity*. Any federal, state, local or foreign court of competent jurisdiction, governmental agency, authority, instrumentality or regulatory body.

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

1.40 *Guest*. Any consumer, customer or individual who shops within a Store where a Pharmacy is located, which shall not be limited to an individual who receives services at a Pharmacy.

1.41 *HIPAA*. Shall have the meaning specified in Section 8.1(a) of this Agreement.

1.42 *Indemnified Party*. Shall have the meaning specified in Section 17.3 of this Agreement.

1.43 *Indemnifying Party*. Shall have the meaning specified in Section 17.3 of this Agreement.

1.44 *Information Security Agreement*. The Information Security Agreement, dated as of the date hereof, entered into by and between CVS and Target.

1.45 *Intellectual Property*. (a) trademarks, service marks, brand names, certification marks, trade dress, domain names and other indications of origin, the goodwill associated with the foregoing and registration in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application (collectively, **"Trademarks"**), (b) inventions and discoveries, whether patentable or not, in any jurisdiction, patents, applications for patents (including divisions, continuations, continuations in part and renewal applications), and any renewals, extensions or reissues thereof, in any jurisdiction, (c) trade secrets, (d) writings and other works, whether copyrightable or not, in any jurisdiction, (e) database rights, design rights, and privacy rights, and (f) any similar intellectual property or proprietary rights.

1.46 *Large Format Store*. A Store that is larger than [*] square feet.

1.47 *Laws.* All federal, state or local laws, statutes, ordinances, codes and regulations, including those regulating pharmacy licenses and Drug Enforcement Administration registrations for operating a Pharmacy, and rules promulgated by the Boards of Pharmacy applicable to a Pharmacy.

1.48 *Lease*. A lease granted under the Pharmacy Master Lease Agreement for a Pharmacy Space.

1.49 *License*. A license granted under the Pharmacy Master License Agreement for a Pharmacy Space.

1.50 *Losses*. Shall have the meaning specified in Section 17.1 of this Agreement.

1.51 *Marketing Committee*. Shall have the meaning specified in Section 10.1 of this Agreement.

1.52 *Master Occupancy Agreement.* Shall mean, collectively, the Pharmacy Master License Agreement and the Pharmacy Master Lease Agreement.

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

1.53 *MinuteClinic.* Shall have the meaning specified in the Recitals of this Agreement.

1.54 *New Stores*. Any new Target store opened by Target or its Affiliate after the Effective Date in which Target desires to include a Pharmacy or any existing Stores as set forth in Section 4.3.

1.55 *Occupancy Costs*. The amount payable for a Pharmacy Space in accordance with the terms set forth in the Master Occupancy Agreement.

1.56 *Operating Protocols*. Shall have the meaning specified in Section 3.1 of this Agreement.

1.57 *OTC*. Shall have the meaning specified in Section 1.26 of this Agreement.

1.58 *Parent*. Shall have the meaning specified in Section 24.1 of this Agreement.

1.59 *Parties*. Target and CVS.

1.60 *Party*. Target or CVS.

1.61 *Patient*. Any individual who receives Pharmacy Services from one or more of the Pharmacies.

1.62 *Payment Processing Services*. Access to authorization, acquisition, routing, and processing services for credit, debit and pre-paid card brands, cash, checks, and other product types as may be processed, from time to time, consistent with the Target Operating Standard through the Target POS in a Pharmacy.

1.63 *Performance Target*. Shall have the meaning specified in Section 8.11(a) of this Agreement.

1.64 *Person*. Any individual, firm, corporation, partnership, limited liability company, trust, joint venture or other entity.

1.65 *Pharmacist*. Each individually licensed pharmacist who is an employee or otherwise retained by CVS to provide the Pharmacy Services on or after the Effective Date.

1.66 *Pharmacy*. Any retail pharmacy operated by CVS on or after the Effective Date within the Pharmacy Space (under the "CVS/pharmacy," "Target Pharmacy" or other name reasonably designated by CVS) at the locations set forth in the Master Occupancy Agreement, at which CVS Products are sold and Pharmacy Services are provided. If for any reason CVS manages or services a retail pharmacy in accordance with the arrangements described in Section 3.3 below, such retail pharmacy shall be deemed a Pharmacy for the purposes of this Agreement.

1.67 *Pharmacy Master Lease Agreement.* Shall have the meaning specified in the Recitals of this Agreement.

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

1.68 *Pharmacy Master License Agreement.* Shall have the meaning specified in the Recitals of this Agreement.

1.69 *Pharmacy Personnel*. The Pharmacists, Pharmacy Technicians and other employees or contractors retained by CVS to operate the Pharmacies.

1.70 *Pharmacy Services*. The pharmacy services provided at the Pharmacies by Pharmacy Personnel, including stocking, dispensing and selling CVS Products and Exception OTC Products, medication counseling, lab testing of blood work, product selection counseling, administering immunizations and any cash or prescription drug discount card or copayment assistance programs (e.g., as described in Section 8.5(b)), and any CVS loyalty program (as described in Section 11), and other pharmacy services as permitted by Laws and that are consistent with the CVS Operating Standard; provided that the Pharmacy Services shall not include, and CVS shall be prohibited from providing, the Excluded Products and Services.

1.71 *Pharmacy Space*. The designated area Leased or Licensed by CVS in a Store as described in a Master Occupancy Agreement. If for any reason CVS manages or services a retail pharmacy in accordance with the arrangements described in Section 3.3 below, the area in which CVS manages or services the retail pharmacy shall be deemed Pharmacy Space for the purposes of this Agreement.

1.72 *Pharmacy Technician*. Each individual who is employed or retained by CVS as a technician to provide the Pharmacy Services on or after the Effective Date.

1.73 *Plans and Specs*. Shall have the meaning specified in Section 4.2(b) of this Agreement.

1.74 *Post-Period Volume.* Shall have the meaning specified in Section 8.11(a) of this Agreement.

1.75 *Pre-Period Volume*. Shall have the meaning specified in Section 8.11(a) of this Agreement.

1.76 *Reconciliation Amount*. Shall have the meaning specified in Section 8.4(c) of this Agreement.

1.77 *Relocated Space*. The Pharmacy Space in any Store that is relocated to an alternate space at the same Store.

1.78 *Remodeled Store.* The renovation, remodel and/or other capital improvement made by Target in a Store (but not including the Pharmacy Space, except as otherwise provided in Section 4.5).

1.79 *Sales Amount*. Shall have the meaning specified in Section 8.4(c) of this Agreement.

1.80 *Sales Tax Agreement.* The Sales Tax Agreement, dated as of the date hereof, entered into by and between CVS and Target.

1.81 *Senior Officers*. Shall have the meaning specified in Section 7.2 of this Agreement.

1.82 *Shortfall*. Shall have the meaning specified in Section 8.11(a) of this Agreement.

1.83 *Smaller Format Store*. A Store that is [*] square feet or smaller.

1.84 *Special Amendments.* Shall have the meaning specified in Exhibit B of this Agreement.

1.85 *State.* Any state or territory of the United States.

1.86 *Store*. A Target store location within the United States and its territories, including the US Virgin Islands and Puerto Rico, that includes a Pharmacy as of the Effective Date, and those which, subject to the terms and conditions hereof, will include a Pharmacy; provided that a Store at which a Store Closure takes place shall not, as of the date of the Store Closure, be included in the definition of a Store.

1.87 *Store Closure.* The permanent closure of a Store for any reason or the cessation of operations under the Target brand at that Store.

1.88 *Store Growth Group* . The Stores existing as of the Effective Date that also exist on the [*] anniversary of the Effective Date (but excluding any Stores in which a Pharmacy has experienced meaningful or extended disruption due to a Force Majeure Event or a relocation pursuant to Section 4.4(a) hereof).

1.89 *Successor*. Any Person who acquires by purchase, divestiture, merger or otherwise all or substantially all of the stock, assets or business of another Person.

1.90 *Target*. Shall have the meaning specified in the first paragraph of this Agreement.

1.91 *Target Change of Control Outlet.* Shall have the meaning specified in Section 18.4(ii)(a) of this Agreement.

1.92 *Target Indemnified Parties.* Shall have the meaning specified in Section 17.1 of this Agreement.

1.93 *Target Identification.* Shall have the meaning specified in Section 13.1 of this Agreement.

1.94 *Target Operating Standard* . The operation of the Stores consistent in all material respects with the custom, practice and standards of Target's stores.

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

1.95 *Target Personnel*. The employees or contractors retained by Target or its Affiliates to operate the Stores (which shall not include Pharmacy Personnel).

1.96 *Target Plans and Specs*. Shall have the meaning specified in Section 4.2(a) of this Agreement.

1.97 *Target POS*. Target's point of sale terminal and telecommunications system, including hardware and software as more fully described in Section 8.15.

1.98 *Target Products* . The products, services and merchandise sold by Target at the Stores (which shall not include CVS Products or Pharmacy Services).

1.99 *Target Restricted Competitors*. Any or all, including any or all Successors, of [*], and their respective Affiliates.

1.100 *Target Senior Officer*. Shall have the meaning specified in Section 7.2 of this Agreement.

1.101 *Trademarks*. Shall have the meaning specified in Section 1.45 of this Agreement.

1.102 *Transaction*. Shall have the meaning specified in Section 15.3(b) of this Agreement.

1.103 *Transition Services Agreement*. The Transition Services Agreement, dated as of the date hereof, entered into by and between MinuteClinic, CVS and Target.

1.104 *Valuation Experts*. Shall have the meaning specified in Section 19.1(c) of this Agreement.

2. Operating Agreement.

2.1 This Operating Agreement sets forth the terms of and governs the relationship between the Parties related to the operation of the Pharmacies within the Stores. To the extent applicable, the terms and provisions set out in this Agreement shall apply to each Pharmacy Space individually.

2.2 During the term of this Agreement, CVS shall operate a Pharmacy and provide Pharmacy Services within each Store and in Target's headquarters in accordance with the CVS Operating Standard and subject to the other terms, conditions and provisions of this Agreement and any Master Occupancy Agreement (including Section 23(c) thereof). Target shall permit CVS to operate a Pharmacy within each Store and in Target's headquarters in accordance with the terms of this Agreement and the Master Occupancy Agreement (including Section 23(c) thereof). At the Pharmacies, CVS shall only sell CVS Products and Exception OTC Products and shall only provide Pharmacy Services. In the event that a CVS Operating Standard is in conflict with the express terms of this Agreement

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or the Master Occupancy Agreement, the terms of this Agreement or the Master Occupancy Agreement shall govern.

2.3 Target shall operate the Stores in accordance with the Target Operating Standard and subject to the other terms, conditions and provisions of this Agreement and the Master Occupancy Agreement. In the event that a Target Operating Standard is in conflict with the express terms of this Agreement or the Master Occupancy Agreement, the terms of this Agreement or the Master Occupancy Agreement shall govern.

2.4 CVS shall be entitled to exercise exclusive oversight and control of the Pharmacy operations, the sale of CVS Products and Exception OTC Products, and the provision of Pharmacy Services in each Pharmacy Space, subject to the terms and conditions of this Agreement, any applicable power of attorney and the Master Occupancy Agreement. Target shall retain oversight and control over the Store, including all shared infrastructure, all physical access points and the remainder of the Store, subject to CVS's rights hereunder and under any applicable power of attorney and the Master Occupancy Agreement.

2.5 The Parties have endeavored to create an agreement that anticipates issues and decisions they shall face together in the future. Inevitably, issues may arise which CVS and Target did not anticipate. The Parties agree that they shall work together in good faith to maintain collaboration between the institutions and agree to discuss any issues of concern, providing written notice to the other and causing their Senior Officers to meet in person to seek to expeditiously resolve any differences.

3. General Pharmacy Operating Cooperation and Conversion.

3.1 The Parties shall designate a relationship manager for each Party. The relationship managers shall be responsible for developing operating protocols for the Pharmacy, the Pharmacy Personnel and Store teams, as may be amended from time to time (**"Operating Protocols"**). The Operating Protocols shall include policy and procedures for third party vendor access, after hours access to the Store by Pharmacy Personnel, emergency contact and escalation procedures as well as other matters the Parties mutually agree are necessary and appropriate to facilitate an effective and cooperative day-to-day operating model in accordance with this Agreement and the Master Occupancy Agreement.

3.2 Each Party shall commit sufficient and appropriate personnel and resources to ensure CVS is able to operate the Pharmacies in accordance with the terms of this Agreement as expeditiously as possible following the Effective Date. The Parties intend to have CVS operating all Pharmacies in accordance with the terms of this Agreement within one hundred eighty (180) days of the Effective Date, such time to be tolled for the period between November 15, 2015 through January 15, 2016 to the extent applicable, and specifically CVS shall have completed the following by such date, subject to Target's compliance in all material respects with the Transition Services Agreement and this Agreement:

(a) Transitioned to the CVS dispensing system for all Pharmacies;

(b) Rebranded all Pharmacies under the trade name “CVS/pharmacy” (or such other name as reasonably designated by CVS), except as provided in Section 3.3 below;

(c) Obtained all of the necessary state and federal licenses and permits to operate the Pharmacies, excluding any Pharmacies for which such licenses or permits cannot be obtained; and

(d) Completed all other necessary actions to operate the Pharmacies without the services contemplated in the Transition Services Agreement.

3.3 If for any reason CVS cannot rebrand a retail pharmacy under the name “CVS/pharmacy” but can operate a retail pharmacy under the “Target Pharmacy” name, CVS shall operate the retail pharmacy under the “Target Pharmacy” name and the Parties shall work together in good faith to structure such arrangement to enable CVS to operate the retail pharmacy in a manner [*]. If for any reason CVS cannot operate a retail pharmacy under the “CVS/pharmacy,” “Target Pharmacy” or other name reasonably designated by CVS, the Parties shall work together in good faith to structure an arrangement that would enable CVS [*]. The Parties shall work together in good faith to modify this Agreement or enter into new agreement(s) to reflect the foregoing provisions of this Section 3.3 to the extent necessary.

4. New Stores, Existing Expansions, Relocations and Closure.

4.1 *Planning.* On the Effective Date, for the remainder of the calendar year in which the Effective Date occurs and for the next succeeding calendar year, and then on or before October 1 of each subsequent calendar year, Target shall provide CVS with Target’s then-current annual forecast for New Stores, Relocated Spaces, Remodeled Stores and Store Closures, including projected opening, relocation, remodeling and closure/sale dates for the New Stores, Relocated Spaces, Remodeled Stores and Store Closures, respectively (the **“Annual Forecast Plan”**). Upon receipt of the Annual Forecast Plan, or as otherwise consistent with this Section 4, the Parties’ respective rights and obligations in regard to a New Store, Relocated Space, Remodeled Store and Store Closure shall be governed by the subsequent relevant provisions of this Section 4. CVS acknowledges that the Annual Forecast Plan is Confidential Information.

4.2 *New Stores (Pharmacy).* Where Target specifies in the Annual Forecast Plan that a Pharmacy is to be included in a New Store, CVS shall, unless explicitly set forth below in this Section 4.2 or as prohibited by Laws or third party restrictions on, or consent rights to, the operation of a pharmacy applicable to and binding upon Target and/or CVS (provided said third party restrictions or consent rights were not created by CVS), open a Pharmacy in each such New Store pursuant to this Agreement and the Master Occupancy Agreement. CVS shall use commercially reasonable efforts to open the Pharmacy in such New Store at

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the same time the New Store opens to the public. Target shall provide CVS with reasonable, periodic notices, updates, information and communications throughout its New Store opening and development process and reasonable access to the New Store so that CVS can properly license and staff the Pharmacy in accordance with said timeline and the terms and conditions of this Agreement. In each New Store that is to include a Pharmacy, the contiguous usable floor space available for the Pharmacy will be no less than required by Law and at least [*] square feet; provided, that (i) in a New Store where Target has commenced construction based on a store layout plan or has otherwise finalized a store layout plan for such New Store on or before the Effective Date, and such store layout plan has been delivered to CVS within thirty (30) days from the Effective Date, the contiguous usable floor space available for the Pharmacy will be as set forth in such layout plan, and (ii) if the New Store is a Smaller Format Store and Target cannot reasonably accommodate [*] square feet of contiguous usable floor space for the Pharmacy in such Store, then the Parties shall cooperate with each other in good faith to determine the space reasonably required by CVS in such Smaller Format Store to operate the Pharmacy and provide the Pharmacy Services; provided further, that in each such New Store that is a Smaller Format Store, the contiguous usable floor space available for the Pharmacy will be no less than required by Law and at least [*] square feet.

(a) For each New Store where a Pharmacy is to be included, Target shall provide CVS with reasonably detailed information regarding the location of the New Store, the size of the New Store and Pharmacy, a New Store layout plan (which shall include the location of the Pharmacy), signage and site lighting plans (collectively, the **"Target Plans and Specs"**).

(b) For each New Store, CVS shall designate for Target which pre-approved prototype designs will apply for the Pharmacy Space, or will provide to Target its detailed plan and specifications for the Pharmacy Space, including without limitation, power and infrastructure requirements (collectively, the **"CVS Plans and Specs,"** which together with the Target Plans and Specs are known as the **"Plans and Specs"**).

