TARGET CORP
Form PRE 14A
March 19, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

x	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
o	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

Target Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x	No fee required.		
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.		
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o	Fee paid previously with preliminary materials.		
o	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.		
		(1)	Amount Previously Paid:
		(2)	Form, Schedule or Registration Statement No.:
		(3)	Filing Party:
		(4)	Date Filed:

1000 Nicollet Mall
Minneapolis, Minnesota 55403
(612) 304-6073

PROXY STATEMENT
Annual Meeting of Shareholders
May 24, 2007

VOTING METHODS

The accompanying Proxy Statement describes important issues affecting Target Corporation (Target). If you are a shareholder of record, you have the right to vote your shares through the Internet, by telephone or by mail. You may also revoke your proxy any time before the Annual Meeting. Please help us save time and postage costs by voting through the Internet or by telephone. Each method is generally available 24 hours a day and will ensure that your vote is confirmed and posted immediately. To vote:

1. **BY INTERNET**

a. Go to the web site at **www.proxyvote.com**, 24 hours a day, seven days a week.

b. Enter the 12-digit number that appears in the box on the right side of the proxy card.

c. Follow the simple instructions.

2. **BY TELEPHONE**

a. On a touch-tone telephone, call toll-free **1-800-690-6903**, 24 hours a day, seven days a week.

b. Enter the 12-digit number that appears in the box on the right side of the proxy card.

c. Follow the simple recorded instructions.

3. **BY MAIL**

(Do not mail the proxy card if you are voting by Internet or telephone.)

a. Mark your selections on the proxy card.

b. Date and sign your name exactly as it appears on your proxy card.

c. Mail the proxy card in the enclosed postage-paid envelope.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record that you must follow in order for your shares to be voted.

Your vote is important. Thank you for voting.

ADMISSION POLICY

All shareholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting of Shareholders on May 24, 2007. You must have an admission ticket in order to attend the meeting. If you are a shareholder of record and plan to attend the meeting, please contact Target s Investor Relations department by email at investorrelations@target.com or by telephone at (612) 761-6742 to request a ticket. If you hold shares through an intermediary, such as a bank or broker, and you plan to attend the meeting, you will need to send a written request for a ticket either by regular mail, fax or email, along with proof of share ownership, such as a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares, confirming ownership to: Investor Relations, Target Corporation, 1000 Nicollet Mall, TPN-1448, Minneapolis, MN 55403 (fax: 612-761-5555 or email: investorrelations@target.com). Requests for admission tickets will be processed in the order in which they are received and must be received no later than May 14, 2007.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME	1:00 p.m. Eastern Daylight Time, on Thursday, May 24, 2007
PLACE	Target Store 3100 West 117th Street Cleveland, Ohio This location allows us to showcase our latest general merchandise store design in the latter stages of construction prior to opening. This store is scheduled to open in July 2007. The near-completed construction status of this store also provides sufficient space to accommodate shareholders for our Annual Meeting.
MEETING FORMAT	The meeting will include prepared remarks by our CEO, followed by a live, interactive question and answer session with senior executives. A live webcast of the meeting will be accessible on our website at www.target.com/investors. Cameras and recording devices are not permitted at the meeting.
ITEMS OF BUSINESS	(1) To elect four directors for three-year terms. (2) To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm. (3) To approve the Target Corporation Officer Short-Term Incentive Plan. (4) To approve an amendment to our restated articles of incorporation to adopt a majority voting standard in uncontested director elections. (5) To act on the shareholder proposal in this proxy statement, if presented at the meeting. (6) To act on any other business that may properly come before the meeting.
RECORD DATE	You may vote if you are a shareholder of record at the close of business on March 26, 2007.
ANNUAL REPORT	Our 2006 Annual Report, which is not part of the proxy soliciting material, is enclosed.
PROXY VOTING	It is important that your shares be represented and voted at the Annual Meeting. Please vote in one of these three ways: (1) VISIT THE WEB SITE shown on your proxy card to vote through the Internet, (2) USE THE TOLL-FREE TELEPHONE NUMBER shown on the proxy card, **OR** (3) MARK, SIGN, DATE AND PROMPTLY RETURN the enclosed proxy card in the postage-paid envelope. Any proxy may be revoked at any time prior to its exercise at the Annual Meeting.

Timothy R. Baer
Corporate Secretary

Approximate Date of Mailing of Proxy
Material: April 9, 2007

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PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS

May 24, 2007

The Board of Directors of Target Corporation solicits the enclosed proxy for the Annual Meeting of Shareholders to be held at the Target Store, 3100 West 117th Street, Cleveland, Ohio, on Thursday, May 24, 2007, at 1:00 p.m., Eastern Daylight Time, and for any adjournment thereof.

GENERAL INFORMATION ABOUT THE MEETING AND VOTING

What is the purpose of the Annual Meeting?

At our Annual Meeting, shareholders will act upon the matters described in the accompanying notice of meeting. In addition, our management will report on Target s performance during fiscal 2006 and respond to questions from shareholders.

Who may vote?

We have one class of voting shares outstanding. Only shareholders of record at the close of business on the record date, March 26, 2007, are entitled to receive notice of the Annual Meeting and to vote the shares of common stock that they held on the record date, at the meeting, or any postponement or adjournment of the meeting. Each share of common stock will have one vote on each matter to be voted on.

Who may attend the Annual Meeting?

All shareholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting of Shareholders on May 24, 2007. If you are a shareholder of record and plan to attend the meeting, please contact Target s Investor Relations department by email at investorrelations@target.com or by telephone at (612) 761-6742 to request a ticket. If you hold shares through an intermediary, such as a bank or broker, and you plan to attend the meeting, you will need to send a written request for a ticket either by regular mail, fax or email, along with proof of share ownership, such as a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares, confirming ownership to: Investor Relations, Target Corporation, 1000 Nicollet Mall, TPN-1448, Minneapolis, MN 55403 (fax: 612-761-5555 or email: investorrelations@target.com). Requests for admission tickets will be processed in the order in which they are received and must be received no later than May 14, 2007. Cameras and recording devices are not permitted at the meeting.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of our common stock outstanding on the record date will constitute a quorum, permitting the meeting to conduct its business. As of the record date, shares of our common stock were outstanding. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting for purposes of determining whether there is a quorum.

May I vote by proxy card, by telephone or through the Internet?

You may vote by completing and properly signing the enclosed proxy card and returning it to us in the envelope provided. If you are a registered shareholder (those whose shares are owned in their name and not in street name) and attend the meeting, you may deliver your completed proxy card in person. In addition, registered shareholders may vote either by telephone or through the Internet by following the instructions on the inside of the front cover of these materials. Street name shareholders who wish to vote at the meeting should follow the instructions on the proxy form received from the institution that holds their shares.

May I vote confidentially?

Yes. Our policy is to treat all shareholder meeting proxies, ballots and voting tabulations of a shareholder confidentially, if the shareholder has requested confidentiality on the proxy or ballot.

If you so request, your proxy will not be available for examination nor will your vote be disclosed prior to the tabulation of the final vote at the Annual Meeting except (i) to meet applicable legal requirements, (ii) to allow the independent election inspectors to count and certify the results of the vote or (iii) where there is a proxy solicitation in opposition to the Board of Directors, based upon an opposition proxy statement filed with the Securities and Exchange Commission (SEC). The independent election inspectors may at any time inform us whether or not a shareholder has voted.

May I change my vote?

