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

FORM 10-K

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

For the fiscal year ended February 3, 2013

OR

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

Commission File Number 1-8207

THE HOME DEPOT, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

95-3261426
(I.R.S. Employer Identification No.)

2455 PACES FERRY ROAD, N.W., ATLANTA, GEORGIA 30339
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(770) 433-8211**

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $0.05 Par Value 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 ☒

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 check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 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. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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 Exchange Act). Yes ☐ No ☒

The aggregate market value of the common stock of the Registrant held by non-affiliates of the Registrant on July 29, 2012 was $80.2 billion.

The number of shares outstanding of the Registrant's common stock as of March 11, 2013 was 1,485,517,485 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's proxy statement for the 2013 Annual Meeting of Shareholders are incorporated by reference in Part III of this Form 10-K to the extent described herein.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
The Home Depot, Inc.:

We have audited The Home Depot, Inc.'s internal control over financial reporting as of February 3, 2013, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Home Depot, Inc.'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 Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company'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, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included 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 Home Depot, Inc. maintained, in all material respects, effective internal control over financial reporting as of February 3, 2013, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets of The Home Depot, Inc. and subsidiaries as of February 3, 2013 and January 29, 2012, and the related Consolidated Statements of Earnings, Comprehensive Income, Stockholders' Equity, and Cash Flows for each of the fiscal years in the three-year period ended February 3, 2013, and our report dated March 28, 2013 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Atlanta, Georgia
March 28, 2013

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets each quarter for indicators of potential impairment. Indicators of impairment include current period losses combined with a history of losses, management's decision to relocate or close a store or other location before the end of its previously estimated useful life or when changes in other circumstances indicate the carrying amount of an asset may not be recoverable. The evaluation for long-lived assets is performed at the lowest level of identifiable cash flows, which is generally the individual store level.

The assets of a store with indicators of impairment are evaluated by comparing its undiscounted cash flows with its carrying value. The estimate of cash flows includes management's assumptions of cash inflows and outflows directly resulting from the use of those assets in operations, including gross margin on Net Sales, payroll and related items, occupancy costs, insurance allocations and other costs to operate a store. If the carrying value is greater than the undiscounted cash flows, an impairment loss is recognized for the difference between the carrying value and the estimated fair market value. Impairment losses are recorded as a component of SG&A in the accompanying Consolidated Statements of Earnings. When a leased location closes, the Company also recognizes in SG&A the net present value of future lease obligations less estimated sublease income. The Company recorded impairments and lease obligation costs on closings and relocations in the ordinary course of business, as well as for the closing of seven stores in China in fiscal 2012, which were not material to the Consolidated Financial Statements in fiscal 2012, 2011 or 2010.

Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company does not amortize goodwill but does assess the recoverability of goodwill in the third quarter of each fiscal year, or more often if indicators warrant, by determining whether the fair value of each reporting unit supports its carrying value. The Company assesses qualitative factors to determine whether it is more likely than not that the fair value of each reporting unit is less than its carrying amount as a basis for determining whether it is necessary to complete quantitative impairment assessments. During fiscal 2012, for all reporting units other than the China reporting unit, the Company used qualitative factors to determine that its goodwill balances for each reporting unit were not impaired. For the China reporting unit, the Company recorded a charge of $97 million to impair all of the goodwill associated with that reporting unit in fiscal 2012. Impairment charges related to the remaining goodwill were not material for fiscal 2012, 2011 or 2010.

The Company amortizes the cost of other intangible assets over their estimated useful lives, which range up to ten years, unless such lives are deemed indefinite. Intangible assets with indefinite lives are tested in the third quarter of each fiscal year for impairment, or more often if indicators warrant. Impairment charges related to other intangible assets were not material for fiscal 2012, 2011 or 2010.

Stock-Based Compensation

The per share weighted average fair value of stock options granted during fiscal 2012, 2011 and 2010 was $9.86, $7.42 and $6.70, respectively. The fair value of these options was determined at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Fiscal Year Ended		
	February 3, 2013	**January 29, 2012**	**January 30, 2011**
Risk-free interest rate	**1.2%**	2.0%	3.1%
Assumed volatility	**27.0%**	27.3%	26.4%
Assumed dividend yield	**2.3%**	2.7%	2.9%
Assumed lives of options	**5 years**	5 years	5 years

Derivatives

The Company uses derivative financial instruments from time to time in the management of its interest rate exposure on long-term debt and its exposure on foreign currency fluctuations. The Company accounts for its derivative financial instruments in accordance with the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Subtopic 815-10. The fair value of the Company's derivative financial instruments is discussed in Note 11.