(c) Upon delivery of the Target Plans and Specs and the CVS Plans and Specs by each Party to the other Party, the Parties shall meet to discuss the New Store and the Pharmacy to be included in the New Store and shall agree on a build-out time frame for the Pharmacy Space. CVS shall have reasonable access to the New Store at regular periods prior to completion of construction of the Pharmacy. Any Pharmacy opened at a New Store shall be deemed a Pharmacy under this Agreement, and the Master Occupancy Agreement shall be supplemented consistent with its terms.

4.3 *Existing Store Pharmacy Additions*. Target has provided CVS with a list of all Target stores existing as of the Effective Date that do not have a Pharmacy. The Parties shall work together to jointly determine whether such Target stores are appropriate for the purpose of including a Pharmacy. Any such Target store in which the Parties agree to open a Pharmacy will be treated as a New Store and the notice, access and consultation terms of Section 4.2 shall apply *mutatis mutandis*.

4.4 *Relocation and Expansion*.

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

(a) *Request by Target for Relocation*.

(i) With respect to any Relocated Spaces, Target shall provide CVS with the Target Plans and Specs and the Parties shall meet to discuss the Relocated Space, including the location, design, size of, and signage for, the Pharmacy in such Relocated Space, and to ensure that the Relocated Space is of a size and configuration that will enable CVS to comply with all Laws at the Relocated Space. The Relocated Space shall be no less favorable to CVS in any material respect than the current Pharmacy Space, taking into account design, size, visibility, store traffic and Guest access. Target shall provide CVS with reasonable, periodic notices, and updates, information and communications throughout the relocation and opening and development process and reasonable access to the Relocated Space that would allow CVS to properly license and staff the Pharmacy in order to open it in accordance with the timeline agreed upon by the Parties and the terms and conditions of this Agreement. Target shall allow for signage that the Pharmacy is still open and operating during the relocation.

(ii) Target agrees to effect and coordinate any such relocation in a manner that does not cause the Pharmacy to cease operations during its regular operating hours or otherwise impair CVS's applicable state pharmacy license(s) for the Pharmacy Space. As soon as reasonably practicable after a Pharmacy opens for business in the Relocated Space as set forth above, CVS shall vacate and surrender its previous space in accordance with the terms of the Master Occupancy Agreement. The Relocated Space shall become the Pharmacy Space at the Store for purposes of this Agreement and the Master Occupancy Agreement.

(b) *Request by CVS for Expansion*.

(i) From time to time, upon request and subject to the consent of Target in its sole discretion (except as otherwise provided in Section 4.4(b)(ii)), CVS may expand the size of the Pharmacy Space in a Store, provided that the cost of any such expansion is borne by CVS. Upon reaching such agreement, Target shall, at CVS's expense, build the Expanded Space to a condition suitable to allow CVS to fit-out the Expanded Space with its furniture, fixtures and equipment. Target shall provide CVS with reasonable, periodic notices, and updates, information and communications throughout the expansion and opening and development process and reasonable access to the Expanded Space that would allow CVS to properly license the Pharmacy in accordance with the timeline agreed upon by the Parties and the terms and conditions of this Agreement. In addition, Target agrees to effect and coordinate any such expansion in a manner that does not cause the Pharmacy to cease operations during its regular operating hours or otherwise impair CVS's applicable state pharmacy license(s) for the Pharmacy Space. On the opening date of a Pharmacy in the Expanded Space as set forth above, the new Expanded Space shall become the Pharmacy Space at the Store for purposes of this Agreement and the Master Occupancy Agreement. In addition, Target shall allow for, but CVS shall be responsible for the cost of, signage that the Pharmacy is still open and operating during the expansion.

(ii) If the prescription volume for the Pharmacy in a Smaller Format Store exceeds [*] prescriptions per week, on average, over a continuous six (6) month period,

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

and the square footage of that Pharmacy is less than [*] square feet, then at the request of CVS, the Parties shall cooperate with each other in good faith to determine the space reasonably required by CVS to expand the Pharmacy. Consistent with Section 4.4(b)(i), CVS shall bear all costs associated with improving, developing, renovating and/or building the expanded Pharmacy Space pursuant to the foregoing.

4.5 *Remodeling of Stores*. With respect to any Remodeled Store, Target shall ensure that any renovation or remodeling of the Pharmacy Space in such Remodeled Store does not (i) change the size, configuration or location of the Pharmacy Space (unless agreed to by CVS) or (ii) cause the Pharmacy to cease operations during their regular operating hours or otherwise impair CVS's applicable state pharmacy license(s) for the Pharmacy Space. In connection with any Remodeled Store, CVS may elect at its cost and expense to remodel and/or renovate the Pharmacy Space in conjunction with the work being performed by Target to the remainder of the Store, provided that if CVS has not committed to such renovation or remodel within ten (10) Business Days after written notice thereof from Target, Target shall have the right to make, upon at least ten (10) Business Days' notice to CVS and subject to the terms of the Master Occupancy Agreement, the same cosmetic upgrades to the Pharmacy Space, such as painting and flooring, as are being made to the remainder of the Remodeled Store, at Target's cost and expense and subject to the terms of this Agreement and the Master Occupancy Agreement. Target shall use commercially reasonable efforts to effect any such remodeling and/or renovation so that (a) such remodeling and/or renovation does not obstruct parking spaces needed by Patients to access the Pharmacies, and (b) CVS's operation of the Pharmacy will not be otherwise unreasonably interfered with, but in no case shall Target be liable for any damages, expenses, or loss or reduction of CVS's business, sales or profit resulting from such remodeling activity. Target shall allow for reasonable signage that the Pharmacy is still open and operating during any renovation or remodeling.

4.6 *Build-Out Obligation*.

(a) Any work in connection with a Pharmacy Space in a New Store, Relocated Space, or Expanded Space pursuant to Sections 4.2, 4.3 and 4.4 shall be performed by Target in accordance with the Plans and Specs and consistent with the Target Operating Standard, and Target shall use or cause to be used substantially the same materials for the Pharmacy Space as those used in the construction of the remainder of the New Store, Relocated Space, or Expanded Space. Target shall be responsible, [*], for (i) obtaining all building, utility, sign, health, sanitation, environmental and other permits, approvals and building licenses (for clarity, not including pharmacy licenses) required for development and construction of each New Store, Relocated Space, or Expanded Space, and (ii) developing and constructing the [*], all consistent with the Target Operating Standard and the Plans and Specs, to a condition suitable to allow CVS to fit-out the Pharmacy Space with its furniture, fixtures and equipment as set forth in Section 4.6(b) below.

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

(b) With regard to any work in connection with a Pharmacy Space in a New Store or Expanded Space (but excluding any Relocated Space, which work shall be the sole responsibility of Target except as otherwise provided herein), CVS shall be solely responsible for [*]. Costs with regard to work in connection with a Remodeled Store shall be incurred by the Parties as set forth in Section 4.5. For all Pharmacies, CVS shall be solely responsible for obtaining all business permits and licenses required for operating the Pharmacy. Any work that does not impact any part of the Store that is not within the Pharmacy Space or otherwise impact the Store infrastructure or utilities shall be performed by CVS using CVS's vendors as qualified under CVS's corporate vendor qualification program. To the extent any work impacts any part of the Store that is not within the Pharmacy Space or otherwise impacts the Store infrastructure or utilities, such work shall be performed in accordance with the Master Occupancy Agreement.

4.7 *Closure by Target*. With respect to Store Closures planned under the Annual Forecast Plan, Target shall have the sole right to determine, whether for business or other reasons, to conduct a Store Closure with respect to one or more Stores containing a Pharmacy, subject to the following terms and conditions:

(a) Target shall provide CVS with at least three (3) months' prior written notice of its intent to conduct a Store Closure and shall consult with CVS regarding any such Store Closure to allow for budgeting, asset write-off or transfer, and Patient file transfer.

(b) Target may have up to [*] ([*]) Store Closures in the net aggregate during a [*] ([*]) year period commencing on the Effective Date. For purposes of calculating [*] ([*]) Store Closures under this Section 4.7(b), any New Stores where a Pharmacy opens during the first [*] ([*]) years after the Effective Date shall be subtracted from the number of Store Closures. If Target has more than [*] ([*]) Store Closures in the net aggregate during such time period, then Target shall pay to CVS, as CVS's sole remedy under this Section 4.7, $[*] per Store Closure in excess of [*] ([*]) Store Closures, which payment shall be made no later than seventy-five (75) days after the end of the [*] ([*]) year period.

(c) Subject to the foregoing, upon a Store Closure, the License or Lease for the affected Pharmacy Space will terminate solely with respect to such Pharmacy Space without terminating this Agreement in its entirety, CVS shall cease operations in the Pharmacy Space, subject to Laws (including any applicable notice periods with respect to Patients), and CVS shall remove all of CVS's equipment, devices, products (including, without limitation, CVS Products), inventory, records and other properties of CVS from the Pharmacies. Subject to Laws, CVS shall have sole discretion with respect to the transition of Patients and pharmacy records upon any Store Closure.

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(d) Notwithstanding any other provision in this Agreement, on and after the [*] ([*]) anniversary of the Effective Date, upon the minimum notice set forth in Section 4.7(a), Target shall have the right in its sole discretion to conduct Store Closures.

4.8 *Improvements by CVS*. Target acknowledges that CVS may, at its own cost from time to time, remodel and/or renovate all or part of any Pharmacy in accordance with the CVS Operating Standard and the Master Occupancy Agreement; provided that (i) CVS shall provide at least ten (10) days' notice to Target if the remodeling and/or renovation does not impact any part of the Store that is not within the Pharmacy Space or otherwise impact the Store infrastructure or utilities, (ii) CVS shall provide at least thirty (30) days' notice to Target if the remodeling and/or renovation impacts any part of the Store that is not within the Pharmacy Space or otherwise impacts the Store infrastructure or utilities; and (iii) except as otherwise required by Law or at the request of any Governmental Entity, any remodeling and/or renovation that impacts any part of the Store that is not within the Pharmacy Space or Store infrastructure or utilities and is conducted during the period beginning on November 15 of any calendar year and ending on January 15 of the following calendar year shall require the prior written consent of Target, which may be withheld in Target's sole discretion. Any proposed alterations to any Pharmacy Space shall be subject to, and contingent upon the satisfaction of, the terms and conditions of the applicable Master Occupancy Agreement, including, but not limited to, the engagement of any contractors or vendors to perform such alterations (which shall be a party approved under Target's corporate vendor qualification program to the extent such alteration impacts any part of the Store that is not within the Pharmacy Space or impacts Store infrastructure or utilities).

5. Occupancy Costs and Other Payments.

5.1 *Occupancy Costs*. All payments of the Occupancy Costs due to Target (as adjusted on account of New Stores, Expanded Space, Relocated Space and Store Closures) shall be paid as set forth in the Master Occupancy Agreement.

5.2 *Negotiated FMV*. Payment of the Occupancy Costs to Target is not intended to be and shall not be interpreted or applied as permitting Target to share in the revenue or benefits of CVS Products or Pharmacy Services, but is the Parties' negotiated agreement as to the reasonable fair market value of the common area maintenance, utilities and other items or services furnished pursuant to this Agreement and the Master Occupancy Agreement, as the case may be.

5.3 *Other Payments*. Any other payments due to a Party pursuant to the terms of this Agreement shall be paid as set forth in the applicable Section contemplating such payment or within seventy-five (75) days of receipt of an invoice for such payment, whichever time period is longer.

6. Signage.

6.1 Subject to any pre-existing limitations at Stores that include a Pharmacy as of the Effective Date, CVS shall have the right to place or erect signage on the interior and exterior of the Stores in which a Pharmacy is located and to install a panel on existing pylon

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signs and ground signs, each with the "CVS/pharmacy" brand (or such other name designated by CVS consistent with Section 3.3), space permitting. Notwithstanding the foregoing, the right to place and erect signage at Stores existing as of the Effective Date shall not enable CVS to alter the size or location of Target's master branded exterior or pylon signs, and all signs placed or erected by CVS at Stores existing as of the Effective Date shall be consistent with agreed upon co-branding standards determined by the Marketing Committee and subject to Target's reasonable review; provided that the Parties shall reasonably cooperate with each other in good faith to install or erect signage with the "CVS/pharmacy" brand (or such other name designated by CVS consistent with Section 3.3) in the size and location required by Law.

6.2 All signage referred to herein and the installation thereof shall comply with all Laws. The Parties shall use reasonable commercial efforts to obtain any required consents from third parties, including landlords, in connection with any compliant signage CVS desires to install or erect at the Stores. CVS shall be responsible for all costs of any Pharmacy signage, including installation and maintenance of any Pharmacy signage. CVS shall also be responsible for selecting and retaining a vendor approved under Target's corporate vendor qualification program in connection with any Pharmacy signage to be installed or erected.

6.3 Notwithstanding the foregoing, with respect to Pharmacy signage to be installed or erected at New Stores, the Parties shall cooperate in good faith and reasonably agree on appropriate signage consistent with agreed upon co-branding standards determined by the Marketing Committee in connection with any new signage being installed or erected at any Store (or at any pylon or ground sign relating to any New Store).

6.4 Notwithstanding the provisions of Section 6.1, CVS shall have no right to place or install any signage on the exterior or interior of Target's headquarters buildings, provided, however, that CVS shall be permitted to erect signage at the store front of the Pharmacy operated by CVS at Target's headquarters building, subject to Target's approval as to the size, location and design of such signage.

7. Governance Committee.

7.1 The Parties shall create a joint governance committee (the **"Governance Committee"**) consisting of an equal number of senior officers designated by each Party. The Governance Committee members appointed by CVS shall have the titles of Executive Vice President, Pharmacy Services; Executive Vice President, Retail Operations; and Senior Vice President, IT Retail Systems. The Governance Committee members appointed by Target shall have the titles of Senior Vice President Merchandising; Senior Vice President Stores; and Vice President Technology. Each Party may replace one or more of its designees with a new designee of equal or senior title or role at any time upon written notice to the other Party. Each Party will promptly fill all of its Governance Committee vacancies as they arise by written notice to the other Party.

7.2 The Governance Committee will discuss business performance and plans, opportunities for future growth of the Pharmacy business, New Stores, customer service performance and other matters related to the governance of the relationship under this Agreement, the Clinic Operating Agreement, the Transition Services Agreement, the Master Occupancy Agreement, the Business Associate Agreement, the Information Security Agreement, and the Sales Tax Agreement as requested by any Governance Committee member from time to time. In addition, the Governance Committee will designate and delegate authority to project managers from each Party as necessary to facilitate the day-to-day relationship between the Parties. If the Governance Committee cannot agree on resolution of a material issue under this Agreement, the Clinic Operating Agreement, the Transition Services Agreement, the Master Occupancy Agreement, the Business Associate Agreement, the Information Security Agreement, or the Sales Tax Agreement, the Governance Committee shall request that the President of CVS/pharmacy ("**CVS Senior Officer**"), and the Chief Merchant of Target Corporation (**"Target Senior Officer"** and collectively the "**Senior Officers**") meet within fourteen (14) days to attempt to resolve the disagreement. In the event of a continuing disagreement following the meeting of the Senior Officers, upon written notice from one Party to the other, the material issue shall be escalated to the Chief Executive Officers of each of CVS and Target for resolution.

7.3 The Governance Committee will meet at least quarterly for the first two (2) years following the Effective Date and at least semi-annually thereafter; provided that if any Governance Committee member requests to meet more frequently, the Governance Committee will meet more frequently, but not more frequently than monthly absent an emergency situation.

7.4 Regular meetings of the Governance Committee shall be held at such place, on such date, and at such time as shall have been established by the Governance Committee, provided that the Governance Committee members shall attempt to select a time that is reasonably convenient for all Governance Committee members to be present at such meeting. Written notice of the place, if any, date, and time of any such meeting shall be given not less than thirty (30) nor more than ninety (90) days before the date on which the meeting is to be held, to each Governance Committee member. The Governance Committee may meet by teleconference or other electronic means through which all participants are able to hear each other. Any Governance Committee member may establish an agenda for a meeting, which shall be provided to the other members in writing in advance of said meeting. The out-of-pocket costs (including travel and lodging) incurred by any Governance Committee member in attending such meeting shall be borne by the Party appointing such member. A member of the Governance Committee may designate an attendee to attend in place of that Governance Committee member for one (1) meeting a year.

7.5 No later than thirty (30) days following the last day of each calendar quarter, with respect to the Pharmacies existing during such calendar quarter, CVS shall provide the Governance Committee with an accounting of the business and customer service performance of the Pharmacies or such other report or information the Governance Committee may reasonably request from time to time, in each case in such form as mutually agreed by the members of the Governance Committee (collectively, a **"GC Report"**), to be reviewed at the following Governance Committee meeting; provided that CVS shall not be required to provide any Confidential Patient Information to the Governance Committee in connection with such GC Report or otherwise. Each GC Report will be accompanied by such supporting documentation as is reasonably requested by the Governance Committee.