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by filing with our Corporate Secretary at least two business days prior to the Annual Meeting either a notice of revocation or a duly executed proxy bearing a later date. Alternatively, if you have voted by telephone or through the Internet, you may change your vote by calling the toll-free number again and following the instructions, or by accessing the web site and following the instructions. The powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

How does the Board recommend I vote?

Unless you give instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board of Directors. The Board s recommendation is set forth in the description of each item in this Proxy Statement. In summary, the Board of Directors recommends a vote:

FOR election of the director nominees (see pages -);

FOR ratification of the appointment of Ernst & Young LLP as Target s independent registered public accounting firm (see page);

FOR approval of the Target Corporation Officer Short-Term Incentive Plan (see pages -);

FOR approval of the amendment to our restated articles of incorporation (see pages -); and

AGAINST the shareholder proposal to require additional disclosure of political contributions (see pages -).

With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

How many votes are required to approve each item?

Election of Directors. The affirmative vote of a plurality of the votes cast is required for the election of directors. The four nominees receiving the highest number of votes will be elected. For this purpose, a properly executed proxy marked WITHHELD with respect to the election of director nominees will be counted for purposes of determining whether there is a quorum, but will not be considered to have been voted in favor of the director nominee with respect to whom authority has been withheld.

Other Items. For ratification of the appointment of our independent registered public accounting firm, approval of the Target Corporation Officer Short-Term Incentive Plan, the amendment to our restated articles of incorporation, the shareholder proposal and any other items that properly come before the meeting, the affirmative vote of the greater of (i) a majority of the outstanding shares of our common stock entitled to vote on the item and present in person or by proxy at the Annual Meeting, and (ii) a majority of the minimum number of shares entitled to vote that would constitute a quorum for the transaction of business at the Annual Meeting, will be required for approval provided that a quorum is present in person or by proxy. A properly executed proxy marked ABSTAIN with respect to any such matter will be counted for purposes of determining whether there is a quorum and will be considered present in person or by proxy and entitled to vote. Accordingly, an abstention will have the effect of a negative vote.

What is a broker non-vote?

If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. In this situation, a broker non-vote occurs. Shares constituting broker non-votes are not counted or deemed to be present or represented for the purpose of determining whether shareholders have approved a matter, but they are counted as present for the purpose of determining a quorum at the Annual Meeting.

What if other matters are presented for determination at the Annual Meeting?

As of the date of this Proxy Statement, we know of no matters that will be presented for determination at the meeting other than those referred to herein. If any other matters properly come before the meeting calling for a vote of shareholders, proxies in the enclosed form returned to us will be voted in accordance with the recommendation of the Board of Directors, or, in the absence of such a recommendation, in accordance with the judgment of the proxy holders.

Who pays the expenses incurred in connection with the solicitation of proxies?

Expenses in connection with the solicitation of proxies will be paid by us. Proxies are being solicited principally by mail, by telephone and through the Internet. We have retained Georgeson Shareholder Communications Inc. to act as a proxy solicitor for a fee estimated to be $20,000, plus reimbursement of out-of-pocket expenses. In addition, our directors, officers and regular employees may solicit proxies personally or by e-mail, telephone, fax or special letter. We may reimburse brokerage firms and others for their expenses in forwarding proxy materials to the beneficial owners of our shares.

How may I get additional copies of the Annual Report?

Our Annual Report for the fiscal year ended February 3, 2007, including financial statements, is enclosed. The Annual Report is also available online at www.target.com (click on Investors and Annual Reports). For additional printed copies, please contact our Investor Relations representative by e-mail at investorrelations@target.com, by mail at the address listed on the cover of this Proxy Statement, Attention: Investor Relations, or online at www.target.com (click on Investors and Request Printed Materials).

How may I receive materials through the Internet?

As described more specifically in the immediately preceding question, you can obtain copies of our proxy materials, Annual Report and other periodic reports and information under the Investors section of our web site, www.target.com. You can also register at this same location to receive e-mail alerts when we post new information on our web site (click on E-Mail Alerts).

How may I elect to receive shareholder materials electronically and discontinue my receipt of paper copies?

Shareholders may request electronic delivery of our proxy materials and Annual Report online at www.target.com (click on Investors and Enroll for E-Delivery). To receive other shareholder information, contact us via e-mail at investorrelations@target.com.

ITEM ONE ELECTION OF DIRECTORS

Proxies solicited by the Board of Directors will, unless otherwise directed, be voted for the election of four nominees to serve as Class I directors for three-year terms expiring in 2010 and until their successors are elected. The four nominees are Calvin Darden, Anne M. Mulcahy, Stephen W. Sanger and Gregg W. Steinhafel. Warren R. Staley, whose term expires at this Annual Meeting, has decided to retire from the Board and is not seeking re-election. All of the nominees are currently directors.

The Board of Directors has no reason to believe that any of the nominees is not available or will not serve if elected. If for any reason a nominee becomes unavailable for election, the Nominating Committee of our Board of Directors may designate substitute nominees, in which event the shares represented by proxies returned to us will be voted for such substitute nominees, unless an instruction to the contrary is indicated on the proxy.

Our restated articles of incorporation, as amended, provide that our business and affairs will be managed by, or under the direction of, a Board of Directors consisting of not fewer than five nor more than 21 persons. Directors are divided into three classes. Directors of one class are elected each year for a term of three years. The Board of Directors currently consists of five Class I directors whose terms expire at this Annual Meeting, three Class II directors whose terms expire at the 2008 Annual Meeting, and four Class III directors whose terms expire at the 2009 Annual Meeting.

Following is information regarding the nominees and continuing directors, including information furnished by them as to their principal occupations. See page for a table showing the number of shares of Target common stock beneficially owned by each director as of March 14, 2007.

Director	Principal Occupation and Other Information	Age	Director Since
Roxanne S. Austin Class II Term expires in 2008	Roxanne S. Austin served as Executive Vice President of Hughes Electronics Corp., a provider of digital television entertainment and technology services, and as President and Chief Operating Officer of its subsidiary, DIRECTV, Inc., until December 2003 when Hughes was acquired. She joined Hughes in 1993 and held various positions in finance. In July 1997, she was named Chief Financial Officer of Hughes. In May 2001, she was elected Executive Vice President of Hughes and in June 2001, she was named President and Chief Operating Officer of DIRECTV. She is a director of Abbott Laboratories and Teledyne Technologies.	46	2002

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Calvin Darden Class I Nominee for term expiring in 2010	Calvin Darden is Chairman of the Beltline Project, an urban revitalization project sponsored by the City of Atlanta. He previously served as Senior Vice President of U.S. Operations of United Parcel Service of America, Inc., an express carrier and package delivery company, until his retirement in February 2005. He joined UPS in 1971 and held various operational and managerial positions. In December 1997, he was elected Senior Vice President of Domestic Operations and in January 2000, he was elected Senior Vice President of U.S. Operations. He is a director of Coca-Cola Enterprises, Inc. and Cardinal Health Corp.	57	2003
James A. Johnson Class II Term expires in 2008	James A. Johnson is Vice Chairman of Perseus, LLC, a merchant banking private equity firm. From December 1999 to April 2001, he served as Chairman and Chief Executive Officer of Johnson Capital Partners. In April 2001, he was elected to his current position. He is a director of The Goldman Sachs Group, Inc., KB Home, Temple-Inland Inc. and UnitedHealth Group Incorporated.	63	1996
Richard M. Kovacevich Class III Term expires in 2009	Richard M. Kovacevich is Chairman of the Board and Chief Executive Officer of Wells Fargo & Company, a banking and financial services company. In 1995, he was elected Chairman of the Board and Chief Executive Officer of Norwest Corp., and held that position until Norwest merged with Wells Fargo in 1998, when he was elected President and Chief Executive Officer. In April 2001, he was elected to his current positions. He is also a director of Cargill, Inc. and Cisco Systems, Inc.	63	1996