8. EMPLOYEE STOCK PLANS

The Home Depot, Inc. 2005 Omnibus Stock Incentive Plan ("2005 Plan") and The Home Depot, Inc. 1997 Omnibus Stock Incentive Plan ("1997 Plan" and collectively with the 2005 Plan, the "Plans") provide that incentive and non-qualified stock options, stock appreciation rights, restricted stock, performance shares, performance units and deferred shares may be issued to selected associates, officers and directors of the Company. Under the 2005 Plan, the maximum number of shares of the Company’s common stock authorized for issuance is 255 million shares, with any award other than a stock option or stock appreciation right reducing the number of shares available for issuance by 2.11 shares. As of February 3, 2013, there were 154 million shares available for future grants under the 2005 Plan. No additional equity awards could be issued from the 1997 Plan after the adoption of the 2005 Plan on May 26, 2005.

Under the terms of the Plans, incentive stock options and non-qualified stock options must have an exercise price at or above the fair market value of the Company’s stock on the date of the grant. Typically, incentive stock options and non-qualified stock options vest at the rate of 25% per year commencing on the first or second anniversary date of the grant and expire on the tenth anniversary date of the grant. Additionally, certain stock options may become non-forfeitable upon the associate reaching age 60, provided the associate has had five years of continuous service. The Company recognized $ 23 million, $20 million and $20 million of stock-based compensation expense in fiscal 2012, 2011 and 2010, respectively, related to stock options.

Restrictions on the restricted stock issued under the Plans generally lapse according to one of the following schedules: (1) the restrictions on the restricted stock lapse over various periods up to five years, (2) the restrictions on 25% of the restricted stock lapse upon the third and sixth anniversaries of the date of issuance with the remaining 50% of the restricted stock lapsing upon the associate’s attainment of age 62, or (3) the restrictions on 25% of the restricted stock lapse upon the third and sixth anniversaries of the date of issuance with the remaining 50% of the restricted stock lapsing upon the earlier of the associate’s attainment of age 60 or the tenth anniversary of the grant date. The Company has also granted performance shares under the Plans, the payout of which is dependent on the Company’s performance against target average return on invested capital and operating profit over a three-year performance cycle. Additionally, certain awards may become non-forfeitable upon the associate's attainment of age 60, provided the associate has had five years of continuous service. The fair value of the restricted stock and performance shares is expensed over the period during which the restrictions lapse. The Company recorded stock-based compensation expense related to restricted stock and performance shares of $ 166 million, $169 million and $167 million in fiscal 2012, 2011 and 2010, respectively.

In fiscal 2012, 2011 and 2010, there were an aggregate of 313 thousand, 422 thousand and 479 thousand deferred shares, respectively, granted under the Plans. For associates, each deferred share entitles the individual to one share of common stock to be received up to five years after the grant date of the deferred shares, subject to certain deferral rights of the associate. Additionally, certain awards may become non-forfeitable upon the associate reaching age 60, provided the associate has had five years of continuous service. The Company recorded stock-based compensation expense related to deferred shares of $ 13 million, $12 million and $14 million in fiscal 2012, 2011 and 2010, respectively.

The Company maintains two Employee Stock Purchase Plans ("ESPPs") (U.S. and non-U.S. plans). The plan for U.S. associates is a tax-qualified plan under Section 423 of the Internal Revenue Code. The non-U.S. plan is not a Section 423 plan. As of February 3, 2013, there were 26 million shares available under the plan for U.S associates and 19 million shares available under the non-U.S. plan. The purchase price of shares under the ESPPs is equal to 85% of the stock’s fair market value on the last day of the purchase period, which is a six-month period ending on December 31 and June 30 of each year. During fiscal 2012, there were 2 million shares purchased under the ESPPs at an average price of $ 48.58. Under the outstanding ESPPs as of February 3, 2013, employees have contributed $12 million to purchase shares at 85% of the stock’s fair market value on the last day (June 30, 2013) of the current purchase period. The Company recognized $16 million, $14 million and $13 million of stock-based compensation expense in fiscal 2012, 2011 and 2010, respectively, related to the ESPPs.

In total, the Company recorded stock-based compensation expense, including the expense of stock options, ESPP shares, restricted stock, performance shares and deferred shares, of $218 million, $215 million and $214 million, in fiscal 2012, 2011 and 2010, respectively.