8. Operations.

8.1 Compliance with Laws.

(a) *Compliance with Laws by CVS*. CVS shall, at its expense, operate the Pharmacies in compliance in all material respects with any and all Laws applicable to the operation of the Pharmacies. CVS shall obtain and maintain in all material respects any and all permits, licenses and regulatory approvals required in connection with its operation of the Pharmacies. CVS acknowledges that it is a "Covered Entity" as that term is defined under the Health Insurance Portability and Accessibility Act (**"HIPAA"**) and, as such, is responsible for maintaining the privacy and security of Confidential Patient Information it receives or creates as a result of its operation of Pharmacies. The Parties further agree that to perform the services contemplated in this Agreement, Target may be a Business Associate (as such term is defined in 45 C.F.R. §160.103) if it has access to Protected Health Information (as such term is defined in 45 C.F.R. §160.103). Target has executed a Business Associate Agreement with CVS. Target agrees that it shall use and disclose "protected health information" as defined by HIPAA only as permitted by the Business Associate Agreement.

(b) *Compliance with Laws by Target*. Target shall, at its expense, operate the Stores in compliance in all material respects with any and all Laws applicable to the operation of the Stores.

(c) *Chief Compliance Officers*. The Chief Compliance Officers of CVS and Target (and their delegates) shall meet at least twice each year during the term of this Agreement at such times and places as agreed to between the Chief Compliance Officers (with additional meetings or reporting as agreed to between the Chief Compliance Officers) to discuss compliance issues and mutual cooperation of the Parties to ensure effective operation of each Party's respective corporate compliance program.

8.2 *Billing for Services*. Target shall not be responsible for, and shall have no liability for, billing Federal health care programs or other public or commercial health plans for CVS Products or Pharmacy Services. CVS acknowledges that none of the obligations of Target under this Agreement constitute activities that would make Target a down-stream contractor or delegated entity for purposes of any "Federal health care program" as defined in 42 U.S.C. § 1320a-7b(f). The Parties also acknowledge that Target's provision of products and/or services under this Agreement does not make the Agreement a covered federal contract for federal contractor affirmative action purposes or create affirmative action obligations pursuant to such regulations (including Executive Order 11246).

8.3 *CVS Products and Pharmacy Services*.

(a) CVS shall sell, dispense, and provide CVS Products (including Exception OTC Products) and Pharmacy Services at the Pharmacies in accordance with the terms and conditions of this Agreement; provided that CVS shall not sell, dispense, or provide Excluded Products and Services or any products or services that are not CVS Products, Exception OTC Products or Pharmacy Services at any Pharmacy.

(b) Target and CVS have mutually agreed that the items on the "Exception OTC Product" list set forth in the Operating Protocols may be sold by CVS as CVS Products. The CVS staff will requisition such products from the Store pursuant to the process established in the Operating Protocols. Initially, CVS will pay Target a transfer cost of eighty percent (80%) of Target's retail price for any Exception OTC Product requisitioned and sold as a CVS Product. On an annual basis, CVS and Target will meet to review and update the OTC products sold by CVS as a CVS Product, the Exception OTC Product list and the transfer cost paid for such Exception OTC Products in order to maintain the current economics between the parties. CVS shall not procure Exception OTC Products from its own distribution and supply chain network for the Pharmacies and shall take steps to ensure that Exception OTC Products are systemically blocked from being ordered by the Pharmacies.

(c) Target may add individual CVS Products or Pharmacy Services to the "Target Exclusion" list set forth in **Exhibit A** by written notice to CVS; provided that Target may not add a CVS Product or Pharmacy Service to the "Target Exclusion" list if (1) Target dispenses or provides such product or service at any of the Stores as of the Effective Date; or (2) the CVS Product or Pharmacy Service is commonly offered by other drugstores, including, but not limited to, CVS Restricted Competitors, and provided further that Target's addition of any CVS Product or Pharmacy Service to the "Target Exclusion" list will be subject to approval by the Governance Committee and will not be deemed Excluded Products and Services until approved by the Governance Committee. Pharmacy Services added to the "Target Exclusion" list in accordance with this Section 8.3(c) automatically become Excluded Products and Services.

8.4 *Revenue Processing.*

(a) All revenue from the CVS Products sold by, and Pharmacy Services provided by, any Pharmacy shall accrue to CVS. All other revenue from products sold or services performed in any Store, including by any Pharmacy, that are not CVS Products or Pharmacy Services, shall accrue to Target.

(b) Except as explicitly set forth in the Asset Purchase Agreement, each Party shall, at its expense, pay and discharge all license fees and all business, use, sales, gross receipts, income, property or other applicable taxes which may be charged or levied by reason of any act performed in connection with the operation of its business at or in connection with a Store.

(c) Target shall wire funds to CVS in an amount equal to the **"Reconciliation Amount"** by 3:00 p.m. (Eastern Standard Time) on the second Business Day of the week (e.g., on Tuesday if banks are open on Monday or on Wednesday if banks are closed on

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Monday or Tuesday) (each such date, a **"Reconciliation Date"**). The Reconciliation Amount shall equal the aggregate sales (net of returns), including all applicable sales taxes, in connection with the Pharmacy Services processed and collected through the Target POS from Sunday through Saturday of the preceding week (the **"Sales Amount"**), minus the Applicable Rate multiplied by the Sales Amount and minus any applicable sales taxes remitted on behalf of CVS by Target pursuant to the Sales Tax Agreement. In addition, on each Reconciliation Date, Target shall transmit to CVS via a mutually agreed upon data transfer method, a file containing all transaction level sales data for each sale that comprises the Sales Amount paid on that Reconciliation Date. No more than one time in a twelve-month period, Target may notify CVS in writing of changes to the Applicable Rate, including the underlying rationale and the methodology for calculating any such changes. The new Applicable Rate shall go into effect ten (10) Business Days after CVS's receipt of such notice.

8.5 *Pricing*.

(a) Except as provided in Section 8.5(b), CVS shall determine, in its sole discretion and in accordance with the CVS Operating Standard, the prices charged by it to its Patients for Pharmacy Services and CVS Products (including Exception OTC Products) in the Pharmacies.

(b) As of the Effective Date, CVS shall accept a prescription drug discount card at all Pharmacies that will include a discount generic pharmaceutical product list with $4 and $9 prices for 30 days supply and $10 and $24 prices for 90 days supply. The initial list of pharmaceutical products covered by the prescription cash discount card program as of the Effective Date shall include the drugs on the Target generic pharmaceutical product list posted on the Target web site as of the date of signing of the Asset Purchase Agreement. CVS shall maintain the prescription cash discount card program at all Pharmacies for at least [*] ([*]) years from the Effective Date. CVS shall have the right, from time to time after the Effective Date, to adapt or modify the cash discount card program in its sole discretion. CVS shall not charge any Guest a membership fee for the prescription cash discount card program.

8.6 *Customer Solicitations*. CVS shall not solicit Guests in the Common Areas of a Store and shall not promote any products or services other than the Pharmacy Services and CVS Products at the Pharmacies, unless such acts are approved in advance in writing by Target.

8.7 *Refuse and Disposal*. CVS shall be solely responsible for (i) ensuring CVS Products are disposed of appropriately by the Pharmacies in accordance with applicable Law, (ii) appropriate disposal of all Confidential Patient Information, and medical, hazardous, and environmental wastes that result from providing the Pharmacy Services, and (iii) the costs and execution of any controlled substances takeback programs required by Law. CVS shall qualify the vendors performing any aspect of the foregoing under CVS's corporate vendor qualification policy and shall have the right to select such vendors in CVS's sole discretion.

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8.8 *CVS Assistance*. CVS shall establish reasonable operating procedures to ensure that, at the request of any Guest, Pharmacy Personnel reasonably assist such Guest in identifying appropriate OTC products, skin care, and other Target Products in the Stores that are consistent with managing the Guest's health.

8.9 *Hours*. CVS will initially set the operating hours of each Pharmacy operated by CVS as of the Effective Date in accordance with the operating hours of such Pharmacy in place on the Effective Date. CVS will set the operating hours of each Pharmacy in a New Store in accordance with the CVS Operating Standard. CVS shall periodically review the operating hours of each Pharmacy in relation to other pharmacies in the competing market area and CVS may thereafter adjust the operating hours of its Pharmacies, after consultation with, and reasonable written notice to, Target, provided that (i) no Pharmacy may be open earlier or later than the Store in which it is located, and (ii) no Pharmacy will be open on days during which a Store is closed.

8.10 *Pharmacy Staffing & Operations*. CVS shall use its commercially reasonable efforts to ensure the Pharmacies are staffed and do not cease operations during their regular operating hours. Except with respect to any Force Majeure Event or as otherwise set forth in the Master Occupancy Agreement, in the event that any Pharmacy's operations are disrupted for more than one (1) day, CVS shall assign appropriate staff from another location to ensure that the Pharmacy in the Store is open for normal Pharmacy operating hours.

8.11 *Service Levels*.

(a) *Script Growth Performance Target*. The Parties will measure the script volume of each of the Pharmacies existing [*] (the **"Pre-Period Volume"**). On the [*] anniversary of the Effective Date, the Parties will measure the script volume of the Store Growth Group for the twelve month period preceding the [*] (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 the [*] anniversary of the Effective Date, 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 the [*] anniversary of the Effective Date) is less than [*]% of the [*] (based on IMS Health Incorporated 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.

(b) *Patient Contacts/Complaints*. Any calls Target receives regarding Patient complaints, whether at Stores or through Target call centers, shall be forwarded to pre-designated CVS call centers. Except for the Target Products sold by any Pharmacy, Target shall not be responsible for, and shall have no liability for, addressing or resolving any Patient complaint with respect to CVS Products or Pharmacy Services sold or provided by the Pharmacies. Standard incident reporting with respect to Pharmacy operations in the Stores will be provided to the Governance Committee in the GC Report. CVS shall notify Target of any complaint CVS receives from any third party in connection with the operation of a Pharmacy that alleges improper, negligent or unlawful conduct by Target or a Target team member.

(c) *Patient Survey*. CVS shall survey Patients on a regular basis consistent with the frequency of such Patient surveys administered in CVS's pharmacies not located in the Stores. CVS and Target shall cooperate with each other to ensure the Patient surveys used at the Pharmacies align with the priorities of both businesses and their Guests. From time to time, the Governance Committee will review the survey to ensure that it continues to meet the priorities of both businesses and their Guests. Target may include questions regarding use of the Pharmacy and satisfaction with Pharmacy Services on its Guest surveys.

8.12 *Access to Stores*. CVS and its agents and Pharmacy Personnel shall have the right of access to the Pharmacy Space, loading docks and other loading areas of the Store for the purpose of receiving product during hours when the applicable Store is open for business and immediately prior to opening and after closing of the Store as required to perform their duties and pursuant to the Operating Protocols and otherwise in accordance with the Master Occupancy Agreement. If CVS requests access to the Pharmacy Space at such time that no Target Personnel would otherwise be present at the Store, CVS shall only receive such access if Target Personnel are present, and CVS shall reimburse Target for the actual costs incurred by Target to open the Store and for the Target Personnel required to support the foregoing access of CVS. Target shall invoice CVS for such costs, and CVS shall pay Target such costs within seventy-five (75) days of receipt of the invoice.

8.13 *Mail*. Target shall deliver to CVS, reasonably promptly upon receipt thereof, a copy of all notices, statements or mail (including e-mail) and other communications primarily

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related to the Pharmacies (including communications from customers, suppliers, distributors, agents and others with respect to the Pharmacies).

8.14 *Pharmacy Operating and Audit Costs*. Except as explicitly set forth herein, CVS shall bear all costs in operating the Pharmacies, including without limitation physical inventories and internal control reports associated with the Pharmacies.

8.15 *Payment Processing*.

(a) *Point of Sale Equipment and Software.* Target shall provide the Target POS utilized in the Pharmacies. Target shall repair and maintain and replace the Target POS as necessary due to normal use. To the extent repairs, maintenance or replacement is due to misuse or damage caused by Pharmacy Personnel, it will be charged to CVS. Furthermore, Target shall facilitate or provide all necessary technical support for the Target POS. If any license is required to access the software within the Target POS, as between CVS and Target, such software shall be deemed to be Background Intellectual Property, and Target grants to CVS a license to such software under the provisions of Section 14.1.

(b) *Payment Processing Services and Policies.* Target shall provide Payment Processing Services. CVS shall ensure that (i) no Person other than Pharmacy Personnel utilize the Target POS or engage the Payment Processing Services provided by Target, and (ii) Pharmacy Personnel shall comply with all other applicable terms relating to Payment Processing Services and the Target POS as set forth in **Exhibit B** and the Transition Services Agreement.

9. Information Security.

9.1 CVS and Target have executed the Information Security Agreement.

9.2 To the extent either party determines that additional data security measures or system access rights are required in connection with the Pharmacies, the Parties agree to work cooperatively to address such requirements and to use commercially reasonable efforts to reach a mutually agreeable resolution.

10. Marketing.

10.1 The Parties shall form a committee consisting of an equal number of members with expertise in marketing designated by each Party (the **"Marketing Committee"**). The Marketing Committee members appointed by CVS shall have the titles of Vice President, Marketing; Vice President, Advertising; and Senior Vice President & Chief Communication Officer. The Marketing Committee members appointed by Target shall have the titles of Vice President Communications; SVP Marketing; and Senior Group Manager, Marketing. Each Party may replace one or more of its designees with a new designee of equal or senior title or role at any time upon written notice to the other Party. Each Party will promptly fill all of its Marketing Committee vacancies as they arise by written notice to the other Party. The Marketing Committee shall meet quarterly, provided that it may meet more often, subject to the mutual agreement of the Parties.

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10.2 The Marketing Committee shall collaborate to prepare advertising, marketing and publicity materials for the purposes of promoting the Parties' relationship and a "wellness" strategy jointly developed by CVS and Target (and which shall consider marketing efforts regarding MinuteClinic pursuant to its relationship with Target under the Clinic Operating Agreement).

Each Party shall fund $[*] towards a marketing budget during the first year period from the Effective Date, which shall be allocated and funded as determined by the Marketing Committee. The Marketing Committee shall determine the marketing budget commitment of each Party for the second and third years following the Effective Date; provided that the commitment from each Party shall not be less than $[*] in each of those years. Following the [*] year of this Agreement, the marketing budget commitment shall be determined by the Marketing Committee, and each Party shall share equally in all future marketing budget commitments.

10.3 The Marketing Committee shall report periodically to the Governance Committee and shall make its recommendations with respect to design, format, signage, merchandising fixtures, platforms and distribution channels. If the Marketing Committee cannot agree on the marketing budget in future years, the dispute shall be escalated to the Governance Committee.

10.4 The Parties will agree on appropriate references to the other Party and the Parties' relationship across their websites, apps, and other digital properties. Each Party shall include in the store locator function of its website the ability for website visitors to find all Pharmacy locations. Within a reasonable period after the Effective Date, each Party will launch an updated website incorporating the branding and operation functions mutually agreed upon by the Parties. From time to time, the Parties may jointly determine whether they will develop additional applications for implementation in conjunction with the Parties' relationship.

10.5 Each Party may use its own customer database to promote its respective business.

11. Loyalty Programs.

CVS will offer a loyalty program at the Pharmacies. CVS's loyalty program at the Pharmacies will be consistent with its offering at its pharmacies that are not located in the Stores. CVS will use commercially reasonable efforts and work in good faith to facilitate a Target loyalty program at the Pharmacies at the request of Target; provided that offering such program at the Pharmacies complies with Laws and has been approved by the Governance Committee.

12. Personnel.

12.1 *Employment/Retention by CVS*.

(a) From and after the Effective Date, CVS shall have sole responsibility and exclusive authority for (i) staffing the Pharmacies with Pharmacy Personnel, and (ii) hiring or contracting with, managing, supervising, controlling, directing and assigning work,

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establishing and enforcing hours, shifts and performance and behavior standards, disciplining and terminating, and for compensating and providing benefits and insurance for Pharmacy Personnel and other personnel needed to efficiently operate the Pharmacies. CVS shall be responsible for complying in all material respects with all Laws relating to such employment or retention. CVS will not represent in any manner that Pharmacy Personnel are Target Personnel or take action suggestive in any manner of an employment relationship between Target and Pharmacy Personnel. Target has no right to and shall not impose, decide or effectively recommend any action relating to wages, hours, terms and conditions of employment or discipline or termination of employment or hiring or retention of Pharmacy Personnel.

(b) *Background Check/Job-Related Criminal Conviction*. CVS will utilize its customary pre-employment background, criminal, immigration and other checks, meeting applicable Board of Pharmacy requirements.

12.2 *Employment/Retention by Target*. Target shall have sole responsibility and exclusive authority for hiring or contracting with, managing, supervising, controlling, directing and assigning work, establishing and enforcing hours, shifts and performance and behavior standards, disciplining and terminating, and for compensating and providing benefits and insurance for Target Personnel at the Stores. Target shall be responsible for complying in all material respects with all Laws relating to such employment or retention. Target will not represent in any manner that Target Personnel at the Stores are Pharmacy Personnel or employees of CVS in any capacity or take action suggestive in any manner of an employment relationship between CVS and Target Personnel. CVS has no right to and shall not impose, decide or effectively recommend any action relating to wages, hours, terms and conditions of employment or discipline or termination of employment or hiring or retention of Target Personnel.