Mary E. Minnick Class II Term expires in 2008	Mary E. Minnick served as Executive Vice President and President of Marketing, Strategy and Innovation of The Coca-Cola Company, a manufacturer, marketer and distributor of nonalcoholic beverage concentrates and syrups, until February 2007. She was employed by The Coca-Cola Company for 22 years and held various sales, marketing, operations and management positions.	47	2005
Anne M. Mulcahy Class I Nominee for term expiring in 2010	Anne M. Mulcahy is Chairman of the Board and Chief Executive Officer of Xerox Corp., a document management company. She joined Xerox in 1976 and has held various management positions in marketing, human resources and operations. She served as Executive Vice President and President, General Markets Operations from 1998 until May 2000, and President and Chief Operating Officer from May 2000 through July 2001. In August 2001 she was elected Chief Executive Officer and in January 2002 she was elected Chairman of the Board. She is also a director of Citigroup Inc. and Fuji Xerox Co. Ltd.	54	1997
Stephen W. Sanger Class I Nominee for term expiring in 2010	Stephen W. Sanger is Chairman of the Board and Chief Executive Officer of General Mills, Inc., a consumer food products company. He joined General Mills in 1974 and held a series of positions in marketing and management across the company s consumer food businesses. In 1995, he was elected to his current positions. He is also a director of Wells Fargo & Company.	61	1996

Gregg W. Steinhafel Class I Nominee for term expiring in 2010	Gregg W. Steinhafel is President of Target. He began his career at Target as a merchandising trainee in 1979. Since that time, he has held numerous Merchandising positions including Vice President, Electronics and Stationery, Senior Vice President Merchandise Planning, Senior Vice President, Softlines and Executive Vice President, Merchandising. Mr. Steinhafel was named President in 1999. He is also a director of The Toro Co.	52	2007
George W. Tamke Class III Term expires in 2009	George W. Tamke is a Partner with Clayton, Dubilier & Rice, Inc., a private investment firm. He served as Vice Chairman and Co-Chief Executive Officer of Emerson Electric Company, a manufacturer of electrical and electronic equipment, from 1999 to February 2000. He assumed his current position in March 2000. He is a director of Culligan Ltd. and The Hertz Corporation.	59	1999
Solomon D. Trujillo Class III Term expires in 2009	Solomon D. Trujillo is Chief Executive Officer and a director of Telstra Corporation Limited, a telecommunications company, positions he has held since July 2005. From February 2003 to March 2004, he served as Chief Executive Officer of Orange S.A., a telecommunications company. In November 2000, he was elected Chairman, President and Chief Executive Officer of Graviton, Inc., a wireless communication technology company, a position he held until February 2003.	55	1994

Robert J. Ulrich is Chairman of the Board, Chief Executive Officer and Chairman of the Executive Committee of Target. He began his retailing career as a merchandising trainee in Target s department store division in 1967 and advanced through various management positions. He became Chairman and Chief Executive Officer of Target Stores in 1987 and was elected Chairman and Chief Executive Officer of Target in 1994.	63	1993

Robert J. Ulrich
Class III
Term expires in 2009

GENERAL INFORMATION ABOUT THE BOARD OF DIRECTORS

Director Independence

The Board of Directors believes that a preponderance of its members should be independent directors. The Board annually reviews all relationships that directors have with Target to affirmatively determine whether the directors are independent. If a director has a material relationship with Target, that director is not independent. The listing standards of the New York Stock Exchange (NYSE) set forth certain relationships which, if present, preclude a finding of independence. To assist the Board in making its independence determination, the Board has determined that the following relationships will be considered categorically immaterial and will not, by themselves, impair a director s independence:

- If the director or any of the director s immediate family members is an executive officer of another company that does business with Target and the annual payments by Target to, or the receipt of payments by Target from, such other company is less than the greater of (i) $1,000,000 or (ii) two percent of the annual consolidated gross revenues of such other company.

- If the director or any of the director s immediate family members is an executive officer of another company from which Target has obtained loans, if the relationship was entered into in the ordinary course of business and on terms substantially consistent with prevailing market conditions.

- If the director or any of the director s immediate family members is an executive officer of a foundation, university or other not-for-profit organization that receives from Target or its foundation contributions less than the greater of (i) $1,000,000 or (ii) two percent of the not-for-profit organization s aggregate annual charitable receipts during its fiscal year. For this purpose, any automatic matching of employee charitable contributions by Target or its foundation is not included in determining Target s contributions.

- If the relationship arises solely because the director or any of the director s immediate family members is a director, the owner of a less than 10% equity interest, or both, of another entity that has a business relationship with Target.

In light of the preceding standards, the Board has affirmatively determined that the following directors, who include all of the non-management directors and a substantial majority of the Board, met the requirements for independence: Directors Austin, Darden, Johnson, Kovacevich, Minnick, Mulcahy, Staley, Sanger, Tamke and Trujillo**.**

In making its independence determination the Board specifically considered the following relationships and concluded that they are categorically immaterial (under the standards listed above):

- Ordinary course purchases from companies of which a director is, or during fiscal 2006 was, an executive officer:
- The Coca-Cola Company (Ms. Minnick)
- General Mills (Mr. Sanger)
- Cargill (Mr. Staley)
- Xerox (Ms. Mulcahy)
- Banking relationships:
- Wells Fargo & Company (Mr. Kovacevich)

Corporate Governance Documents Available on Our Website

Copies of our key corporate governance documents are available on our website (www.target.com; click on Investors and Corporate Governance). These documents include our Corporate Governance Guidelines, Position Descriptions, or charters, for each of the Board s committees, our Business Conduct Guide and our Corporate Responsibility Report. Any shareholder who wishes to obtain hard copies of these documents may do so by submitting a request to our Investor Relations department by email at investorrelations@target.com or by writing to Investor Relations, Target Corporation, 1000 Nicollet Mall, TPN-1448, Minneapolis, MN 55403.

Board Meetings and Committees

The Board of Directors met five times during fiscal 2006. All directors attended at least 75% of the aggregate total of meetings of the Board and Board Committees on which the director served during the last fiscal year. At the end of each Board meeting, the non-management directors were given an opportunity to meet without the Chairman of the Board present. We do not have a policy regarding Board member attendance at the Annual Meeting of Shareholders. No director except Mr. Ulrich attended last year s Annual Meeting of Shareholders.

Executive Committee

The Executive Committee of the Board of Directors consists of the Chairman of the Board of Target and all of the non-management directors. During the last fiscal year the Executive Committee met one time. The independent members of the Executive Committee review and act on the Compensation Committee s recommendations on performance and compensation of all senior corporate officers and certain other Target senior executives. As part of their responsibilities, the independent members of the Executive Committee conduct the annual evaluation of our Chief Executive Officer. The Executive Committee also reviews Target s managerial capabilities and requirements.