12.3 *Conduct.*

(a) Target's Community Solicitations Policy (Use of Store Parking Lots, Sidewalks, Facilities) is attached as **Exhibit** C. Neither this Agreement, the Master Occupancy Agreement nor the CVS Operating Standard provide CVS with any discretion to modify or violate Target's Community Solicitations Policy. CVS shall ensure Pharmacy Personnel and any related third party, including but not limited to vendors, service providers, other individuals under CVS control, and any individual or third party accessing the Store in connection with CVS or its Pharmacy Personnel (collectively **"CVS Related Third Party"**), adhere to Target's Community Solicitation Policy. If any Pharmacy Personnel or CVS Related Third Party violates the Community Solicitation Policy, CVS shall be responsible for all reasonable out of pocket legal fees and costs incurred by Target in connection with enforcing or defending the enforceability of Target's Community Solicitations Policy, subject to an annual cap of $1,000,000 (including with respect to any claims made under the corresponding provision of the Clinic Operating Agreement).

(b) CVS shall also use commercially reasonable efforts to comply with and ensure that its Pharmacy Personnel comply with Target's policies and rules regarding safety and security, workplace conduct and information security (including policies and rules regarding the possession of firearms and weapons, the possession or use of drugs and alcohol, and inappropriate behavior, discrimination and harassment), provided such policies and rules are provided to CVS in writing and a reasonable period for review is provided. CVS shall use commercially reasonable efforts to cause Pharmacy Personnel to follow such reasonable rules and regulations as may from time to time be promulgated by Target, including to park their automobiles in such locations as are designated for such purpose by Target for all Store employees from time to time.

(c) Notwithstanding the foregoing, and except in cases of conduct that is either illegal or disruptive on the sales floor, Target shall notify CVS of any objectionable conduct or actions of any Pharmacy Personnel that is inconsistent with Target's policies, and give CVS a reasonable cure period to rectify the conduct or actions that Target finds objectionable. If such conduct or actions continue beyond reasonable written notice to CVS, Target may request that CVS remove such employee promptly after such request is made. Nothing herein shall be construed as permitting or requiring any action that constitutes unlawful retaliation or discrimination for engaging in activities protected by applicable Laws.

(d) Notwithstanding the foregoing, and except in cases of conduct that is either illegal or disruptive in the Pharmacy, CVS shall notify Target, of any objectionable conduct or actions of any of Target Personnel that is inconsistent with Target's policies, and give Target a reasonable cure period to rectify the conduct or actions that CVS finds objectionable. If such conduct or actions continue beyond reasonable written notice to Target, CVS may request that Target remove such employee from the vicinity of the Pharmacy Space promptly after such request is made. Nothing herein shall be construed as permitting or requiring any action that constitutes unlawful retaliation or discrimination for engaging in activities protected by applicable Laws.

12.4 *Use of Space*.

(a) All Pharmacy Personnel shall be permitted to make use of the Common Areas of a Store provided for Guests, and private lactation rooms, if any, provided for the use of Target Personnel.

(b) Target shall provide in each Store existing as of the Effective Date reasonable space in a back-office or similarly restricted area to allow CVS to place (at CVS's cost) at least ten (10) lockers to secure and store items by Pharmacy Personnel. In the alternative, Target may, at its discretion, identify ten (10) lockers currently installed in a back-office or similarly restricted area for use by Pharmacy Personnel. In addition, unless sufficient space exists in the Pharmacy Space, Target shall ensure that a location exists, outside the view of Patients, for CVS to post notices required or recommended by Law to be shown to Pharmacy Personnel.

(c) Except as otherwise provided in this Section 12.4(c), Pharmacy Personnel shall not be authorized to use the break-rooms provided for the use of Target Personnel. In connection with any New Store that is a Large Format Store, Target shall develop, build and construct, on or prior to the date that CVS begins operating the Pharmacy in such New

Store, a break-room of at least 150 square feet to be used by Pharmacy Personnel, as reasonably agreed to by the Parties and consistent with the other terms and conditions of Sections 4.2 and 4.6. In connection with any New Store that is a Smaller Format Store, the Parties shall discuss in good faith and mutually agree upon an appropriate break-room space to be used by Pharmacy Personnel, provided that if no other appropriate break room solution for Pharmacy Personnel is agreed to, the break room provided for the use of Target Personnel shall be shared on an alternating schedule to be reasonably agreed to by the Parties such that Target Personnel and Pharmacy Personnel shall not occupy the break room space at the same time. To the extent any break-room space described under this Section 12.4 is dedicated exclusively to Pharmacy Personnel (and, if applicable, Clinic Personnel (as defined in the Clinic Operating Agreement)), the square footage of such break-room space will be deemed to be included in the aggregate square footage of the Pharmacy Space for purposes of calculating Occupancy Costs pursuant to the Master Occupancy Agreement (but not, for the avoidance of doubt, for any of the square footage requirements set forth in Section 4.2 or Section 4.4(b)(ii)).

(d) At certain Stores, the Parties may agree that it is necessary for CVS to have storage space in a back-room or similarly restricted area. Pharmacy Personnel shall access these storage areas only when accompanied by Target Personnel and pursuant to the Operating Protocols.

(e) Without limiting the provisions of Section 6, any of Target's shelf or other fixtured merchandising displays or fixed assets or customer receipts within a Store that is requested by CVS to be utilized to promote the Pharmacies or CVS Products will be made available at Target's sole discretion and will be reimbursed at rates to be mutually agreed to by CVS and Target.

12.5 *Parking*. Target shall provide Pharmacy Personnel with the use of parking spaces on the same terms and conditions as provided to Target Personnel.

12.6 *Target Discounts*. As part of the consideration between Target and CVS, and not as a third party benefit to any other person or persons, Target may, from and after the Effective Date and for so long as it may elect to do so, grant Pharmacy Personnel (including spouses and/or dependents of such employees consistent with Target's standard discount policy) a discount at all Target Stores from customary retail prices offered by Target, all in accordance with such rules as to qualification, procedure, amount and restrictions as may be established from time to time by Target to govern employee discounts authorized by Target to its own employees on merchandise and services sold by Target. CVS may decline the consideration provided in this Section 12.6 by giving prior written notice to Target. To facilitate the provision of the discount, CVS shall provide the data and information set forth in **Exhibit D**.

12.7 *Communications with Pharmacy Personnel*. Target shall refrain from any direct communication with Pharmacy Personnel except to the extent such communication is (a) made pursuant to the Operating Protocols; (b) required by the terms of an employee benefit plan of Target in which the Pharmacy Personnel participated; (c) regarding employee benefits or compensation matters related to the period during which such Pharmacy

Personnel was an employee of Target; or (d) otherwise reasonable or necessary for purposes for the ongoing operation of a Store or Target in the ordinary course of business.

12.8 *Training*.

(a) As part of CVS's new hire training program, CVS shall provide an initial training program in each Store for all Pharmacy Personnel regarding use of point of sale equipment, the Operating Protocols and essential Store information (such as shared spaces, designated areas, Store personnel and contacts, and emergency policies and procedures).

(b) At its option, Target shall provide a training program in each Store for the Pharmacy Personnel regarding the Target brand and the co-branding standards determined by the Marketing Committee, which training shall not exceed 15 minutes per employee per calendar year.

(c) CVS shall provide Pharmacy Personnel with annual update training regarding the CVS brand and the co-branding standards determined by the Marketing Committee, use of point of sale equipment, and emergency policies and procedures, which training shall not exceed 45 minutes per employee per calendar year.

13. Use of Identification.

13.1 CVS acknowledges and agrees that (a) Target has an interest in maintaining and protecting the image and reputation of its name, Trademarks, trade dress, logos, designs, any description that would reveal Target's identity and other indicia of source, goodwill or identification, whether registered or not (the **"Target Identification"**), and (b) the Target Identification must be used in a manner consistent with the brand standards established by Target and agreed upon by the Parties, which will address, among other matters, quality control, enforcement and maintenance. Target hereby grants to CVS and its Affiliates a non-exclusive, non-transferable (subject to Section 25.3), non-sublicensable, royalty-free, right and license during the term of this Agreement to use the Target Identification within the United States and its territories, including the US Virgin Islands and Puerto Rico, in connection with performing its obligations and exercising its rights under this Agreement, subject to the Target Operating Standard and to Target's prior approval of each use (which approval may not be unreasonably withheld, delayed or conditioned).

13.2 Target reserves all rights in and to the Target Identification not expressly granted to CVS in this Section. CVS acknowledges and agrees that as between the Parties, Target is the sole and exclusive owner of all right, title and interest in and to the Target Identification, including all goodwill of the business connected with the use of, or symbolized by, the Target Identification. All goodwill generated by CVS's and its Affiliates' use of the Target Identification inures solely to the benefit of Target.

13.3 Target acknowledges and agrees that (a) CVS has an interest in maintaining and protecting the image and reputation of their respective names, Trademarks, trade dress, logos, designs, any description that would reveal CVS's identity and other indicia of source, goodwill or identification, whether registered or not (the **"CVS Identification"**), and (b) the CVS Identification must be used in a manner consistent with the brand standards established by CVS and agreed upon by the Parties (the **"CVS Standards"**), which will address, among other matters, quality control, enforcement and maintenance. CVS hereby grants to Target and its Affiliates a non-exclusive, non-transferable (subject to Section 25.3), non-sublicensable, royalty-free right and license during the term of this Agreement to use the CVS Identification within the United States and its territories, including the US Virgin Islands and Puerto Rico, in connection with performing its obligations and exercising its rights under this Agreement, subject to the CVS Standards and to CVS's prior approval of each use (which approval may not be unreasonably withheld, delayed or conditioned).

13.4 CVS reserves all rights in and to the CVS Identification not expressly granted to Target in this Section. Target acknowledges and agrees that as between the Parties, CVS is the sole and exclusive owner of all right, title and interest in and to the CVS Identification, including all goodwill of the business connected with the use of, or symbolized by, the CVS Identification. All goodwill generated by Target's and its Affiliates' use of the CVS Identification inures solely to the benefit of CVS.

14. Intellectual Property.

14.1 *Background Intellectual Property*. Target and CVS acknowledge that the other Party or its Affiliates have developed and own Intellectual Property prior to entering into this Agreement (such Intellectual Property (excluding with regard to Target the Target Identification, and with regard to CVS the CVS Identification), each Party's **"Background Intellectual Property"**). The respective Background Intellectual Property of each Party is recognized as a valuable asset of Target and CVS**,** respectively**,** and includes all Intellectual Property that is or has been conceived, created, acquired, developed, owned or controlled by such Party either before the commencement of this Agreement, or in the performance of any work by or for such Party outside of this Agreement which is not in reliance on Intellectual Property constituting Background Intellectual Property. All Background Intellectual Property shall remain the sole and exclusive property of the Party owning it prior to entering into this Agreement and shall be returned or destroyed by the other Party as promptly as commercially practicable upon the request of the other Party or following termination of this Agreement.

(a) During the term of this Agreement, each Party grants to the other Party and its Affiliates a non-exclusive, non-transferable (subject to Section 25.3), non-sublicensable, royalty free license in, to and under the granting Party's Background Intellectual Property in the United States and its territories, including the US Virgin Islands and Puerto Rico, for the sole purpose of fulfilling the other Party's obligations under this Agreement.

(b) The licenses granted under this Section 14.1 terminate automatically upon termination of this Agreement. Each Party reserves all rights in its Background Intellectual Property not expressly granted to the other Party in this Section 14.1 or the Transition Services Agreement, and nothing shall prevent a Party from licensing or granting to third parties the right to use its Background Intellectual Property in any manner. The sharing of Background Intellectual Property is subject to the confidentiality provisions of this Agreement.

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

1 4 . 2 *Project Intellectual Property*. Intellectual Property (excluding Target Identification and CVS Identification) that is conceived, created, developed, or reduced to practice by any Party or its Affiliates in the performance of any work under this Agreement shall be considered "Project Intellectual Property."

(a) "*Target's Project Intellectual Property* " is any Project Intellectual Property conceived, created, developed, or reduced to practice solely by employees or agents of Target or its Affiliates based on Target's Background Intellectual Property, technology and/or information.

(b) "*CVS's Project Intellectual Property* " is any Project Intellectual Property conceived, created, developed, or reduced to practice solely by employees or agents of CVS or its Affiliates based on CVS's Background Intellectual Property, technology and/or information.

(c) Each Party acknowledges that the other Party's Project Intellectual Property is owned solely by that other Party. During the term of this Agreement, each Party grants to the other Party and its Affiliates a non-exclusive, non-transferable (subject to Section 25.3), non-sublicensable, royalty free license in, to and under the granting Party's Project Intellectual Property in the United States and its territories, including the US Virgin Islands and Puerto Rico, for the sole purpose of fulfilling the other Party's obligations under this Agreement. The licenses granted under this Section 14.2(c) terminate automatically upon termination of this Agreement. Each Party reserves all rights in its Project Intellectual Property not expressly granted to the other Party in this provision, and nothing shall prevent a Party from licensing or granting to third parties the right to use its Background Intellectual Property in any manner. The sharing of Project Intellectual Property is subject to the confidentiality provisions of this Agreement.

(d) "*Joint Project Intellectual Property*" is any Project Intellectual Property jointly developed by Target and CVS. Each Party acknowledges that the Joint Project Intellectual Property is jointly owned by the Parties without any duty of accounting between the Parties. Neither Party shall assign, sell or disclose Joint Project Intellectual Property to any other Person (except to its Affiliates) without the prior written consent of the other Party, such consent shall not be unreasonably withheld, delayed or conditioned. The creation of Joint Project Intellectual Property does not, without more, grant either Party any ownership or rights in any Background Intellectual Property which the Joint Project Intellectual Property may be related to or derived from.

14.3 Each Party agrees to provide prior written notice to the other Party if it plans to seek patent protection in any jurisdiction for any invention constituting Joint Project Intellectual Property (in whole or in part) under Section 14.2(d).

15. Exclusivity; Standstill.

15.1 Notwithstanding any other provision of this Agreement to the contrary, and except to the extent contemplated by section 5.04 (c) of the Asset Purchase Agreement, neither Target nor its Affiliates shall, throughout the term of this Agreement, within the United

States and its territories, including the US Virgin Islands and Puerto Rico (i) own, Control, operate or manage a retail pharmacy, whether store-based, mail order or online, (ii) lease, sublease or otherwise permit the use of any space in a Store or on any of the real property on which any such Store is located (excluding the Pharmacy Space), or permit the use of any such space, for the purpose of a retail pharmacy, or (iii) or agree, resolve, authorize or commit to do any of the foregoing.

15.2 Without limiting any other provision of this Agreement, CVS shall not, throughout the term of this Agreement, within the United States and its territories, including the US Virgin Islands and Puerto Rico, enter into a substantially similar arrangement with, or otherwise establish or develop pharmacy operation(s) which are open to the general public in locations owned or operated by, any Target Restricted Competitor.

15.3 *Standstill*. During the period that begins on the Effective Date and ends on the fifth anniversary of such date, except with the prior written consent of the other Party or as contemplated by this Agreement, the Asset Purchase Agreement, the Clinic Operating Agreement, the Pharmacy Master License Agreement, or the Pharmacy Master Lease Agreement, each Party will not, and will cause each of its Affiliates not to, in any manner, directly or indirectly, either alone or in concert with others:

(a) acquire, or agree, offer, seek or propose to acquire, or cause to be acquired (by merger, tender offer, purchase, statutory share exchange, joint venture or otherwise), ownership (including any beneficial ownership as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of any of the other Party's assets (other than acquisitions in the ordinary course of business or that are being discussed by the Parties as of the Effective Date) or of any voting stock of the other Party;

(b) agree, offer, seek or propose to merge or consolidate with, or enter into any business combination or joint venture with, or effect any recapitalization, restructuring, liquidation, dissolution or other similar extraordinary transaction involving, the other Party or any of the other Party's Affiliates (any such transaction contemplated by clause (a) or this clause (b), a **"Transaction"**);

(c) seek or propose to influence or control the management or policies of the other Party or to obtain representation on the other Party's board of directors, or solicit, or participate in the solicitation of, proxies or consents with respect to any voting securities of the other Party in connection with the election of directors or any other matter;

(d) make any public announcement with respect to any of the foregoing or take any other action that might require that the other Party make a public announcement regarding any of the foregoing; or

(e) enter into any discussions, negotiations, arrangements or understandings with any third party with respect to any of the foregoing.

The provisions of this Section 15.3 shall terminate with respect to either Party upon any of: (x) the public announcement by the other Party that it has entered into a definitive

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

agreement providing for a Transaction or (y) the commencement of any tender offer or exchange offer by any person, entity or group that is not opposed by the other Party's board of directors and that, if consummated in accordance with its terms, would result in such person, entity or group beneficially owning 50% or more of the voting securities of the other Party immediately following the consummation of such tender or exchange offer. It is understood and agreed that a request from one Party to the other Party seeking the written consent referred to above shall not, in and of itself, be a violation or breach of this Section 15.3.

16. Insurance & Waiver of Subrogation

16.1 Each Party will, at such Party's sole expense, obtain and maintain until termination of this Agreement and for such reasonable times thereafter (including appropriate tail policies) policies of insurance as set forth on **Exhibit E**.

16.2 Notwithstanding anything in this Agreement to the contrary, Target and CVS each waives and releases any claims against the other Party which may arise for damage to any Store, Pharmacy Space or to the property therein resulting from any fire or other casualty of the kind covered or coverable by All Risk (also known as Causes of Loss-Special Form) insurance policies, regardless of whether or not, or in what amounts, such insurance is now, or may hereafter be, carried by the Parties. Without limiting the foregoing, each Party shall bear all risk of loss with respect to its inventory, and each Party waives and releases all claims against the other for all loss, damage, and destruction of its inventory from any cause. Each Party shall cause its insurers to issue a waiver of subrogation with respect to the insurance policies to be procured under Sections (1), (4) and (6) of **Exhibit E**.