Mr. Johnson is the Vice Chairman of the Executive Committee. As Vice Chairman, Mr. Johnson:

- presides at all meetings of the Board of Directors at which the Chairman of the Board is not present, including executive sessions of non-management directors;
- serves as liaison between the Chairman of the Board and the non-management directors;

- writes the annual performance reviews of the Chief Executive Officer and Chairman of the Board, with input from the other independent members;

- has an opportunity to review information and agendas sent to the Board and to assure that there is sufficient time for discussion of all agenda items; and

- has the authority to convene meetings of non-management directors at every meeting.

Nominating Committee

The Nominating Committee of the Board of Directors consists solely of independent directors. The members of the Nominating Committee are Directors Sanger (Chair), Darden, Kovacevich and Tamke. The Nominating Committee took written action once in lieu of meeting during the last fiscal year. In addition, members of the Nominating Committee communicated periodically to discuss issues related to Board and Committee nominations. The Nominating Committee identifies individuals qualified to become Board members. The Nominating Committee then considers the qualifications of and recommends each candidate and incumbent for election as a director and nominates candidates to fill Board vacancies.

The Nominating Committee will consider a recommendation by a shareholder of a candidate for election as a Target director. Any shareholder who wishes the Nominating Committee to consider a candidate should submit a written request and related information to our Corporate Secretary on behalf of the Nominating Committee no later than December 31 of the calendar year preceding the next Annual Meeting of Shareholders (currently held in May).

Our Corporate Governance Guidelines set forth the optimal size, balance and rotation of the membership of the Board. These criteria require that a preponderance of the Board should consist of independent directors. Any management representation should be top corporate management and have potential to be Chief Executive Officer. Board members should have broad perspective, experience, knowledge and independence of judgment. Members should represent a predominance of business backgrounds that can bring a different set of experiences and perspectives to the Board. Regional balance is recognized as highly desirable, and a high degree of interest and involvement are prime requisites for membership. Non-management directors have 20-year term limits. Directors must retire at age 68 and must submit a resignation for consideration by the Board upon any substantial change in principal employment.

When evaluating prospective director candidates, the Nominating Committee conducts individual evaluations against the criteria stated in the Corporate Governance Guidelines. All director candidates, regardless of the source of their nomination, are evaluated using the same criteria. The Nominating Committee has retained two third party search firms to assist in identifying potential director candidates.

Compensation Committee

The Compensation Committee of the Board of Directors consists solely of independent directors. The members of the Compensation Committee are Directors Johnson (Chair), Darden, Sanger, Staley (who will retire when his term expires at the 2007 Annual Meeting) and Trujillo. The Compensation Committee held four meetings during the last fiscal year.

The Compensation Committee has responsibility for reviewing all aspects of executive officer and director compensation and making recommendations to the independent members of the Executive Committee, which has final approval authority. This responsibility includes reviewing our compensation philosophy, plan design, choice of performance measures for incentive compensation, and specific compensation levels and equity awards for each individual executive officer. Agendas for Compensation Committee meetings are developed jointly by the chair of the Committee and members of our senior management team, with input from the Committee s independent consultant, the Semler Brossy Consulting Group.

The Compensation Committee may not delegate its primary responsibility of overseeing executive officer and director compensation, but may, and has, delegated to management the administrative aspects of our compensation plans which do not involve the setting of compensation levels for executive officers. Additional information on the role of management and compensation consultants in our compensation process is contained in the Compensation Discussion and Analysis.

Audit Committee

The Audit Committee of the Board of Directors consists solely of independent directors. The members of the Audit Committee are Directors Austin (Chair), Kovacevich, Mulcahy and Tamke. The Audit Committee held six meetings during the last fiscal year. The Audit Committee assists the Board with the oversight of the integrity of Target s financial statements and internal controls, compliance with legal and regulatory requirements, the review and approval of transactions with related persons, the independent auditor s qualifications and independence and the performance of our internal audit function. The Board of Directors, in its business judgment, has determined that all members of the Committee are independent and qualify as audit committee financial experts for purposes of applicable NYSE and SEC rules. The duties and activities of the Audit Committee are further described in the Report of the Audit Committee on page .

Finance Committee

The Finance Committee of the Board of Directors consists solely of independent directors. The members of the Finance Committee are Directors Mulcahy (Chair), Austin, Minnick and Tamke. The Finance Committee held two meetings during the last fiscal year. The Finance Committee reviews our financial policies, our dividend policy, our performance objectives, our financing requirements, our compliance with indenture covenants and the investment policies of our employee benefit plans.

Corporate Responsibility Committee

The Corporate Responsibility Committee of the Board of Directors consists solely of independent directors. The members of the Corporate Responsibility Committee are Directors Trujillo (Chair), Darden, Johnson, Minnick and Staley (who will retire when his term expires at the 2007 Annual Meeting). The Corporate Responsibility Committee held one meeting during the last fiscal year. The Corporate Responsibility Committee reviews and evaluates our public affairs and community relations programs, including the community giving programs of the Target Foundation.

Corporate Governance Committee

The Corporate Governance Committee of the Board of Directors consists of all of our non-management directors. Mr. Johnson is Chairman of the Corporate Governance Committee. The Corporate Governance Committee held one meeting during the last fiscal year. The Corporate Governance Committee oversees our corporate governance practices.

Communications with Directors

Shareholders and other interested parties seeking to communicate with any individual director or group of directors may send correspondence to Target Board of Directors, c/o General Counsel and Corporate Secretary, 1000 Nicollet Mall, TPS-3255, Minneapolis, Minnesota 55403 or may send an e-mail to boardofdirectors@target.com. Communications directed to Board members will be sent to the General

Counsel and Corporate Secretary, who has been instructed by the Board to forward all communications except those that are clearly unrelated to Board or shareholder matters.

CERTAIN RELATIONSHIPS

Robert J. Ulrich is the founder, President and a director of the Musical Instrument Museum (Museum), a not-for-profit 501(c)(3) organization. Michael R. Francis, an executive officer of Target, is a Vice President and a director of the Museum. The Museum is in the start-up stage and has not yet opened. In fiscal 2006, we supported the Museum in a manner consistent with our support of other arts and charitable organizations, except that our support of the Museum was limited to in-kind (non-cash) contributions. The in-kind support consisted of services that were primarily volunteered by our team members outside normal business hours. Team member support of the Museum typically represented less than one or two percent of that person s working time in fiscal 2006, except for a part-time team member whose primary role is assisting our charitable partners. She devoted a substantial portion of her working time in fiscal 2006 to supporting the Museum s activities. In addition, one of our subsidiaries has agreed to provide sourcing services to the Museum in exchange for a fee based on the value of the sourced items. The amount of the fee is consistent with what our subsidiary charges unrelated third parties for similar services.

Curtis J. Ulrich and Jacqueline D. Byers are employees of Target and are children of Robert J. Ulrich. The compensation and benefits received by each of them were established in accordance with our compensation policies applicable to employees holding comparable positions.

Policy on Transactions with Related Persons

The Board of Directors has adopted a written policy which requires that any transaction involving Target in which one of our directors, nominees for director, executive officers, or greater than five percent shareholders, or their immediate family members, have a material interest be approved or ratified by the Board or a designated committee of the Board if the amount involved exceeds $120,000. The Audit Committee has general responsibility for reviewing these transactions; however, the Compensation Committee will conduct this review if the matter involves employment of an immediate family member. The full Board reviews ordinary course of business transactions in which directors have an interest as part of the Board s annual director independence review. In determining whether to approve or ratify any such transaction, the Audit Committee must consider, in addition to other factors it deems appropriate, whether the transaction is on terms no less favorable to Target than those involving unrelated parties.