17. Indemnification

17.1 *Indemnification of Target*. Subject to Section 16.2, CVS will indemnify, defend and hold harmless Target, its Affiliates and each of their respective directors, officers, employees, agents, representatives, independent contractors, successors and assigns (collectively, the **"Target Indemnified Parties"**) from and against all claims, actions, lawsuits, proceedings, damages, liabilities, losses, penalties, fines, costs, obligations and other expenses, including, without limitation, losses resulting from the defense, settlement or compromise of a claim or demand or assessment, reasonable attorneys', accountants' and expert witnesses' fees, costs and expenses of investigation, whether or not a lawsuit or other proceeding is filed (collectively, **"Losses"**), suffered or incurred by such Target Indemnified Party to the extent arising out of, resulting from or relating to any of the following: (i) the operation of any Pharmacy from and after the Effective Date; (ii) any personal injury, death or property damage occurring in any Pharmacy (unless caused by a Target Indemnified Party) or caused by CVS, Pharmacy Personnel or their agents or contractors whether or not such act is within the scope of the authority or employment of such persons, from and after the Effective Date; (iii) any material breach of any representation, warranty, covenant or obligation of CVS under this Agreement or the Master Occupancy Agreement; (iv) the employment, retention or termination of any Pharmacy Personnel on or after the Effective Date, including the provision of any benefits or insurance to such Pharmacy Personnel; and (v) any of CVS's Background Intellectual

Property, the CVS Identification or CVS's Project Intellectual Property (but excluding Intellectual Property acquired by CVS or its Affiliates pursuant to the Asset Purchase Agreement, provided that this exclusion will not apply to such Losses to the extent arising from CVS's modifications to such Intellectual Property), in each case licensed hereunder and used by Target within the scope of such license, infringes a third party's Intellectual Property rights. Notwithstanding the foregoing, CVS shall not be required to indemnify any Target Indemnified Party for any Losses incurred by such Target Indemnified Party to the extent such Losses were caused by, arose out of or related to (x) the negligence or willful misconduct of Target or any Target Indemnified Party or (y) any breach of this Agreement or the Master Occupancy Agreement by Target.

17.2 *Indemnification of CVS*. Subject to Section 16.2, Target will indemnify, defend and hold harmless CVS, its Affiliates and each of their respective directors, officers, employees, agents, representatives, independent contractors, successors and assigns (collectively, the **"CVS Indemnified Parties"**) from and against all Losses suffered or incurred by such CVS Indemnified Party to the extent arising out of, resulting from or relating to any of the following: (i) the operation of any Pharmacy prior to the Effective Date, (ii) the development or construction of the infrastructure or utilities related to any Pharmacy Space, (iii) the operation of any Store (other than the portion occupied by any Pharmacy from and after the Effective Date); (iv) any personal injury, death or property damage occurring in any Store (other than the portion occupied by any Pharmacy from and after the Effective Date) (unless caused by a CVS Indemnified Party from and after the Effective Date) or caused by Target or Target Personnel, or their agents or contractors, whether or not such act is within the scope of the authority or employment of such persons; (v) any material breach of any representation, warranty, covenant or obligation of Target under this Agreement or the Master Occupancy Agreement; (vi) the employment, retention or termination of any Target Personnel at the Stores including the provision of any benefits or insurance to such Pharmacy Personnel; and (vii) any of Target's Background Intellectual Property, the Target Identification or Target's Project Intellectual Property, in each case licensed hereunder and used by CVS within the scope of such license, infringes a third party's Intellectual Property rights. Notwithstanding the foregoing, Target shall not be required to indemnify any CVS Indemnified Party for any Losses incurred by such CVS Indemnified Party to the extent such Losses were caused by, arose out of or related to (x) the negligence or willful misconduct of CVS or any CVS Indemnified Party or (y) any breach of this Agreement or the Master Occupancy Agreement by CVS.

17.3 *Indemnification Procedure*. The indemnification obligations under Sections 17.1 and 17.2 are conditioned upon the Party entitled to indemnification hereunder (an **"Indemnified Party"**) promptly notifying in writing the Party required to provide indemnification hereunder (the **"Indemnifying Party"**) after learning of any Losses subject to indemnity hereunder; provided that the failure to promptly notify the Indemnifying Party shall not limit or impair the Indemnified Party's right to defense and indemnification hereunder except to the extent that the Indemnifying Party is materially prejudiced thereby. The Indemnifying Party may, in its sole discretion and at its own expense, assume control of the defense of such claim with counsel reasonably acceptable to the Indemnified Party. The Indemnified Party shall cooperate in all reasonable respects with the Indemnifying Party, subject to the Indemnifying Party's reimbursement of the

Indemnified Party's reasonably incurred out-of-pocket expenses in so doing. For any claim subject to indemnification under Sections 17.1 or 17.2, the Indemnified Party may choose to be separately represented at its own expense; provided that (i) the Indemnified Party shall be entitled to be separately represented at the Indemnifying Party's expense if in the reasonable opinion of counsel to the Indemnified Party, a conflict or potential conflict exists between the Indemnified Party and the Indemnifying Party that would make such separate representation advisable and (ii) if the Indemnifying Party has not acknowledged its obligation to defend such claim or does not diligently defend the Indemnified Party with counsel reasonably acceptable to the Indemnified Party, such Indemnified Party shall have the right to retain counsel, the cost of which shall be subject to the indemnification provisions of Section 17.1 or Section 17.2, as applicable. The Indemnifying Party shall not, except with the consent of the Indemnified Party (which shall not be unreasonably withheld, delayed or conditioned), enter into any settlement (a) that does not include as a term thereof the giving by the person asserting such claim to all Indemnified Parties of a release from all liability with respect to such claim or consent to entry of any judgment or (b) that provides for any relief other than the payment of monetary Losses subject to the right to indemnity therefor pursuant to this Agreement.

17.4 *LIMITATION OF LIABILITY*. EXCEPT AS OTHERWISE PROVIDED HEREIN OR WITH RESPECT TO (A) DEATH, BODILY INJURY, OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY A PARTY OR ITS AFFILIATES, (B) GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR A PARTY'S INTENTIONAL BREACH OF THIS AGREEMENT, AND (C) EACH PARTY'S OBLIGATIONS UNDER THIS SECTION 17 AND/OR BREACH OF THE CONFIDENTIALITY OBLIGATIONS UNDER SECTION 21, NEITHER PARTY NOR ITS AFFILIATES, NOR ITS OR THEIR PERSONNEL, PARTNERS, SHAREHOLDERS, SUCCESSORS OR ASSIGNEES, WILL HAVE ANY LIABILITY OR RESPONSIBILITY TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY INDIRECT, EXEMPLARY, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS, REGARDLESS OF HOW CHARACTERIZED) WITH RESPECT TO ANY CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF THOSE DAMAGES, AND WHETHER THE CLAIM ARISES OUT OF BREACH OF CONTRACT, TORT OR OTHERWISE.

18. Term and Termination.

18.1 This Agreement commences as of the Effective Date and continues until terminated pursuant to the terms of this Section 18.

18.2 This Agreement may be terminated at any time by mutual written agreement of Target and CVS.

18.3 Either Party may terminate this Agreement:

(a) upon one hundred eighty (180) days' prior written notice of termination to the other Party in the event the other Party or its Affiliates or their respective directors or officers commits an act, omits to take an action, or is the subject of an adverse determination of a Governmental Entity or in a litigation or similar proceeding that materially and adversely harms the goodwill or reputation of the other Party, which harm could not reasonably be expected to be temporary and could reasonably be expected to impact such Party broadly (and not in respect of any single Store or subset of Stores), and could reasonably be expected to have a material and adverse effect on the goodwill or reputation of the terminating Party if it continued its association with the other Party; or

(b) upon prior written notice of termination to the other Party effective one hundred and eighty (180) days following the other Party's receipt of written notice of termination, if any event (including, in the case of CVS, CVS's failure to maintain participation in any "Federal health care program" as defined in 42 U.S.C. § 1320a-7b(f), or the debarment, exclusion, or suspension of CVS from participation in any federal procurement program), change, development, effect, condition, circumstance, matter, occurrence or state of facts (an **"Event"**) has a material adverse effect on (i) the other Party's ability to fulfill its obligations under this Agreement or (ii) the business, condition (financial or otherwise), assets, liabilities, operations or results of operations of the other Party in the Stores (and not in respect of any single Store or subset of Stores), which Event continues unremedied for a period of one hundred twenty (120) days after the terminating Party provides written notice to the other Party describing the nature of the Event, provided, however, that an Event shall not include (1) changes in Law or applicable accounting regulations or principles or interpretations thereof, (2) any Force Majeure Event, (3) changes in the United States or foreign economies, financial markets or geopolitical conditions in general, or (4) changes in industries relating to the business of the other Party in general and not specifically relating to the business of the other Party, except to the extent (and only to the extent) that the business of the other Party is materially disproportionately impacted by such events in comparison to others in the same business as the other Party; or

(c) upon prior written notice of termination to the other Party effective one hundred and eighty (180) days following the other Party's receipt of written notice of termination, if any breach of this Agreement results in a material adverse effect on the business, condition (financial or otherwise), assets, liabilities, operations or results of operations of the other Party in the Stores (and not in respect of any single Store or subset of Stores), which breach continues unremedied for a period of one hundred twenty (120) days after the terminating Party provides written notice to the other Party of the breach;

provided that for purposes of clauses (a), (b) and (c) above, during such one hundred eighty (180) day period prior to the effective date of termination, the terminating Party shall cause its Senior Officer to be available to meet in person with the Senior Officer of the non-terminating Party to seek to expeditiously resolve any differences prior to the effective date of such termination.

18.4 CVS may terminate this Agreement upon the occurrence of a Change of Control of Target, and Target may terminate this Agreement upon the occurrence of a Change of Control of CVS, in each case, as provided in this Section 18.4. **"Change of Control"** shall mean:

(a) with respect to Target, any consolidation, reorganization, arrangement, share exchange, private purchase, business combination, recapitalization, merger, sale or

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

issuance of equity interests or other transaction or series of related transactions as a result of which (i) a CVS Restricted Competitor, or any successor or assign thereof (a **"Target Change of Control Outlet"**), would, directly or indirectly, hold beneficial ownership, or the right to acquire beneficial ownership, or formation of any group which beneficially owns or has the right to acquire beneficial ownership, of more than 50% of either the outstanding voting power or the outstanding equity interests of Target or its ultimate parent company resulting from such transaction or series of related transactions immediately after the consummation thereof, in each case on a fully diluted basis, or (ii) all, or substantially all, of the assets of Target are sold, leased, exchanged or otherwise transferred to a Target Change of Control Outlet; and

(b) with respect to CVS, any consolidation, reorganization, arrangement, share exchange, private purchase, business combination, recapitalization, merger, sale or issuance of equity interests or other transaction or series of related transactions as a result of which (i) a Target Restricted Competitor, or any successor or assign thereof (a "**CVS Change of Control Outlet**," and together with the Target Change of Control Outlet, the **"Change of Control Outlet"**), would, directly or indirectly, hold beneficial ownership, or the right to acquire beneficial ownership, or formation of any group which beneficially owns or has the right to acquire beneficial ownership, of more than 50% of either the outstanding voting power or the outstanding equity interests of CVS or its ultimate parent company resulting from such transaction or series of related transactions immediately after the consummation thereof, in each case on a fully diluted basis, or (ii) all, or substantially all, of the assets of CVS are sold, leased, exchanged or otherwise transferred to a CVS Change of Control Outlet.

In the event of a Change of Control of a Party, the other Party shall have the right to terminate this Agreement subject to the following termination procedures. The Party subject to a Change of Control shall notify the other Party in writing of a Change of Control (or proposed Change of Control) as soon as practicable, but no later than three (3) Business Days after the occurrence of a Change of Control, which such written notice will specify the relevant Change of Control Outlet (and which notice, for the avoidance of doubt, will be considered Confidential Information). The terminating Party shall have sixty (60) days from receipt of such written notice (or, if later, sixty (60) days from the occurrence of a Change of Control) to provide written notice to the Party subject to a Change of Control and/or the relevant Change of Control Outlet, as applicable, that it is exercising its right to terminate this Agreement pursuant to this Section 18. Such termination will become effective on the earlier to occur of (i) the date designated by the terminating Party in such notice and (ii) the first anniversary of the date of the Change in Control.

18.5 Subject to Laws, either Party may terminate this Agreement immediately upon written notice to the other Party upon the occurrence of a Bankruptcy Event of such other Party. "**Bankruptcy Event**" shall mean: with respect to either Party, if such Party (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Party or of all or any substantial part of its properties or assets, or (vii) if one hundred twenty (120) days after the commencement of any proceeding against the Party seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, the proceeding has not been dismissed, or if within one hundred twenty (120) days after the appointment without such Party's consent or acquiescence of a trustee, receiver or liquidator of such Party or of all or any substantial part of its properties or assets, the appointment is not vacated or stayed, or within one hundred twenty (120) days after the expiration of any such stay, the appointment is not vacated.

19. Effect of Termination and Surrender.

19.1 *Effect of Termination*.

(a) In the event CVS terminates this Agreement pursuant to Section 18, subject to Section 19.1(d), CVS shall sell, transfer, assign, convey and deliver to Target, and Target shall purchase, acquire and accept from CVS all of CVS's right, title and interest in, to and under the Pharmacies as of such date of sale/purchase, including, without limitation, all CVS Products, inventory, records, Patient files, fixtures, furnishings and furniture, on substantially the same terms and conditions as set forth in the Asset Purchase Agreement; provided that (i) if CVS terminates the Agreement pursuant to Section 18.4 or 18.5 the purchase price shall be the fair market value of the assets being sold, transferred, assigned, conveyed and delivered, and (ii) if CVS terminates the Agreement pursuant to 18.3 the purchase price shall be [*]% of the fair market value of the assets being sold, transferred, assigned, conveyed and delivered; or

(b) In the event Target terminates this Agreement pursuant to Section 18, subject to Section 19.1(d), CVS shall sell, transfer, assign, convey and deliver to Target, and Target shall purchase, acquire and accept from CVS all of CVS's right, title and interest in, to and under the Pharmacies as of such date of sale/purchase, including, without limitation, all CVS Products, inventory, records, Patient files, fixtures, furnishings and furniture, on substantially the same terms and conditions as set forth in the Asset Purchase Agreement; provided that (i) if Target terminates the Agreement pursuant to Sections 18.4 or 18.5 the purchase price shall be the fair market value of the assets being sold, transferred, assigned, conveyed and delivered, and (ii) if Target terminates the Agreement pursuant to 18.3 the purchase price shall be [*]% of the fair market value of the assets being sold, transferred, assigned, conveyed and delivered.

(c) To determine the fair market value of the assets being sold, transferred, assigned, conveyed, and delivered pursuant to the sales process set forth in Sections 19.1(a) and (b), each Party shall designate an independent valuation firm of national standing, and the two valuation firms chosen by the Parties shall, by mutual agreement, select a third valuation firm of national standing (collectively, the **"Valuation Experts"**). Each of the three Valuation Experts shall make its own determination regarding the fair market value of the assets. The average of all three determinations of the fair market value of the assets shall

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

be the final and definitive determination of fair market value for purposes of Sections 19.1(a) and (b).

(d) In the event either Party terminates this Agreement pursuant to Section 18, Target may elect, in lieu of the sale process set forth in Section 19.1(a) and 19.1(b), to effect an orderly transition with minimal Patient (including as defined under the Clinic Operating Agreement) disruption, subject to Laws requiring advance notice of a pharmacy or clinic closure to Patients (including as defined under the Clinic Operating Agreement), and CVS shall (i) cease operations of its Pharmacies and (ii) remove all CVS Products, inventory, records, Patient files, fixtures, furnishings and furniture and other properties of CVS from the Pharmacies and vacate the Pharmacy Space.

(e) Upon termination of this Agreement by either Party pursuant to Section 18:

Each Party shall (i) cease the use of the other Party's non-public, confidential and proprietary information to which it has no rights following termination under this Agreement or any other agreement, and (ii) return to the other Party, or, if such other Party gives written permission, destroy, all of that confidential information and such other Party's Background Intellectual Property and Project Intellectual Property, in whatever form or medium and retain no copies of such information or Intellectual Property. Each Party shall complete such return or destruction as promptly as commercially possible, but in no event later than fifteen (15) days from the date of the termination of this Agreement. Promptly after the date that a Party returns or destroys all such information and Intellectual Property, such Party shall provide written confirmation to the other Party that the return or destruction of the information and Intellectual Property has been completed and that neither such Party nor any subcontractor or agent thereof retains any such information or Intellectual Property in any form.

19.2 *Cooperation*. Each Party shall, and shall cause its Affiliates to, use commercially reasonable efforts to cooperate with the other Party in connection with the foregoing provisions of this Section 19. Notwithstanding Section 19.4, in the event there is a transition period in which CVS operates any Pharmacy following any effective date of termination in order to effect an orderly transition, then the Parties shall comply with the terms of this Agreement and the Master Occupancy Agreement with regard to a Pharmacy so long as CVS operates such Pharmacy.

19.3 *Survival*. The rights and obligations of the Parties set forth in Sections 14, 17, 18, 19, 20, 21, and 25 and any right, obligation or required performance of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, shall survive any such termination.

19.4 *No Further Rights and Obligations*. Other than the rights and obligations of the Parties set forth in this Section 19 and such obligations as may survive pursuant to the express provisions of this Agreement or the Master Occupancy Agreement, upon termination of this Agreement, CVS shall have no further rights, duties or obligations under this Agreement with respect to the Pharmacies and Target shall have no further rights, duties or obligations under this Agreement with respect to the Stores.

20. Representations and Warranties

Each Party represents and warrants to the other that: (i) it has the authority to enter into and perform this Agreement; (ii) neither the execution and delivery by it of this Agreement or the Master Occupancy Agreement, nor the consummation by it of the transactions contemplated hereby or thereby, will (a) conflict with or violate any provision of its governing documents, or (b) violate any Law applicable to it in any material respect; (iii) it has the requisite knowledge, personnel, resources and know-how to fully perform and deliver it obligations set forth this Agreement in a professional and workman-like manner in accordance with specifications as set forth herein; (iv) it possesses all rights necessary to grant the other Party the rights and licenses granted to the other Party under this Agreement; (v) it will comply with all data security, consumer protection, marketing, and privacy Laws in all material respects, and its privacy policies, that apply to the collection, storage, use, access, disclosure, and protection of confidential Guest and Patient information, and will not cause the other Party to be in violation of such Laws in any material respect, and (vi) it shall not take any action that would restrict, prohibit or materially interfere with the operation of the Pharmacy by CVS (in the case of the representation made by Target) or the operation of the Store (other than the Pharmacy) by Target (in the case of the representation made by CVS).

21. Confidentiality and Press Releases.

21.1 Each Party agrees not to disclose or permit the disclosure of any of the terms of this Agreement or of any other confidential, non-public or proprietary information relating to the other Party or its business obtained in connection with this Agreement (collectively, "**Confidential Information**"); provided that such disclosure may be made (a) to any Person who is a member, partner, officer, director or employee, directly or indirectly, of such Party, or counsel to, or accountants of, or a consultant to such Party solely for their use and on a need-to-know basis; provided that such Persons are notified of the Party's confidentiality obligations hereunder, (b) with the prior consent of the other Party, (c) subject to the next paragraph, pursuant to a subpoena or order issued by a Governmental Entity, or (d) to any Governmental Entity pursuant to Laws as reasonably determined by such Party.

21.2 In the event that a Party shall receive a request to disclose any Confidential Information under a subpoena or order or examination, such Party shall to the extent legally practicable (a) promptly notify the other Party, (b) consult with the other Party on the advisability of taking steps to resist or narrow such request, and (c) if disclosure is required or deemed advisable, cooperate with the other Party in any attempt such other Party may make to obtain an order or other assurance that confidential treatment will be accorded the Confidential Information that is disclosed.

21.3 Except as otherwise required by Law, the right to make, timing and content of any public announcements and press releases relating to this Agreement or the relationship contemplated herein shall be subject to the mutual approval of Target and CVS.

21.4 CVS, Target and Parent acknowledge and agree that that certain Confidentiality Agreement, dated as of November 14, 2014, is hereby terminated and shall be of no further force or effect from and after the Effective Date, and the provisions of Section 15.3 and this Section 21 shall control in lieu thereof.

21.5 Target and CVS shall develop, as part of the Operating Protocols, a mutually agreed upon approach to responding to press or media inquiries related to the Parties' relationship and respective operations hereunder. Neither Party shall independently respond to any direct inquiry from the press or media soliciting information about the Parties' relationship or pharmacy or clinic operations, unless it is pursuant to the Operating Protocols or the Parties have conferred and mutually agreed to a response.

22. Audits and Inspections.

22.1 Target and its representative shall have the right to visit and formally inspect, during regular operating hours, no more than [*] ([*]) Pharmacy locations, in the aggregate, in any calendar year upon reasonable advance written notice to CVS; provided that such visit does not unreasonably interfere with the operation of any Pharmacy and is no longer than one (1) Business Day in any Pharmacy. CVS shall not be required to provide any Confidential Patient Information in connection with any such inspection. In connection with any visit described above, Target shall have the right to inspect the relevant facilities or processes of CVS at the Stores. Target shall pay all reasonable fees and costs incurred by CVS in connection with such inspection.

22.2 Once per calendar year, and upon reasonable prior written notice to the other Party, the requesting Party may inspect and review documents relating to the operation of the corporate compliance program governing the Pharmacies or Stores, as applicable, including without limitation, results of compliance program auditing and monitoring conducted at the Pharmacies or Stores (only to the extent the subject of such auditing or monitoring activities could materially affect the operations of the Pharmacies), as applicable, and descriptions of material internal investigations undertaken with regard to the Pharmacies or Stores (only to the extent the subject of said investigation may materially affect the operations of the Pharmacies), as applicable; provided that such inspection and review (i) shall not affect either Party's attorney-client privilege, work product privilege, or similar privileges, and (ii) shall not be longer than one (1) Business Day.

23. Cooperation and Monitoring.

23.1 Each Party shall provide written notice to the other Party of any circumstance or event that would reasonably be expected to have a materially disruptive effect on the operations of the other Party in any Store or Pharmacy, including without limitation any threatening or dangerous behavior by, or correspondence from, a Guest or employee that could cause the other Party to implement extra security precautions or protocols at any Store or Pharmacy. In the case of CVS, CVS shall provide written notice to Target of the denial, termination, suspension or breach of any nationwide, material third party payer agreement that could disrupt the furnishing of Pharmacy Services at the Pharmacies or any potential material disruption in Pharmacy operations, whether or not related to labor

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strikes, including without limitation a loss, suspension, or impairment of a state pharmacy license or DEA registration at a Pharmacy. In the case of Target, Target shall provide written notice to CVS of the termination of any nationwide, material contract that could receive adverse press, or any potential material disruption in Store operations. Each Party shall provide written notice under this Section 23.1 as soon as possible following discovery of the circumstance or event.

23.2 Each Party shall provide written notice to the other Party of any privacy or security breach of its confidential Patient or Guest information that affects five hundred (500) or more Patients or Guests that use the Pharmacy and that triggers notice under Federal or State laws. Such notice shall be provided to the other Party within two (2) days of a Party's determination to provide written breach notification to Patients or Guests.

23.3 Each Party shall provide written notice to the other Party of administrative, civil, or criminal health care litigation or regulatory matters affecting any Pharmacy or Store, as applicable, in any material respect. Each Party shall provide written notice under this Section 23.3 as soon as possible following discovery of the circumstance or event. Following the initial notice, the disclosing Party shall provide the other Party with a regular update written notice regarding the status or resolution of such matters.

23.4 CVS will install its security technology and systems in each of the Stores with a Pharmacy and video monitor the Pharmacies in accordance with the CVS Operating Standard and the Master Occupancy Agreement. CVS and Target will collaborate and cooperate with each other to maximize the benefit of each other's security technology and systems. In the event of any incident, the applicable CVS or Target field or corporate personnel will be responsible for coordinating with their respective Target or CVS counterparts regarding best practices for investigations and escalation of incidents.

23.5 Each Party will share information and jointly cooperate and assist the other Party to assess incidents involving Pharmacy Personnel or Guests that impact both Parties, including without limitation any claim, action, arbitration, proceeding or litigation of any nature against both Parties, and notifying the other Party of any incident or activity in any Store or Pharmacy that would cause a danger to Guests, Patients, Pharmacy Personnel, or Target Personnel, providing reasonable access to and copies of information, records and documents relating to such matters, furnishing employees to assist in the investigation, defense and resolution of such matters and providing legal and business assistance with respect to such matters.

23.6 Each Party will share information and jointly cooperate and assist the other Party in connection with any request for information reasonably requested by such other Party in connection with any audit or other third party request.

23.7 CVS shall have the sole right to litigate, arbitrate, mediate, defend, settle and otherwise control (i) any investigation into the theft or diversion of CVS Products, and any matters related thereto and (ii) any such matter with any Governmental Entity (including a State board of pharmacy) in connection with any Pharmacy, and Target shall reasonably cooperate with respect to any reasonable request made of Target by CVS in connection therewith.

23.8 If any event occurs that has a material adverse impact on CVS's ability to operate Pharmacies within an entire State due to the loss or impairment of required licenses resulting from CVS's actions or failure to act, and such event cannot be cured within ten (10) days of written notice thereof from Target, CVS and Target shall cooperate with each other in good faith to locate and retain a third party to operate the Pharmacies in such State for so long as CVS is unable to operate such Pharmacies. CVS shall be responsible for the cost and expense associated with locating and retaining the third party.

23.9 The above notice requirements set forth in this Section 23 do not require either Party to waive attorney-client or work product privilege, or provide information that is under seal by a court of law or regulatory matter.

24. Parent Guarantee.

24.1 CVS Health Corporation ("**Parent**") hereby guarantees the full payment of any financial obligations of CVS under this Agreement and the Master Occupancy Agreement, provided, however, that Target shall initially seek payment from CVS of all financial obligations required under this Agreement or the Master Occupancy Agreement. Target may bring a claim directly against Parent only after it has commenced an action against CVS in accordance with the procedures described in Section 25.18 of this Agreement.

25. General Provisions.

25.1 *Change in Laws*. The Parties agree that they have attempted in good faith to structure this Agreement and their relationship in a way that complies with all applicable Laws, regulations and requirements relating to the business of health care. If any applicable Laws, regulations or requirements are amended or modified so that this Agreement or any material term or condition of this Agreement becomes illegal or unlawful, the Parties agree that they will negotiate in good faith to create another arrangement which approximates the legal equivalent of this Agreement.

25.2 *Force Majeure Event.* Neither Party to this Agreement is liable nor in default for any delay or failure in performance under this Agreement and such delay or failure of performance shall not constitute a breach of this Agreement if and to the extent that such delay or failure is the result of a Force Majeure Event. If a Party intends to invoke this provision, that Party shall provide notice to the other Party as soon as possible after the occurrence of the Force Majeure Event. Each Party shall exercise commercially reasonable efforts to mitigate the extent of such delay or failure. Should the delay or failure at one or more Stores or Pharmacies be expected to continue for more than ten (10) calendar days, the Parties shall convene the Governance Committee to meet and confer regarding appropriate resolution.

25.3 *Assignment*. Neither this Agreement nor the Master Occupancy Agreement nor any of the rights and obligations of the Parties hereunder or thereunder may be assigned or transferred (or in the case of CVS with respect to the Master Occupancy Agreement sublicensed or subleased) by any of the Parties without the prior written consent of the other Party hereto (such consent not to be unreasonably withheld, delayed or conditioned). Notwithstanding the foregoing: (1) CVS may assign this Agreement and the Master Occupancy Agreement in its entirety to a Successor to CVS that is not a Target Restricted Competitor, and only if such Successor enters into a written agreement pursuant to which that Successor agrees to assume all of CVS's rights, obligations, and liabilities under this Agreement and the Master Occupancy Agreement; (2) Target may assign this Agreement and the Master Occupancy Agreement in its entirety to a Successor to Target that is not a CVS Restricted Competitor, and only if such Successor enters into a written agreement pursuant to which that Successor agrees to assume all of Target's rights, obligations, and liabilities under this Agreement and the Master Occupancy Agreement; (3) Target may assign, transfer, pledge, mortgage or encumber the Master Occupancy Agreement pursuant to section 14.b thereof; and (4) either Party may assign or transfer (or, in the case of the Master Occupancy Agreement, sublease or sublicense) this Agreement and the Master Occupancy Agreement or any of its rights or obligations hereunder or thereunder to an Affiliate, provided that each of CVS and Target will remain liable for all of their respective obligations under this Agreement and the Master Occupancy Agreement. This Agreement will be binding upon and inure to the benefit of the Parties and their respective Successors and permitted assigns. Any attempted assignment or transfer in violation of this Section 25.3 will be void.

25.4 *Governing Law***.** This Agreement and disputes relating hereto (whether for breach of contract, tortious conduct or otherwise) will be governed and construed in accordance with the Laws of the State of New York, without reference to its conflicts of law principles; provided that matters related to the use and occupancy of any Pharmacy Space shall be governed by the Laws of the jurisdiction in which such Pharmacy Space is located.

25.5 *Jurisdiction***.** Each Party irrevocably agrees that all matters arising out of or related to this Agreement or the transactions contemplated hereby or disputes relating hereto (whether for breach of contract, tortious conduct or otherwise) will be brought exclusively in the United States District Court for the Southern District of New York, or, if such court does not have subject matter jurisdiction, a court of the State of New York located in New York, New York, and irrevocably accepts and submits to the exclusive jurisdiction and venue of the aforesaid courts *in personam* with respect to any proceeding; provided that matters related to the use and occupancy of any Pharmacy Space or disputes relating thereto will be brought exclusively in a court of competent jurisdiction of the State in which such Pharmacy Space is located. Each of CVS and Target irrevocably and unconditionally waives any objection to the laying of venue of any proceeding arising out of or in connection with this Agreement or the transactions contemplated hereby or disputes relating hereto (whether for breach of contract, tortious conduct or otherwise) in (i) with respect to matters related to the use and occupancy of any Pharmacy Space or disputes relating thereto, the state court of competent jurisdiction of the State in which such Pharmacy Space is located, and (ii) with respect to all other matters, (x) any court of the State of New York located in New York, New York or (y) the United States District Court for the Southern District of New York, and irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such proceeding brought in any such court has been brought in an inconvenient forum.

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

25.6 *Service of Process*. Each Party agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in Section 25.8 will be effective service of process for any proceeding in Delaware with respect to any matters for which it has submitted to jurisdiction pursuant to Section 25.5.

25.7 *Waiver of Jury Trial*. Each Party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and each Party hereby irrevocably and unconditionally waives to the fullest extent permitted by applicable Law, any right it may have to a trial by jury in respect of any proceeding arising out of or in connection with this Agreement or the transactions contemplated hereby or disputes relating hereto (whether for breach of contract, tortious conduct or otherwise). Each Party (a) certifies that no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such other Party would not, in the event of any proceeding, seek to enforce the foregoing waiver, (b) certifies that such Party has considered the implications of this waiver and (c) acknowledges that it and the other Party hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 25.7.

25.8 *Notices*. Except as otherwise provided in this Agreement, all notices, requests, permissions, waivers and other communications hereunder must be in writing and will be deemed to have been given only (a) three (3) Business Days following sending by registered or certified mail, postage prepaid, (b) when sent, if sent by electronic email transmission (including via .pdf files), provided that confirmation of the email transmission is received from the recipient (that is not automatically generated), (c) when delivered, if delivered personally to the intended recipient, or (d) one (1) Business Day following sending by overnight delivery via a national courier service (receipt requested) and, in each case, addressed to a Party at the following address for such Party:

(i) if to Target,

Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403
Attn: EVP, Chief Operating Officer
Email: [*]

with a copy (which will not constitute notice) to:

Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403
Attention: EVP, Chief Legal Officer
Email: [*]

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

with a further copy (which will not constitute notice) if the notice is being delivered pursuant to Section 23 to:

Target Corporation
Attn: Vice President, Compliance
1000 Nicollet Mall
Minneapolis, MN 55403

(ii) if to CVS,

CVS Pharmacy, Inc.
One CVS Drive
Woonsocket, Rhode Island 02895
Attention: Executive Vice President, Pharmacy Services
Email: [*]

with a copy to:

CVS Pharmacy, Inc.
One CVS Drive
Woonsocket, Rhode Island 02895
Attention: General Counsel
Email: [*]

with a copy (which will not constitute notice) to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Steven G. Scheinfeld
Email: [*]

with a further copy (which will not constitute notice) if the notice is being delivered pursuant to Section 23 to:

CVS Pharmacy, Inc.
200 Highland Drive
Woonsocket, Rhode Island 02895
Attention: Chief Compliance Officer
Email: [*]

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

or to such other address or email as is furnished in writing by any such Party to the other Party in accordance with the provisions of this Section 25.8.

25.9 *Amendments*. This Agreement may be amended, modified, supplemented, superseded or canceled and any of the provisions hereof may be waived only by an instrument in writing signed by each of the Parties or, in the case of a waiver, by or on behalf of the Party waiving compliance. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. Except where a specific time period is specified, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

25.10 *Counterparts*. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more counterparts have been signed by each of the Parties and delivered, in person or by facsimile, or by electronic image scan, receipt acknowledged, to the other Party.