All transactions disclosed above were reviewed and approved or ratified in accordance with this policy.

BENEFICIAL OWNERSHIP OF CERTAIN SHAREHOLDERS

Share Ownership of Directors and Officers

Set forth below is information regarding the shares of Target common stock (our only outstanding class of equity securities) owned beneficially on March 14, 2007 by all directors and nominees, each of the executive officers named in the Summary Compensation Table on page , and all Target directors and executive officers as a group. The column captioned Total Shares Beneficially Owned is the sum of issued shares and options that are exercisable within 60 days. The column captioned Common Stock Equivalents is provided to present a more complete view of each person s economic ownership of Target common stock.

Name of Individual or Number of Persons in Group	Issued Shares Beneficially Owned(1)		Options Exercisable within 60 Days(2)	Total Shares Beneficially Owned	Common Stock Equivalents(6)		
Roxanne S. Austin	2,388		35,476	37,864	1,360		
Calvin Darden	2,901		22,257	25,158	2,021		
James A. Johnson	17,116		78,983	96,099	2,328		
Richard M. Kovacevich	81,000		65,911	146,911	1,360		
Mary E. Minnick	886		0	886	6,744		
Anne M. Mulcahy	7,114		11,799	18,913	8,062		
Stephen W. Sanger	22,970		78,288	101,258	11,679		
Warren R. Staley	3,057		45,280	48,337	3,669		
George W. Tamke	10,334		65,911	76,245	1,360		
Solomon D. Trujillo	31,961		76,297	108,258	1,360		
Robert J. Ulrich	783,487	(3)(4)	4,404,735	5,188,222	1,223,104		
Douglas A. Scovanner	86,598	(3)(4)(5)	559,700	646,298	98,474		
Gregg W. Steinhafel	150,596	(3)(4)	826,646	977,242	64,111		
Michael R. Francis	18,775	(4)	255,325	274,100	52,324		
John D. Griffith	3,978	(4)	262,190	266,168	39,540		
All directors and executive officers as a group (20 persons)	1,261,509	(4)	7,036,450	8,297,959		$302,673(6)	$147,550(7)

Igal Zamir $135,385(8) $74,750(9)

Lynwood Gregory $331,154(10) n/a

* The numbers in the Termination of Employment column assume that the Company terminated the NEO s employment without cause on December 31, 2010 and that any required advance notice provisions were satisfied. Except for the 6,500 SARs granted to each of Messrs. Cox, Green, Ginzburg and Zamir on June 10, 2010, no NQSOs or SARs would have provided value to our NEOs on December 31, 2010 because the exercise/base price of all such awards was above the $7.28 fair market value of our Common Stock.

** The numbers in the Change-In-Control column assume that an exchange transaction (as described on page 29 of this Proxy Statement) occurred on December 31, 2010. Except for the 6,500 SARs granted to each of Messrs. Cox, Green, Ginzburg and Zamir on June 10, 2010, no NQSOs or SARs would have provided value to our NEOs on December 31, 2010 because the exercise/base price of all such awards was above the $7.28 fair market value of our Common Stock.

(1) Consists of $39,000 in salary continuation and an accrued but unused vacation payment of $48,600.

(2) Consists of a $120,000 severance payment and $7,385 for the cost to continue health insurance for six months.

(3) Consists of the value of 6,500 SARs with a base price of $6.98 and 22,500 RSUs.

(4) Consists of a $107,500 severance payment, $5,659 for the cost to continue health insurance for six months and $3,308 for accrued but unused vacation.

(5) Consists of the value of 6,500 SARs with a base price of $6.98, 30,000 SARs with a base price of $6.60 and 5,000 RSUs.

(6) Consists of a $90,000 longevity payment, a $120,000 severance payment, $7,385 for the cost to continue health insurance for six months, a family education allowance of $12,000, $488 representing the value of 1,625 SARs with a base price of $6.98 and $72,800 representing the value of 10,000 RSUs.

(7) Consists of the value of 6,500 SARs with a base price of $6.98 and 20,000 RSUs at $7.28 per share.

(8) Consists of a $110,000 severance payment, $7,385 for the cost to continue health insurance for six months and a family education allowance of $18,000.

(9) Consists of the value of 6,500 SARs with a base price of $6.98 and 10,000 RSUs at $7.28 per share.

(10) Mr. Gregory s employment with us terminated in September 2010, and his separation payment consisted of a $315,000 severance payment and $16,154 for accrued but unused vacation.

Yemin Employment Agreement. We have an employment agreement with Mr. Yemin which contains certain provisions relating to the termination of his employment. Either party may terminate the agreement prior to its expiration by providing one year advance written notice of termination. If Mr. Yemin s employment is terminated prior to the expiration of the agreement, Mr. Yemin will be paid one month of salary continuation and an amount equivalent to unused vacation days accrued through the date of termination. Accrued and unused sick leave is not paid to Mr. Yemin upon the termination of his employment agreement. If Mr. Yemin terminates his employment prior to its expiration without providing the required advance notice, he will not be entitled to one month of salary continuation and the Company may, among other things, clawback an amount equivalent to the amount of base salary Mr. Yemin would have earned during the required, but not provided, notice period.

Mr. Yemin s employment agreement also provides him with the option to purchase his residence from us following the termination of his employment (other than termination for cause). Under the terms of the option, Mr. Yemin may purchase the residence at a price equal to the greater of the cost we paid to purchase the residence or the fair market value of the residence. We do not believe that the option would have provided a quantifiable benefit to Mr. Yemin if he had exercised the option on December 31, 2010 because the option does not allow him to purchase the residence at less than fair market value.

If Mr. Yemin s employment agreement terminates because of his death, he will not be entitled to the above-noted payments and benefits, other than accrued and unused vacation. However, pursuant to our standard policies, for which the Company-paid premiums are disclosed in the summary compensation table, Mr. Yemin s beneficiaries would receive a death benefit equal to one and half times Mr. Yemin s salary at the time of death. Please see page 23 of this Proxy Statement for further discussion of the material terms of Mr. Yemin s employment agreement.

Ginzburg Employment Agreement. We have an employment agreement with Mr. Ginzburg which contains certain provisions relating to the termination of employment including, without limitation, the provision that the Company may immediately terminate employment at any time for cause and Mr. Ginzburg may terminate employment prior to the expiration of the contract term for a good reason, as defined in the employment agreement.

Upon termination of employment by the Company at any time and for any reason other than for cause, or if employment is terminated by Mr. Ginzburg during the contract term for a good reason or after the contract term for any reason (provided that he provides at least 30 calendar days advance notice of termination), unvested NQSOs, SARs and RSUs will vest immediately to the extent that the awards would have vested had his employment with us continued for six months. NQSOs and SARs that vest or are vested upon termination of employment for any reason other than termination by us for cause will remain exercisable for one year following termination of his employment with us.

Upon termination of his employment by us at any time for any reason other than for cause, or if employment is terminated by Mr. Ginzburg during the contract term for a good reason or after the contract term for any reason (provided that he provides at least 30 calendar days advance notice of termination), Mr. Ginzburg will be entitled to an annual cash bonus (prorated for the period of employment during the applicable bonus year and paid only if annual cash bonuses are paid to other employees), a severance payment equal to 50% of his base salary (payable in the event of termination after the contract term by Mr. Ginzburg only if he provides at least 30 calendar days advance written notice of termination), accrued and unused vacation time, a longevity payment equal to $15,000 for each full year of his employment with us and the continuation of insurance, automobile and education allowance benefits for six months following termination.