25.11 *Severability; Enforcement*. The invalidity, illegality or unenforceability of any portion hereof will not affect the validity, force or effect of the remaining portions hereof. If it is ever held that any restriction hereunder is too broad to permit enforcement of such restriction to its fullest extent, each Party agrees that a court of competent jurisdiction may enforce such restriction to the maximum extent permitted by applicable Law, and each Party hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

25.12 *Entire Agreement*. This Agreement, the Transition Services Agreement, the Master Occupancy Agreement, the Sales Tax Agreement and the Information Security Agreement , including the schedules, exhibits and annexes attached hereto and thereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede any previous agreements and understandings between the Parties with respect to such matters. All Exhibits, Schedules, and Attachments annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any term used in any Exhibit, Schedule, or Attachment hereto but not otherwise defined therein is defined as set forth in this Agreement. There are no restrictions, promises, representations, warranties, agreements or undertakings of either Party with respect to the transactions contemplated by this Agreement, the Transition Services Agreement, the Master Occupancy Agreement, the Information Security Agreement or the Sales Tax Agreement other than those set forth herein or therein or in any other document required to be executed and delivered hereunder or thereunder. In the event of any conflict or inconsistency between the provisions of this Agreement (and the Exhibits, Schedules, or Attachments hereto), on the one hand, and the provisions of the Transition Services Agreement, Master Occupancy Agreement, the Information Security

Agreement or the Sales Tax Agreement (including the schedules, exhibits and annexes thereto), on the other hand, the provisions of this Agreement will control.

25.13 *Accounting Terms and Determinations*. Unless otherwise specified herein, all accounting terms used herein are to be interpreted, and all accounting determinations hereunder are to be made, in accordance with U.S. Generally Accepted Accounting Principles.

25.14 *Performance by Affiliates*. Certain of the responsibilities and duties of CVS under this Agreement may be performed by an Affiliate, but, nonetheless, CVS shall remain liable to Target for any breach of this Agreement by such Affiliate. Similarly, certain of the responsibilities and duties of Target under this Agreement may be performed by an Affiliate, but, nonetheless, Target shall remain liable to CVS for any breach of this Agreement by such Affiliate.

25.15 *Independent Contractors*. The nature of the commercial relationship between CVS and Target will be that of independent contractors. Nothing contained in or done pursuant to this Agreement will be construed as creating a partnership, agency or joint venture; and neither Party will be bound by any representation, act or omission of the other Party with respect to third parties.

25.16 *Other Activities.* Subject to the provisions of Section 15, the Parties: (a) recognize that the other Party, its Affiliates and their respective members, partners, shareholders, officers, directors, employees, agents and representatives, have or may in the future have other business interests, activities and investments, independently or with others, some of which may be in conflict or competition with the business of the Stores and the Pharmacies; (b) agree that the other Party, its Affiliates and their respective members, partners, shareholders, officers, directors, employees, agents and representatives, are entitled to carry on such other business interests, activities and investments; (c) agree that neither the other Party, its Affiliates nor any of their respective members, partners, shareholders, officers, directors, employees, agents or representatives, shall have any right, by virtue of this Agreement or otherwise, in or to such business interests, activities and investments; and (d) agree that the pursuit of such business interests, activities and investments, even if competitive with the business of the Stores and the Pharmacies, shall not be deemed wrongful or improper.

25.17 *Dispute Resolution*. Without limiting the rights of the Parties to seek specific enforcement under Section 25.18, each Party agrees that prior to filing any lawsuit against the other Party for any matter arising out of or related to this Agreement or the transactions contemplated hereby or disputes relating hereto (whether for breach of contract, tortious conduct or otherwise) the Parties shall attempt in good faith to settle the dispute through non-binding mediation under the auspices of the American Health Lawyers Association (**"AHLA"**). The Parties will jointly notify AHLA of their intent to use the mediation service, select a mediator from the AHLA roster, and mediate pursuant to the terms of the AHLA's Agreement to Mediate. In the event the Parties cannot agree on a third-party mediator within fourteen (14) days, the mediator shall be selected by the AHLA. The mediation will be convened in Washington, D.C. The Parties shall pay the expenses of the mediator on an equal basis. If the dispute cannot be resolved by nonbinding mediation within thirty (30) days following the end of the good faith period, any Party may choose to pursue any other remedies.

25.18 *Specific Enforcement*. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity.

25.19 *References*. Unless the context clearly requires otherwise, (i) “or” is not exclusive, and (ii) “includes” and “including” are not limiting.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the date first shown above.

TARGET CORPORATION

By: /s/ John J. Mulligan

Print Name: John J. Mulligan

Title: Executive Vice President and Chief Operating Officer

CVS PHARMACY, INC.

By: /s/ David M. Denton

Print Name: David M. Denton

Title: Executive Vice President and Chief Financial Officer

SOLELY FOR PURPOSES OF SECTIONS 21.4 and 24.1

CVS HEALTH CORPORATION

By: /s/ David M. Denton

Print Name: David M. Denton

Title: Executive Vice President and Chief Financial Officer

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

Exhibits

Exhibit A –Target Exclusion List

Exhibit B – Payment Processing Services

Exhibit C – Target’s Community Solicitations Policy

Exhibit D – Target Discounts

Exhibit E – Insurance

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

Exhibit A

Target Exclusion List

- Medical marijuana
- Infusion services

Exhibit B

Payment Processing Services

Payment Processing Policies. CVS shall use commercially reasonable efforts to ensure that CVS and Pharmacy Personnel comply with the following requirements:

1. Charges for which Payment Processing Services are engaged must relate only to valid and legitimate purchases by Patients of CVS Products or Pharmacy Services actually provided at and by the Pharmacy submitting the charges.

2. Payment Processing Services can only be used for payment immediately after the purchases for which charges are imposed and cannot be used for past due amounts or amounts billed to a Patient for payment in the future.

3. No fees or other charges or conditions will be imposed upon a Patient for the use by a Patient of a credit, debit or pre-paid card to pay at the Target POS in the Pharmacy unless permitted as a Target Operating Standard.

4. Prompts on the Target POS equipment provided must be followed.

5. Patients will be given a receipt for all payments for which Payment Processing Services are engaged as may be required by applicable payment card network rules.

6. Payment Processing Services may not be engaged for cash advances unless permitted as a Target Operating Standard.

7. Any and all additional procedures and policies provided by Target to CVS relating to Payment Processing Services, provided such procedures and policies are reasonable or are required by a payment network, acquiring bank, settling bank or any other entity with rights to impose such procedures and policies upon CVS.

8. If CVS becomes aware that the Target POS or any portion thereof is lost, stolen, damaged, tampered with or subject to unauthorized use, CVS shall immediately (or cause Pharmacy Personnel to immediately) notify Target of such occurrence. Such notice shall be provided to Target both according to the terms of Section 25.8 and by sending an email to security@target.com.

Special Amendment to Bank Card Processing Agreements. Target is a party to bank card merchant agreements and corresponding amendments to facilitate payment processing. To the extent required by any bank card processor, CVS agrees to enter into special amendments to those bank card merchant agreements and corresponding amendments to allow for the Payment Processing Services ("**Special Amendments**") , provided that such Special Amendments shall not relate to transactions that are not subject to Payment Processing Services through the Target POS in a Pharmacy. Notwithstanding the commercially reasonable standard in this Exhibit, CVS agrees that it will comply with any obligations under the Special Amendments, and, to the extent applicable, CVS will ensure that applicable Pharmacy Personnel comply with obligations applicable to them under the Special Amendments and their use of the Payment Processing Services.

Exhibit C
Target's Community Solicitations Policy

[See attached]

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

Community Solicitations

Use of Store Parking Lots, Sidewalks, Facilities

TARGET CORPORATE POLICIES

Number:	100-50-10	**Effective:**	04/2014
Sponsor:	Assets Protection	**Supersedes:**	02/2013

POLICY

Target Corporation restricts the use of its parking lots and facilities to business use only. Individuals not employed by Target or by a Target vendor providing services to Target are prohibited from soliciting, distributing literature, selling merchandise, or holding events at all times anywhere on Target-owned property or leased property when Target has a right to exclude, including parking lots and sidewalks. Please see Target's No Solicitation/No Distribution Policy for additional information applicable to solicitation by Target team members.

Some state laws protect limited forms of expressive activity in the common areas of large regional shopping centers. These protections generally do not apply to solicitation at or in front of Target stores, even if a store is located in a large regional shopping center. Stores seeking assistance with solicitation should contact their Assets Protection Business Partner.

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

No Solicitation/No Distribution by Team Member | **TARGET CORPORATE POLICIES**

Number:	200-40-13	**Effective:**	03/2014
Sponsor:	Human Resources – Labor Relations	**Supersedes:**	11/2009

POLICY

Target wants to make sure all team members can work free of the distraction and pressure that may be created by solicitation and distribution. We also want to ensure our guests a distraction- free shopping experience. That's why Target maintains a No Solicitation/No Distribution Policy for all team members and others with authorized access to Target property.

The policy is simple: During working time (yours or your fellow team members') you may not "solicit" team members. "Soliciting" includes things like asking co-workers to join organizations or pools, to buy memberships or subscriptions, or to make pledges or gifts to charities. "Working time" does not include meal and break periods (whether paid or unpaid), or any other time when a team member is not expected to be engaged in work activities.

The "No Distribution" part of the policy prohibits team members from distributing literature during working time or in work areas at any time.

Individuals not employed by Target or by a Target vendor providing service to Target are prohibited from soliciting, distributing literature, selling merchandise, or holding events at all times anywhere on Target-owned property or leased property when the Company has a right to exclude, including parking lots and sidewalks.

As a limited exception to this Policy, because Target supports United Way and other non-profit grant partners, some of these organizations may be permitted to solicit or distribute information without violating this Policy; however, Employee Relations must approve the activity.

Contact Community Relations at community.relations@target.com for approval if your office wishes to conduct an annual drive.

Exhibit D
Target Discounts

To help Target accurately execute on its obligation to provide the discount described in Section 12.6 of the Agreement, CVS will provide Target with a monthly file feed containing the information listed below, as well as such other information that Target may reasonably require:

- name and identifying number for all active Pharmacy Personnel,
- name and identifying number for all Pharmacy Personnel hired by CVS during the preceding month,
- name and identifying number for all Pharmacy Personnel whose employment terminated during the preceding month.

Exhibit E
Insurance

Without duplication for any insurance requirements pursuant to the Master Occupancy Agreement or the Clinic Operating Agreement, each Party will, at such Party's sole expense, obtain and maintain until termination of this Agreement and for such reasonable times thereafter (including appropriate tail policies) policies of insurance from companies authorized to transact business in the state(s) where operations shall occur and who hold a current rating of at least A-VII or better in the current Best's Insurance Reports published by A.M. Best Company adequate to fully protect such Parties from and against all expenses, claims, actions, liabilities and losses related to the subjects covered by such policies, which will include:

1. Commercial general liability, including bodily injury, property damage, personal and advertising injury liability, and contractual liability covering operations, independent contractor and products/completed operations hazards, with limits of not less than $1,000,000 for any one occurrence and $2,000,000 annual aggregate, endorsed to include the other Party, its officers, directors and employees as additional insureds;

2. Workers' compensation as provided for under any workers' compensation or similar law in the jurisdiction where work is performed with an employer's liability limit of not less than $500,000 for bodily injury by accident or disease;

3. Business auto liability covering ownership, maintenance or use of all owned, hired and non-owned autos used in connection with this Agreement with limits of not less than $1,000,000 combined single limit per accident for bodily injury and property damage liability, endorsed to include the other Party, its officers, directors and employees as additional insureds;

4. Umbrella/excess liability with limits of not less than $50,000,000 per occurrence and annual aggregate in excess of the commercial general liability, business auto liability and employer's liability including the other Party, its officers, directors and employees as additional insureds;

5. solely with respect to CVS, professional or druggist liability coverage with limits of not less than $50,000,000 per occurrence, endorsed to include Target, its officers, directors and employees as additional insureds;

6. "All Risk" property insurance covering not less than the full replacement cost of the property owned or leased by such Party at the Stores, with a waiver of subrogation in favor of the other Party; and

7. Network/Cyber-Liability/E-Commerce insurance covering acts, errors, or omissions arising out of such Party's obligations under this Agreement in an amount not less than $50,000,000 per occurrence and $100,000,000 annual

aggregate. This provision shall only apply as long as coverage is commercially available at the designated limits.

Target shall provide that its insurance policies set forth above in paragraphs 1, 3, 4, and 6 shall be primary with respect to each Store (other than the portion occupied by any Pharmacy in each such Store), and with respect to such space, CVS's insurance policies shall be excess and non-contributory. CVS shall provide that its insurance policies set forth above in paragraphs 1, 3, 4, and 6 shall be primary with respect to each Pharmacy Space, and with respect to such space, Target's insurance policies shall be excess and noncontributory. For any "Claims Made" policy not renewed or replaced, the Party will purchase or obtain an extended reporting period or "tail" of not less than two (2) years. All policies, except the Network/Cyber-Liability/E-Commerce insurance, shall be "occurrence" form. Each Party shall endeavor to have the insurance policy carrier provide the other Party with prior written notice of cancellation or material change according to policy provisions. The insurance coverage required to be provided by either Party pursuant to this Agreement may not be construed as a limitation on such Party's responsibility or liability or as a cap on Losses. Where a policy noted above shall be endorsed to include the other Party as an additional insured, the procuring Party shall deliver to the other Party a certificate of insurance on or prior to the Effective Date confirming such endorsement.

Exhibit (10)LL

TARGET

January 14, 2016

Tina Tyler

Re: Short-Term Incentive Plan

Dear Tina:

This letter establishes the terms on which you may be eligible for a bonus under Target's 2015 Short-Term Incentive Plan, given that you were employed for over 11 months of fiscal 2015.

Target's Short-Term Incentive Plan brochure states that you must be employed at the time of bonus payment, currently scheduled for March 2016, to be eligible for bonus compensation. As part of your overall separation package from Target, which includes the Income Continuance Agreement and Non-Competition, Non-Solicitation and Confidentiality Agreement, you will be eligible for a full fiscal 2015 short-term incentive payout opportunity under Target's Short-Term Incentive Plan.

This bonus opportunity will be based on the bonus program terms in effect on the date your employment ended, except that you will be eligible for a bonus calculated as if you were employed through the payment date. It will be calculated using Target's actual financial performance for fiscal 2015, as certified by the Human Resources and Compensation Committee, and the median of the last three personal review scores you received. Any such bonus will be paid in accordance with Target's customary practice.

Please let me know if you have any questions about this matter.

Sincerely,

/s/ Jodee Kozlak

Jodee Kozlak
Executive Vice President & Chief Human Resources Officer
Target Corporation

NON-COMPETITION, NON-SOLICITATION AND CONFIDENTIALITY AGREEMENT

This Non-Competition, Non-Solicitation and Confidentiality Agreement (referred to as the "Agreement"), is made by and between Target Corporation, a Minnesota corporation, and Target Enterprise, Inc., a subsidiary of Target Corporation ("Target Enterprise"), their predecessors, successors, parents, subsidiaries, affiliates, joint venture partners, shareholders, officers, and divisions (collectively referred to as "Target") and Tina Tyler, an employee of Target Enterprise ("Ms. Tyler"). Ms. Tyler and Target are collectively referred to as "the parties" throughout this Agreement.

WHEREAS, Ms. Tyler has been a key Target executive, and has therefore been granted access to Target's critical confidential business information, been positioned as a prominent Target representative identified with its good will within the retail industry and corporate community, and developed strong relationships with other Target employees; and

WHEREAS, in order to protect Target's critical confidential business information and good will from use for the benefit of its competitors and to protect its employees from solicitation, and in addition to any benefits or compensation she might otherwise receive from Target under any policy, program or agreement, Target wishes to provide Ms. Tyler with supplemental compensation in return for Ms. Tyler agreeing further not to compete with Target both during and after her employment, solicit Target employees, and disclose Target confidential information; and

WHEREAS, Ms. Tyler wishes to accept that supplemental compensation in return for her acceptance of the terms of this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Target and Ms. Tyler agree as follows:

1. Consideration. In exchange for entering into this Agreement, Target agrees to pay Ms. Tyler the total amount of Three Million Dollars ($3,000,000) (the "Consideration"). Target will pay this amount, less applicable withholdings as determined by Target, as follows: (1) in one increment of One Million Dollars ($1,000,000) paid on or about January 13, 2017, (2) in one increment of One Million Dollars ($1,000,000) paid on or about January 12, 2018, and (3) in one increment of One Million Dollars ($1,000,000) paid on or about January 11, 2019.

2. Target Employment. Nothing in this Agreement alters the nature, status or termination of Ms. Tyler's employment with Target.

3. Ms. Tyler's Covenant. In consideration of this Agreement, and in recognition of the facts that, as a result of her employment with Target, Ms. Tyler has had access to and gained knowledge of confidential and/or proprietary information or trade secrets pertaining to Target, has been identified with its good will within the retail industry and corporate community, has developed strong relationships with other Target employees whom Target wishes to retain, and that Target has expended time, resources and money to obtain or develop these protectable interests, all of which have significant value to Target, Ms. Tyler agrees for the benefit of Target, and as a material condition to her receipt of the consideration described in Paragraph 1, as follows:

a. *Non-Competition*. Ms. Tyler will not, during her employment and for a period of three (3) years following the date of her termination from Target, perform services directly or indirectly (including as an employee, independent contractor, consultant, officer, director, or similar relationship), to Amazon.com, Inc.; Best Buy Co., Inc.; Costco Wholesale Corporation; CVS Health Corporation; Dollar General Corporation; The Gap, Inc.; The Home Depot, Inc.; J.C. Penney Company, Inc.; Kohl's Corporation; The Kroger Co.; Lowe's Companies; Macy's, Inc.; Publix Super Markets, Inc.; Rite Aid Corporation; Safeway Inc.; Sears Holdings Corporation; Staples, Inc.; The TJX Companies, Inc.; Walgreens Boots Alliance, Inc.; and Wal-Mart Stores, Inc.; or any parent, subsidiary, division, or affiliate of any such company (examples of affiliates include entities under common control, joint venture partners and e-commerce affiliates) ("Competitive Entities"). Ms. Tyler expressly agrees that due to the nature of the confidential and/or proprietary information to which she has had access, and her position as a representative identified with the company's good will while a Target employee, the three (3) year world-wide restriction on her ability to work for the Competitive Entities set forth above is reasonable and appropriate. Restrictions on Ms. Tyler's ability to work for the entities set forth above may be modified or waived at any time at the discretion of Brian Cornell, or the then-acting Chief Executive Officer, in accordance with the procedure described in Paragraph 8. Any such waiver or modification must be made in writing.

b. *Non-Solicitation*. Ms. Tyler will not, during her employment and for a period of three (3) years following the date of her termination from Target, recruit, solicit or entice, directly or indirectly, for employment or performance of services, any employee of Target or any of its affiliated companies, unless Ms. Tyler has a written agreement signed by the Executive Vice President of Human Resources, in accordance with the procedure described in Paragraph 8, allowing Ms. Tyler to recruit persons named in that agreement.

c. *Confidentiality*.