If Mr. Ginzburg terminates employment before the expiration of the contract term other than for a good reason, he shall be entitled only to the longevity payment. However, if Mr. Ginzburg terminates employment before the expiration of the contract term without providing at least six months advance written notice, the Company may clawback (a) an amount equivalent to the amount of base salary Mr. Ginzburg would have earned during the required, but not provided, notice period and (b) the prorated amount of any contract bonus paid for an incomplete contract year.

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Cox Employment Agreement. Upon termination of his employment by us for any reason other than for cause, Mr. Cox will be entitled to a severance payment equal to 50% of his base salary and the continuation of insurance benefits for six months following termination. The Company may clawback a pro rata portion of the $50,000 contract bonus received by Mr. Cox on January 1, 2011 in the event that he terminates his employment employment on or before December 31, 2011.

Zamir Employment Agreement. Upon termination of employment by MAPCO for any reason other than for cause, Mr. Zamir will be entitled to a severance payment equal to 50% of his base salary and the continuation of insurance, automobile and education allowance benefits for six months following termination. If Mr. Zamir terminates his employment within the first three years following the commencement of his employment, the Company may clawback a pro rata portion of any contract bonus received within one year prior to such termination of employment.

Daily Employment Agreement. Upon termination of his employment by us for any reason other than for cause, Mr. Daily will be entitled to a severance payment equal to 50% of his base salary and the continuation of insurance benefits for six months following termination. The Company may clawback a pro rata portion of Mr. Daily s $30,000 contract bonus in the event that he terminates his employment on or before August 3, 2011.

2006 Long-Term Incentive Plan. Under the Plan and the applicable award agreements, any awards that are not vested at the time the participant s employment terminates will generally be forfeited unless our Board of Directors or Compensation Committee determines otherwise. Vested options that have not been exercised at the time of termination of employment will generally be forfeited unless they are exercised within 30 days after such termination. If an exchange transaction (as defined in the Plan) occurs with respect to our Common Stock, then, unless other arrangements are made, unvested awards granted under the Plan may be treated under either of two alternatives. They may be converted into economically equivalent awards with respect to the stock of the acquiring or successor company, or they may become fully vested and participate in the transaction value of the shares covered by the award (e.g., by exercise or cash out). Subject to the above, the disposition of unvested awards under the Plan in the event of an exchange transaction will be determined by our Board, in its discretion. For the purposes of the Plan, an exchange transaction includes certain mergers or other transactions which result in our holders of Common Stock receiving cash, stock or other property in exchange for or in connection with their shares of our Common Stock. For an illustration of the value of accelerated equity awards under the Plan assuming that an exchange transaction occurred on December 31, 2010, please see the Change-In-Control column in the Potential Payments Upon Termination or Change-In-Control table on page 27 of this Proxy Statement.

Director Compensation in 2010

The following table sets forth a summary of the compensation we paid to our non-management directors during fiscal year 2010.

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)	Option Awards (3)	All Other Compensation	Total
Asaf Bartfeld	0	0	0	0	0
Gabriel Last	0	0	0	0	0
Zvi Greenfeld (4)	0	0	0	$79,512(5)	$79,512
Aharon Kacherginski	$20,915	0	0	0	$20,915
Shlomo Zohar	$20,915	0	0	0	$20,915
Carlos E. Jordá	$45,750	$10,470	$11,310	$1,459(6)	$68,989
Charles H. Leonard	$46,375	$10,470	$11,310	$1,459(6)	$69,614
Philip L. Maslowe	$48,250	$10,470	$11,310	$1,459(6)	$71,489

(1) This column reports the amount of cash compensation earned in 2010 for Board and committee service.

(2) Messrs. Jordá, Leonard and Maslowe were each granted 1,500 RSUs on June 10, 2010 and none were vested on December 31, 2010. Amounts in this column represent the aggregate grant date fair value computed in

accordance with FASB ASC Topic 718 for financial statement reporting purposes. The grant date fair value of $6.98 was equal to the closing price of our Common Stock on the grant date. Assumptions used in the calculation of this amount for the 2010 fiscal year are included in footnote 11 to our audited financial statements for the 2010 fiscal year included in our Annual Report on Form 10-K filed with the SEC on March 11, 2011.

(3) Messrs. Jordá, Leonard and Maslowe were each granted 3,000 SARs on June 10, 2010 and none were vested on December 31, 2010. Amounts in this column represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for financial statement reporting purposes. Pursuant to SEC rules, the amounts exclude the impact of estimated forfeitures related to service-based vesting conditions. The grant date fair value per share for the SARs was $3.77. Assumptions used in the calculation of this amount for the 2010 fiscal year are included in footnote 11 to our audited financial statements for the 2010 fiscal year included in our Annual Report on Form 10-K filed with the SEC on March 11, 2011.

(4) Mr. Greenfeld retired from our Board of Directors on May 4, 2010.

(5) Consists of fees paid pursuant to Mr. Greenfeld s amended and restated consulting agreement (discussed below).

(6) Consists of dividend equivalents paid upon vested RSUs.

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We do not currently pay any director compensation to our employee-director, Mr. Yemin, or our non-employee directors who are affiliated with Delek Group, Messrs. Bartfeld and Last. The compensation framework for our other directors (Messrs. Kacherginski, Zohar, Jordá, Leonard and Maslowe) (the Compensated Directors) was determined by the Board. Following a review of our director compensation by AON/Radford in December 2010, the Board adopted changes to our director compensation framework beginning with the 2011 fiscal year. These changes are described below. Future changes to cash and equity compensation for our directors will be determined by the Board.

Cash Compensation. During 2010, our Compensated Directors received an annual cash fee of $25,000 and an additional annual cash fee of $7,500 for serving as chairman of a Board committee. From among our Compensated Directors, only Messrs. Leonard and Maslowe serve as chairman of a Board committee. Messrs. Kacherginski and Zohar joined the Board in May 2010 and their annual fees were prorated to reflect their period of service. The Compensated Directors receive meeting fees of $1,500 per board meeting attended in person, $1,000 per committee meeting attended in person and half the fee otherwise due for meetings attended other than in person. We reimburse our directors for all reasonable expenses incurred for attending meetings and service on our Board. Beginning in 2011, our Compensated Directors will receive an annual cash fee of $35,000, an additional annual cash fee of $10,000 for serving as chairman of a Board committee and meeting fees of $2,000 per board meeting attended in person, $1,000 per committee meeting attended in person and half the meeting fee otherwise due for meetings attended other than in person.

Equity Compensation. On June 10, 2010, each of Messrs. Jordá, Leonard and Maslowe received SARs with respect to 3,000 shares of Common Stock. Each SAR has a base price per share of $6.98 and vests in equal amounts on the first four anniversaries of the grant date. Each of Messrs. Jordá, Leonard and Maslowe also received 1,500 RSUs on June 10, 2010 which will vest in equal amounts on the first four anniversaries of the grant date. Our Compensated Directors will each receive 6,000 RSUs in 2011 and 9,000 RSUs per year beginning in 2012. Beginning in 2011, equity awards to our Compensated Directors will vest on the first three anniversaries of the grant date and our Compensated Directors will no longer receive an annual grant of NQSOs or SARs. We intend to continue making annual grants of equity awards to each Compensated Director.

Other Compensation. As of May 1, 2005, we entered into an amended and restated consulting agreement with Greenfeld-Energy Consulting, Ltd. (Greenfeld-Energy), a company owned and controlled by Mr. Greenfeld. Under the consulting agreement, Mr. Greenfeld, who has extensive experience in the energy industry, assists management in determining the capital budget of the Tyler refinery and in evaluating our progress in completing capital projects. He also works with management to determine the most cost effective types and grades of crude oil to be purchased for our refinery, both for short and long-term production. Finally, Mr. Greenfeld works with our management to evaluate the progress of our crude optimization projects which are intended to increase our refinery s production and profitability. Pursuant to the consulting agreement, we compensated Greenfeld-Energy $7,670 per month commencing September 2005, plus reasonable expenses, for consulting services relating to the refining industry performed personally by Mr. Greenfeld. In April 2006, we paid Greenfeld-Energy a bonus of $70,000 for services rendered in 2005. In addition, Mr. Greenfeld was granted a NQSO under the Plan in May 2006 that allows him to purchase 130,000 shares of our Common Stock and vests ratably on the first five anniversaries of the grant date. The amended and restated agreement terminated in November 2010. As of December 31, 2010, the NQSO was vested and exercisable with respect to all 91,000 of the shares outstanding. All shares outstanding under the NQSO will expire on May 11, 2011. Mr. Greenfeld retired from our Board of Directors on May 4, 2010.

We granted NQSOs under the Plan to Mr. Bartfeld in December 2006 and Mr. Last in January 2007. The NQSOs vest ratably over the first four anniversaries of the grant date and allow each of them to purchase 28,000 shares of our Common Stock. All NQSOs granted to Messrs. Bartfeld and Last were fully vested as of December 31, 2010. These NQSOs were granted as special, one-time grants in consideration of their supervision and direction of the management and consulting services provided by Delek Group to us and not as compensation for their services as directors.

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AUDIT COMMITTEE REPORT

Management is responsible for our system of internal controls and the overall financial reporting process. Our independent registered public accounting firm, Ernst & Young LLP, is responsible for performing an independent audit of our consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), and to issue a report thereon. The Audit Committee is responsible for overseeing management s conduct of the financial reporting process and systems of internal accounting and financial controls. During 2010, the Audit Committee, which then included Messrs. Maslowe, Leonard and Jordá, reviewed and discussed with both management and our independent registered public accounting firm all annual and quarterly financial statements prior to their issuance. During 2010, management advised the Audit Committee that each set of financial statements reviewed had been prepared in accordance with U.S. generally accepted accounting principles, and reviewed significant accounting and disclosure issues with the Audit Committee. These reviews included discussion with the independent registered public accounting firm of matters required to be discussed pursuant to Statement on Auditing Standards No. 61 (Communication with Audit Committees), including the quality of our accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also discussed with Ernst & Young matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and the letter from Ernst & Young required by applicable requirements of the Public Company Accounting Oversight Board for independent auditor communications with Audit Committees concerning independence. Additionally, the Audit Committee reviewed key initiatives and programs aimed at strengthening the effectiveness of our internal and disclosure control structure, including its internal control over financial reporting.

Mr. Zohar joined the Audit Committee on March 8, 2011. Taking all of these reviews and discussions into account, all of the Audit Committee members, whose names are listed below, recommended to the Board of Directors that it approve the inclusion of the audited financial statements in our annual report on Form 10-K for the year ended December 31, 2010, for filing with the SEC. Although the Audit Committee has the sole authority to appoint the independent registered public accounting firm, the Audit Committee has recommended that the Board of Directors ask the stockholders to ratify the appointment of Ernst & Young at the Annual Meeting.

Members of the Audit Committee
Philip L. Maslowe, Chairman
Charles H. Leonard
Carlos E. Jordá
Shlomo Zohar

RELATIONSHIP WITH INDEPENDENT AUDITORS

The information required by Item 9(e) of Schedule 14A is filed under Item 14 (Principal Accountant Fees and Services) of our Form 10-K and is incorporated herein by reference.

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PROPOSAL 2
RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS INDEPENDENT REGISTERED ACCOUNTING FIRM FOR THE FISCAL YEAR 2011

The Audit Committee has appointed Ernst & Young LLP, as the independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2011. Representatives of Ernst & Young are expected to be present at the Annual Meeting and will be offered the opportunity to make a statement if they so desire. They will also be available to respond to appropriate questions.

We are asking you to ratify the selection of Ernst & Young as our independent registered public accounting firm. Although ratification is not required by our bylaws or otherwise, the Board of Directors is submitting the selection of Ernst & Young to our stockholders for ratification because we value your views on our independent registered public accounting firm and as a matter of good corporate practice. In the event that our stockholders fail to ratify the selection, it will be considered as a direction to the Audit Committee to consider the selection of a different firm. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of us and our stockholders.

The Board of Directors recommends a vote FOR the ratification of Ernst & Young LLP as our independent public accounting firm.

PROPOSAL 3
ADVISORY VOTE ON THE EXECUTIVE COMPENSATION PROGRAM FOR OUR NAMED EXECUTIVE OFFICERS

The recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), enables our stockholders to vote to approve, on an advisory (non-binding) basis, the compensation of our NEOs as disclosed in this Proxy Statement in accordance with the SEC s rules.

We are asking our stockholders to indicate their support for the compensation of our NEOs as disclosed in this Proxy Statement. This proposal, commonly known as a say-on-pay proposal, gives stockholders the opportunity to express their views on the compensation paid to our NEOs. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this Proxy Statement. Accordingly, we ask the stockholders to vote FOR the following resolution at the Annual Meeting:

RESOLVED, that the stockholders approve, on an advisory basis, the executive compensation program for the Company s named executive officers, as disclosed in the Company s Proxy Statement for the 2011 Annual Meeting of Stockholders, pursuant to the compensation disclosure rules of the United States Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables, other related tables and disclosure, and narrative discussion, all as set forth under the caption Executive Compensation in the Proxy Statement.

Vote Required

The affirmative vote of holders of a majority of the shares of Common Stock issued, outstanding and entitled to vote, present or represented at the meeting, a quorum being present, is required for the adoption of this proposal. Broker non-votes with respect to this matter will be treated as neither a vote for nor a vote against the matter, although they will be counted in determining the number of votes required to attain a majority of the shares present or represented at the meeting and entitled to vote. An abstention from voting by a stockholder present in person or by proxy at the meeting has the same legal effect as a vote against the matter because it represents a share present or represented at the meeting and entitled to vote, thereby increasing the number of affirmative votes required to approve this proposal.

The say-on-pay vote is advisory, and therefore is not binding on us, the Compensation Committee, the Incentive Plan Committee or the Board of Directors. However, the Board and its committees value the opinions of the stockholders and, to the extent there is any significant vote against the NEO compensation as disclosed in this Proxy Statement, will consider the stockholders concerns and the Board and its committees will evaluate whether any actions are necessary to address those concerns.

The Board of Directors recommends a vote FOR the approval of the above resolution.

PROPOSAL 4

ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON OUR EXECUTIVE COMPENSATION PROGRAM FOR NAMED EXECUTIVE OFFICERS

The Dodd-Frank Act also enables our stockholders to indicate how frequently we should seek an advisory vote (non-binding) on the executive compensation program for our NEOs as disclosed pursuant to the SEC s compensation disclosure rules. By voting on this proposal, stockholders may indicate whether they would prefer an advisory vote on our executive compensation program for our NEOs every year, once every two years, or once every three years.