(i) Ms.Tyler acknowledges and agrees that confidential information of Target and any of its affiliates is a valuable, special and unique asset. Such confidential information includes without limitation:

(A) employee data and information (including, but not limited to, personnel decisions relating to employees and applicants), and

(B) present, past and future strategies, plans, and proposals (including but not limited to, customer, marketing, merchandising, sourcing, store operations, technology, assets protection, distribution, benefits and compensation strategies, plans and proposals), and

(C) financial information, and

(D) present, past and future personnel and labor relations strategies, plans, practices, policies, training programs and goals.

(ii) Ms.Tyler will not, during or after the date of her termination from Target, use or disclose or cause or permit to be used or disclosed any such information or any other information Target treats as confidential, to any person, firm, corporation, association or other entity for any reason or purpose whatsoever. For avoidance of doubt, nothing in this Agreement shall prohibit Ms. Tyler from communicating with a government agency, regulator or legal authority concerning any possible violations of federal or state law or regulation; however, Ms. Tyler is not authorized to share communications covered and protected from disclosure by Target's attorney-client privilege.

d. *Consultation and Cooperation*. Following the date of her termination from Target, Target may request that Ms. Tyler consult or cooperate (including, without limitation, providing truthful information to Target or serving as a witness or testifying at Target's request without subpoena), and Ms. Tyler agrees to be available at mutually agreeable times to perform such duties and provide such cooperation in connection with the various business and legal matters in which Ms. Tyler was involved or of which Ms. Tyler has knowledge as result of her employment with Target. In so consulting or cooperating, Ms. Tyler shall be reimbursed her reasonable out-of-pocket expenses.

e. *Remedies for Breach of These Covenants*.

(i) Ms.Tyler acknowledges that any breach of the covenants in Paragraph 3 will cause irreparable harm to Target for which money damages could not reasonably or adequately compensate Target. Accordingly, Target shall be entitled to seek all available forms of injunctive relief (whether temporary, preliminary, or permanent) to enforce the covenant, in addition to repayment of any consideration provided hereunder by Target to the date of breach, damages recoverable by law and all other available remedies. Ms. Tyler consents to the issuance of injunctive relief without the necessity of Target posting a bond or, if a court requires a bond to be posted, with a bond of no greater than Five Hundred Dollars ($500) in principal amount.

(ii) In addition to any other remedies available to Target, in the event Ms. Tyler breaches any of her obligations under Paragraphs 3.a., b., c., or d. of this Agreement, then Target (A) will be relieved of all liability and obligation to make any further payments under this Agreement, and (B) may demand the return of any payments previously paid to Ms. Tyler under this Agreement.

4. Extension of Covenants. Ms. Tyler agrees that if she violates any of the covenants in Paragraph 3, the restrictions therein shall be extended for the amount of time during which a court determines that she was in violation of that Paragraph.

5. Enforceability. If any one or more of the provisions of this Agreement is held invalid, illegal, or unenforceable in any respect, such provision shall be severable, and the validity, legality, and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby. If any restriction in this Agreement is deemed by a court to be overbroad, Ms. Tyler and Target expressly authorize the court to impose the broadest limitations permissible under the law.

6. Assignment. The parties agree that the rights and obligations under this Agreement shall inure to and be binding on Target, and its successors and assigns, but the rights and obligations of Ms. Tyler under this Agreement are personal and may not be assigned to any other person or entity. However, if Ms. Tyler dies before all the Consideration is paid, the remaining Consideration will be paid to her estate.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

8. Amendment; Waivers. This Agreement may not be modified, amended, waived or discharged in any manner except by an instrument in writing signed by both parties hereto. The execution of any such modification, amendment or waiver shall be in the sole discretion of an authorized officer of Target. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

9. Entire Agreement. This Agreement embodies the entire agreement and understanding between Target and Ms. Tyler pertaining to the payment of the consideration described in Paragraph 1 hereof. For the sake of clarity, Target and Ms. Tyler have simultaneously executed an Income Continuance Agreement which contains parallel covenants. The Income Continuance Agreement is supported by independent consideration and is intended to operate separately and independently of this Agreement.

10. Code Section 409A. For all purposes under Section 409A of the Internal Revenue Code (“Section 409A), each payment under this Agreement shall be treated as a separate payment. It is the intention of the parties that the January 13, 2017, payment be exempt from the requirements of Section 409A because it is a short term deferral under Treas. Reg. Sec. 1.409A-1(b)(4), and that the balance of the payments, are intended to comply both in form and operation with the requirements of Section 409A, and this Agreement will be construed and administered in a manner consistent with such intent. Target reserves the right to adopt such rules, regulations or procedures that are deemed necessary or appropriate to comply with the requirements of Section 409A. Any payments that are subject to the requirements of Section 409A may be accelerated or delayed only if and to the extent otherwise permitted under Section 409A.

11. Reporting. Until all Consideration is paid pursuant to this Agreement, Ms. Tyler shall promptly inform Target of the name and business address of each business or person for which Ms. Tyler performs services, and shall provide a summary description of the nature and principal business locations of each such business or person. Ms. Tyler shall also provide her title, principal duties, address and phone number. Significant changes to employment, services, duties or location must be promptly reported. Such reports shall be provided to the Executive Vice President, Human Resources, in accordance with the procedure described in Paragraph 8.

12. Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of Minnesota as interpreted by Minnesota state and federal courts.

13. Jurisdiction. Any action or proceeding seeking to enforce or interpret any provision of, or based upon any right arising out of, this Agreement may be brought against any of the parties in the federal or state courts located in Minneapolis, Minnesota, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding, and waives any objection to venue therein.

14. Effective Date. This Agreement shall be effective on the earliest date it is executed by all parties hereto (the “Effective Date”).

15. Authorization. Target affirms that this Agreement is duly authorized by all necessary parties.

Dated: January 19, 2016 /s/ Tina Tyler

TINA TYLER

Dated: January 27, 2016 TARGET CORPORATION

By: /s/ Jodee Kozlak

Its: CHRO

Dated: January 27, 2016 TARGET ENTERPRISE, INC.

By: /s/ Jodee Kozlak

Its: CHRO

Exhibit (10)W

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 three years starting on the Grant Date and, except for the specific circumstances described in this Agreement, receive the Shares issuable under the RSUs after the third 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 first full fiscal year commencing after the Grant Date (the “Performance Period”). Except as set forth in Section 7, 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 7, 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. The RSUs shall vest on the earlier of: (a) the third anniversary of the Grant Date, in which case, all of the RSUs shall become vested; (b) the date that the conditions for an Accelerated Vesting Event set forth in Section 5 are satisfied, in which case, all of the RSUs shall become vested; or (c) as specified in Sections 6 or 7. The date of vesting is referred to as the "Vesting Date". All such 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, 6 or 7. "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 RSUs subject to this Agreement shall vest as provided below:

(a) Retirement. If the Retirement Conditions are satisfied the 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, the 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, the 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. Involuntary Service Separation. Notwithstanding any other provisions of this Agreement to the contrary, and provided that the Company has received a valid unrevoked Release Agreement from the Executive, if the Executive's Service is involuntarily terminated by the Company or a Subsidiary to which the Executive is providing Service (the "Service Recipient") prior to the third anniversary of the Grant Date other than for Cause (an "Involuntary Service Separation"), then 50% of the RSUs shall vest (if the Minimum Performance Condition is satisfied) as of the later of (a) the Determination Date, or (b) the date of the Executive's Involuntary Service Separation. All remaining RSUs shall be cancelled and the Executive shall have no rights to such cancelled RSUs.

7. 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 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 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 greater of (A) 50% of the total number of Shares subject to this Award, or (B) the total number of Shares subject to this Award multiplied by a fraction. The numerator of such fraction referred to in this Section 7(a)(i)(B) 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 third anniversary of the Grant Date. Notwithstanding the foregoing in this Section 7(a)(i), the RSUs shall vest in full if, on or prior to the termination of Service under this Section 7(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 the 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.

8. 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 shall terminate immediately and the Executive shall have no rights hereunder.

9. Other Termination; Changes of Service. If the Executive's termination of Service occurs at any time prior to the third anniversary of the Grant Date for any reason not meeting the conditions specified in Sections 5 through 8, all of the 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.

10. 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 11. 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 11 hereof.

11. 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) the third 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 11(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 this Section 11 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.

12. 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 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.

13. 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.

14. 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 14 shall not apply, and no amounts may be recovered hereunder, following a Change in Control.

15. 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 11. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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)X

TARGET

Amended and Restated Target Corporation 2011 Long-Term Incentive Plan

EXECUTIVE
PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

THIS PERFORMANCE-BASED 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 Performance-Based Restricted Stock Units (“PBRSUs”), 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 through the three full fiscal years after the Grant Date and, except for the specific circumstances described in this Agreement, receive the Shares issuable under the PBRSUs after the end of that period.

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 PBRSUs.

(a) 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 PBRSUs set forth in the Award Letter (the “Goal Payout”). The maximum number of Shares that may be earned is equal to 125% 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”).

(b) Except as set forth in Section 7, if the Minimum Performance Condition described in Section 3 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 7, the Award shall be cancelled and the Executive shall have no rights hereunder if any of the following occur: (i) the Committee determines on the Determination Date described in Section 3 that the Minimum Performance Condition has not been satisfied, or (ii) the Final Determination Date does not occur.

3. Minimum Performance Condition. Except as set forth in Section 7, 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, but in any event not later than November 30 of the calendar year in which the first full fiscal year of the Performance Period ends (the date the Committee so determines, the "Determination Date").

4. Vesting Schedule. The PBRSUs shall vest on the earlier of: (a) the end of the Performance Period, in which case, the PBRSUs shall vest in the amount determined by the Committee pursuant to the Payout Formula; (b) the date that the conditions for an Accelerated Vesting Event set forth in Section 5 are satisfied, in which case, the PBRSUs shall vest in the amount specified under the respective Accelerated Vesting Event; or (c) as specified in Sections 6 or 7. The date of vesting is referred to as the "Vesting Date". All such vested PBRSUs 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, 6 or 7. "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 PBRSUs subject to this Agreement shall vest as provided below:

(a) Retirement. If the Retirement Conditions are satisfied the PBRSUs shall vest in the amount determined by the Committee pursuant to the Payout Formula (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, the PBRSUs shall vest in the amount determined by the Committee pursuant to the Payout Formula (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, the PBRSUs shall vest in the amount determined by the Committee pursuant to the Payout Formula (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. Involuntary Service Separation. Notwithstanding any other provisions of this Agreement to the contrary, and provided that the Company has received a valid unrevoked Release Agreement from the Executive, if the Executive's Service is involuntarily terminated by the Company or a Subsidiary to which the Executive is providing Service (the "Service Recipient") prior to the end of the Performance Period other than for Cause (an "Involuntary Service Separation"), then PBRSUs equal to 50% of the Goal Payout shall vest (if the Minimum Performance Condition is satisfied) as of the later of (a) the Determination Date, or (b) the date of the Executive's Involuntary Service Separation. All remaining PBRSUs shall be cancelled and the Executive shall have no rights to such cancelled PBRSUs.

7. 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, 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 greater of (A) 50% of the Goal Payout, or (B) the Goal Payout multiplied by a fraction. The numerator of such fraction referred to in this Section 7(a)(i)(B) 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 7(a)(i), the PBRSUs shall vest in an amount equal to the Goal Payout if, on or prior to the termination of Service under this Section 7(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 the PBRSUs subject to this Agreement shall vest in an amount equal to the Goal Payout 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.

8. 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 PBRSUs subject to the Award shall terminate immediately and the Executive shall have no rights hereunder.

9. 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 8, all of the PBRSUs 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.

10. Dividend Equivalents. The Executive shall have the right to receive additional PBRSUs with a value equal to the regular cash dividend paid on one Share for each PBRSU earned pursuant to this Agreement prior to the conversion of PBRSUs and issuance of Shares pursuant to Section 11. The dividend equivalents will be based on the actual number of PBRSUs earned pursuant to this Agreement. The number of additional PBRSUs to be received as dividend equivalents for each PBRSU 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 PBRSUs, on each dividend payment date the additional PBRSUs issued as dividend equivalents shall be rounded up to the nearest whole number. All such additional PBRSUs received as dividend equivalents shall be subject to forfeiture in the same manner and to the same extent as the original PBRSUs granted hereby, and shall be converted into Shares on the basis and at the time set forth in Section 11 hereof.

11. Conversion of PBRSUs and Issuance of Shares.

(a) Timing. Vested PBRSUs shall be converted to Shares in accordance with the Payout Formula and shall be issued within 90 days following the Final Determination Date, but in any event not later than December 31 of the calendar year in which the Performance Period ends.

(b) Unvested PBRSUs. All of the PBRSUs subject to the Award that are unvested as of the time the vested PBRSUs are converted and Shares are issued under this Section 11 shall terminate immediately and the Executive shall have no rights hereunder with respect to those unvested PBRSUs.

(c) 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.

12. 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 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 PBRSUs, including, but not limited to, the grant, vesting and/or conversion of the PBRSUs 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 PBRSUs 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 PBRSUs 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.

13. 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.

14. 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 PBRSUs, 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 PBRSUs 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 14 shall not apply, and no amounts may be recovered hereunder, following a Change in Control.

15. 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 PBRSUs or receive Shares after termination of Service shall be determined pursuant to Sections 4 through 11. 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.

16. 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 PBRSUs 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 PBRSUs be considered as compensation for, or relating in any way to, past services for the Company or the Service Recipient, nor are the PBRSUs 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 PBRSUs;

(f) no claim or entitlement to compensation or damages shall arise from forfeiture of the PBRSUs 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 PBRSUs 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 PBRSUs or the Plan.

17. 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.

18. 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.

19. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Executive's participation in the Plan, on the PBRSUs 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.

20. 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]

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 60 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 30, 2016

Ratio of Earnings to Fixed Charges	Fiscal Year Ended				
(dollars in millions)	January 30, 2016	January 31, 2015	February 1, 2014	February 2, 2013	January 28, 2012
Earnings from continuing operations before income taxes	$4,923	$3,653	$4,121	$5,056	$4,621
Capitalized interest, net	16	(1)	(14)	(12)	6
Adjusted earnings from continuing operations before income taxes	4,939	3,652	4,107	5,044	4,627
Fixed charges:					
Interest expense [(a)]	616	619	641	721	750
Interest portion of rental expense	108	108	108	106	110
Total fixed charges	724	727	749	827	860
Earnings from continuing operations before income taxes and fixed charges	$5,663	$4,379	$4,856	$5,871	$5,487
Ratio of earnings to fixed charges	7.82	6.02	6.48	7.10	6.38

[(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)

List of Significant Subsidiaries
(As of January 30, 2016)

Target Brands, Inc. (MN)
Target Capital Corporation (MN)
Target Corporate Services, Inc. (MN)[a]
Target Enterprise, Inc. (MN)
Target General Merchandise, Inc. (MN)

[a] This entity was merged into Target Enterprise, Inc. effective January 31, 2016.

Subsidiaries not included in the list are omitted because, considered in the aggregate as a single subsidiary, they do not constitute a significant subsidiary.

Exhibit (23)

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 11, 2016, 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 30, 2016.

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 11, 2016

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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 26th day of January, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 1st day of February, 2016.

/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 CATHERINE R. SMITH, TIMOTHY R. BAER, 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 31st day of January, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 27th day of January, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 4th day of February, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 3rd day of February, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 23rd day of January, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 24th day of January, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 February, 2016.

/s/ Monica Lozano

Monica 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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 23rd day of January, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 23rd day of January, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 22nd day of January, 2016.

/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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 22nd day of January, 2016.

/s/ Kenneth L. Salazar

Kenneth L. Salazar

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, CATHERINE R. SMITH, TIMOTHY R. BAER, 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 22nd day of January, 2016.

/s/ John G. Stumpf

John G. Stumpf

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 11, 2016

/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, Catherine 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 11, 2016

/s/ Catherine R. Smith
Catherine 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 30, 2016, 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 11, 2016

/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 30, 2016, 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 11, 2016

/s/ Catherine R. Smith
Catherine R. Smith
Executive Vice President and Chief Financial Officer