After careful consideration of this proposal, the Board of Directors has determined that an advisory vote on our executive compensation program for our NEOs that occurs every three years is the most appropriate alternative based on a number of considerations, including the following:

- Our compensation program for our NEOs is designed to motivate executives to achieve long-term business goals. A vote held every three years would be more consistent with, and provide better input on the compensation of our NEOs relative to these long-term business goals;
- A three-year vote cycle gives the Board sufficient time to thoughtfully consider the results of the advisory vote and to implement any desired changes to our executive compensation policies and procedures; and
- A three-year cycle will provide investors sufficient time to evaluate the effectiveness of our compensation strategies over time and the related business outcomes of the Company.

The Board understands that our stockholders may have different views as to what is the best approach for the Company and looks forward to hearing from stockholders as to their preferences on the frequency of an advisory vote on compensation of our NEOs.

Vote Required

The proxy card provides the stockholders with the opportunity to choose among four alternatives with respect to this proposal (holding the vote every one, two or three years, or abstaining) and, therefore, stockholders will not be simply voting to approve or disapprove the Board s recommendation.

This proposal will be determined by plurality of votes cast by holders of shares entitled to vote, meaning the alternative that receives the greatest number of votes (holding the vote every one, two or three years) will be the frequency that stockholders choose. Abstentions will not be taken into account in determining the outcome of the vote. Brokers do not have discretion to vote uninstructed shares with respect to this proposal. Accordingly, if brokers do not receive voting instructions from beneficial owners of the shares, they will not be able to vote the shares and broker non-votes may occur with respect to this proposal. However, broker non-votes will not affect the outcome of the vote.

Although the vote on the frequency of the say on pay vote is advisory and nonbinding, the Board of Directors and its committees will take into account the outcome of the vote when considering the frequency of future advisory votes on compensation of our NEOs.

The Board of Directors recommends that you vote to hold an advisory vote on our executive compensation program for NEOs every three years.

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STOCKHOLDER PROPOSALS

To be considered for inclusion in our Proxy Statement for our 2012 Annual Meeting of stockholders pursuant to Rule 14a-8 under the Exchange Act, stockholder proposals must be in writing and submitted to the Secretary of Delek US Holdings, Inc. at 7102 Commerce Way, Brentwood, Tennessee 37027, and must otherwise comply with the requirements of Rule 14a-8. The proposal must be received no later than December 3, 2011, for us to consider it for inclusion.

Stockholders who desire to present business at our 2012 Annual Meeting of stockholders, without inclusion in the Proxy Statement for such meeting, including a nomination of a candidate for election as director at such meeting, must notify our Secretary of such intent in accordance with our bylaws by writing to the Secretary of Delek US Holdings, Inc. at 7102 Commerce Way, Brentwood, Tennessee 37027. To be timely, such notice must be received not later than January 2, 2012, nor earlier than December 3, 2011, provided that if the date of the Annual Meeting is advanced more than thirty calendar days prior to or delayed by more than thirty calendar days after the anniversary of the preceding year s Annual Meeting, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the ninetieth calendar day prior to such Annual Meeting or the tenth calendar day following the day on which public disclosure of the date of such meeting is first made. The advance notice must also meet the other requirements of Section 2.02 of our bylaws. You may obtain a copy of our bylaws by writing to our Secretary at the address above.

INCORPORATION BY REFERENCE

We have elected to incorporate by reference certain information into this Proxy Statement. By incorporating by reference, we can disclose important information to you by referring you to another document that we have filed separately with the SEC. The information incorporated by reference is deemed to be part of this Proxy Statement, except for information incorporated by reference that is superseded by information contained in this Proxy Statement. This Proxy Statement incorporates by reference information from our Form 10-K under Item 14, Principal Accounting Fees and Services. A copy of the Company s 2010 Form 10-K has been mailed to you along with this Proxy Statement and is available free of charge on our website, which is located at http://www.DelekUS.com.

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ANNUAL MEETING OF STOCKHOLDERS OF
DELEK US HOLDINGS, INC.
May 3, 2010
NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:
The Notice of Meeting, proxy statement and proxy card
are available at http://phx.corporate-ir.net/phoenix.zhtml?c=196835&p=irol-proxy
Please sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

ê Please detach along perforated line and mail in the envelope provided. ê

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PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

1. Election of Directors:

		NOMINEES:
o	**FOR ALL NOMINEES**	O Erza Uzi Yemin
o	**WITHHOLD AUTHORITY FOR ALL NOMINEES**	O Gabriel Last
o	**FOR ALL EXCEPT** (See instructions below)	O Asaf Bartfeld
		O Aharon Kacherginski
		O Shlomo Zohar
		O Carlos E. Jordá
		O Charles H. Leonard
		O Philip L. Maslowe

	FOR	AGAINST	ABSTAIN
2. Ratification of the appointment of Ernst & Young, LLP as our independent registered accounting firm for 2011:	o	o	o
3. Advisory vote on the Company s executive compensation program for named executive officers:	o	o	o

	Every year	Every 2 years	Every 3 years	ABSTAIN
4. Advisory vote on the frequency of the advisory vote on the Company s executive compensation:	o	o	o	o

Discretionary authority is hereby granted with respect to such other matters as may properly come before the meeting. The stockholder below acknowledges receipt of the Notice of Annual Meeting of Stockholders and the Proxy Statement, each of which has been furnished herewith.

program
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named
executive
officers.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE DIRECTORS, FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG, LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011, FOR THE ADVISORY VOTE ON EXECUTIVE COMPENSATION AND FOR HOLDING THE VOTE ON EXECUTIVE COMPENSATION EVERY THREE YEARS.

WHEN PROPERLY EXECUTED, THIS PROXY WILL BE VOTED AS DESIGNATED BY THE UNDERSIGNED. IF NO CHOICE IS SPECIFIED, THE PROXY WILL BE VOTED FOR PROPOSALS NO. 1, 2 AND 3 AND, WITH RESPECT TO PROPOSAL 4, FOR HOLDING THE VOTE ON EXECUTIVE COMPENSATION EVERY THREE YEARS.

PLEASE COMPLETE, DATE, SIGN, AND RETURN THE PROXY IN THE ENVELOPE PROVIDED.

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here: l

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. o

Signature of Stockholder Date: Signature of Stockholder Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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DELEK US HOLDINGS, INC.
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

FOR THE ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 3, 2011.

Ezra Uzi Yemin and Mark B. Cox and each of them, as the true and lawful attorneys, agents and proxies of the undersigned, with full power of substitution and resubstitution, are hereby authorized to represent and to vote all shares of common stock, par value $0.01 per share, of Delek US Holdings, Inc. held of record by the undersigned on March 10, 2011, at the Annual Meeting of Stockholders to be held at 2:00 pm central time on May 3, 2011, at the Franklin Marriott Cool Springs, 700 Cool Springs Boulevard in Franklin, Tennessee, and any adjournment or postponement thereof. Any and all proxies heretofore given are hereby revoked.

WHEN PROPERLY EXECUTED, THIS PROXY WILL BE VOTED AS DESIGNATED BY THE UNDERSIGNED. IF NO CHOICE IS SPECIFIED, THE PROXY WILL BE VOTED FOR PROPOSALS NO. 1, 2 AND 3, AND, WITH RESPECT TO PROPOSAL 4, FOR HOLDING THE VOTE ON EXECUTIVE COMPENSATION EVERY THREE YEARS.

(Continued and to be signed on the reverse side)

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