The following table summarizes stock options outstanding at February 3, 2013, January 29, 2012 and January 30, 2011, and changes during the fiscal years ended on these dates (shares in thousands):

	Number of Shares	Weighted Average Exercise Price
Outstanding at January 31, 2010	49,309	$ 36.81
Granted	3,723	32.24
Exercised	(1,294)	26.63
Canceled	(7,271)	43.95
Outstanding at January 30, 2011	44,467	$ 35.56
Granted	3,236	36.55
Exercised	(6,938)	33.25
Canceled	(7,595)	39.11
Outstanding at January 29, 2012	33,170	$ 35.32
Granted	**2,376**	**49.89**
Exercised	**(18,119)**	**38.24**
Canceled	**(810)**	**35.27**
Outstanding at February 3, 2013	**16,617**	**$ 34.23**

The total intrinsic value of stock options exercised was $ 246 million, $47 million and $9 million in fiscal 2012, 2011 and 2010, respectively. As of February 3, 2013, there were approximately 17 million stock options outstanding with a weighted average remaining life of six years and an intrinsic value of $550 million. As of February 3, 2013, there were approximately 6 million stock options exercisable with a weighted average exercise price of $ 32.08, a weighted average remaining life of four years, and an intrinsic value of $224 million. As of February 3, 2013, there were approximately 13 million stock options vested or expected to ultimately vest. As of February 3, 2013, there was $40 million of unamortized stock-based compensation expense related to stock options, which is expected to be recognized over a weighted average period of two years.

The following table summarizes restricted stock and performance shares outstanding at February 3, 2013, January 29, 2012 and January 30, 2011, and changes during the fiscal years ended on these dates (shares in thousands):

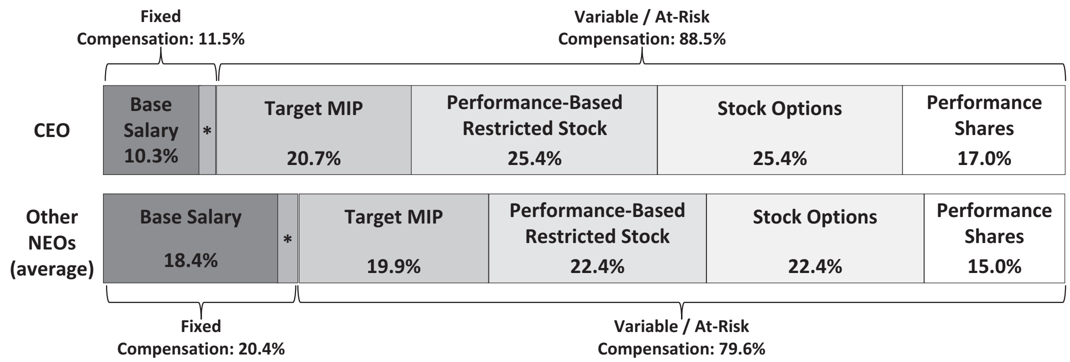
	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at January 31, 2010	20,663	$ 30.11
Granted	5,799	32.31
Restrictions lapsed	(5,276)	32.28
Canceled	(1,747)	30.11
Outstanding at January 30, 2011	19,439	$ 30.18
Granted	5,776	35.83
Restrictions lapsed	(7,937)	31.00
Canceled	(1,537)	30.48
Outstanding at January 29, 2012	15,741	$ 31.81
Granted	**3,965**	**49.18**
Restrictions lapsed	**(5,295)**	**30.62**
Canceled	**(1,172)**	**35.29**
Outstanding at February 3, 2013	**13,239**	**$ 37.18**

As of February 3, 2013, there was $278 million of unamortized stock-based compensation expense related to restricted stock and performance shares, which is expected to be recognized over a weighted average period of two years. The total fair value

COMPENSATION DISCUSSION AND ANALYSIS

FISCAL 2012 EXECUTIVE COMPENSATION REPORT CARD: THE HOME DEPOT PAYS FOR PERFORMANCE

Our executive compensation program aligns pay with performance. Specifically, approximately 88.5% of our CEO's target compensation for Fiscal 2012 (approximately 79.6% on average for our other named executive officers, or "NEOs") was tied to the achievement of corporate performance objectives and share price performance. The components of total target compensation for Fiscal 2012 were:



*Supplemental Executive Choice Program (SECP):
CEO: 1.2% Other NEOs (Average): 2.0%

All components of the program other than base salary and SECP were at risk and contingent upon the achievement of performance goals or the performance of our stock:

Fiscal 2012 Performance Measures	Fiscal 2012 Company Performance	Fiscal 2012 Executive Compensation Results
Management Incentive Plan ("MIP"): • Sales, operating profit and inventory turns measures – operating profit threshold level must be met for any MIP payout to occur ($ billions):	Exceeded target levels for each of sales, operating profit and inventory turns goals: • Sales of $74.75 billion • Operating profit of $7.91 billion (as adjusted for charges related to the closing of our China stores) • Inventory turns of 4.47 times	*Target Payout Levels:* • MIP payout levels are determined as a percentage of base salary, with a target level payout of 200% of base salary for the CEO, 125% for the CFO and 100% for other NEOs. *Actual MIP Payout:*

	Threshold	Target	Maximum
Sales (40%)	$69.54	$73.20	$95.15
Operating Profit (40%)	$6.56	$7.29	$9.48
Inventory Turns (20%)	3.98	4.42	5.30

NEO	Performance as a % of Target	MIP Amount
F. Blake	117%	$2,499,386
C. Tomé	117%	$1,428,765
C. Menear	124%	$929,195
M. Ellison	124%	$864,943
M. Carey	117%	$773,731

Fiscal 2012 Performance Measures	Fiscal 2012 Company Performance	Fiscal 2012 Executive Compensation Results
Performance-Based Restricted Stock: • Operating profit – restricted stock forfeited if Fiscal 2012 operating profit is not at least 80% of MIP target (at least $5.83 billion)	Operating profit of $7.91 billion (as adjusted for charges related to the closing of our China stores) exceeded the 80% threshold	Shares of restricted stock were not forfeited, and will vest 50% after 30 months and 50% after 60 months from grant date.
Fiscal 2012-2014 Performance Share Award: • Three-year average return on invested capital ("ROIC") and operating profit ($ billions):	As of the end of Fiscal 2012: • ROIC of 15.8%, as adjusted for share repurchases and dividend increases in accordance with the terms of the award • Operating profit of $7.91 billion (as adjusted for charges related to the closing of our China stores)	Shares are received following the end of the three-year performance period, if and to the extent the performance measures are met.

	Threshold	Target	Maximum
Three-Year Average ROIC (50%)	12.1%	15.1%	18.1%
Three-Year Average Operating Profit (50%)	$6.29	$7.87	$9.44
Payout as a Percent of Target	25%	100%	200%

Fiscal 2012 Performance Measures	Fiscal 2012 Company Performance	Fiscal 2012 Executive Compensation Results
Stock Options: • Stock price performance – grant with exercise price of $49.79 made on March 21, 2012	• 50% increase in stock price in Fiscal 2012 • One-year Total Shareholder Return ("TSR") of 53.3% compared to the one-year TSR for the S&P 500® Index of 17.6%	• At the end of Fiscal 2012, options were in-the-money by $17.51 per share. • Options vest 25% on the second, third, fourth and fifth anniversaries of the grant date.

Fiscal 2012 Company Business Objectives and Performance

Our strategic framework focuses on four core principles aimed at driving shareholder return and a sustainable competitive advantage:

- Passion for customer service;
- Being the product authority for home improvement;
- Disciplined capital allocation driving productivity and efficiency; and
- Interconnected retail, aimed at delivering a best-in-class, multichannel retail experience, allowing customers to buy how, when and where they want.

By executing against the strategic initiatives that support these principles, our business again performed well in an economic environment that remained challenging despite some indications of improvement in the housing market. Highlights of the Company's Fiscal 2012 performance include the following:

- Increased net sales by 6.2% to $74.8 billion;
- Increased operating income by 16.6% to $7.8 billion (not including adjustments);
- Increased inventory turns from 4.3 times to 4.5 times;
- Increased diluted earnings per share by 21.5% to $3.00;
- Generated $7.0 billion in operating cash flow; and
- Increased return on invested capital ("ROIC") from 14.9% to 17.0% (not including adjustments for share repurchases and dividend increases).

As a result of our significant cash flow from operations and disciplined capital allocation, we were also able to return value to our shareholders through a 50% increase in our stock price, $1.7 billion in dividends, and $4.0 billion in share repurchases during Fiscal 2012.

Compensation Philosophy and Objectives: Pay for Performance

We designed our compensation program with the intent to align pay with performance. By doing so, we seek to enhance associate performance and morale, which drives superior customer service. This philosophy applies to the compensation programs for all of our associates. Aligning pay with performance motivates our associates to achieve our performance goals, which we believe creates long-term shareholder value.

The principal elements of our compensation program for executive officers are base salary, annual incentives, long-term incentives and benefit programs. The amount of incentive compensation paid, if any, is determined by our performance against our Fiscal 2012 business plan, a plan intended to be challenging in light of prevailing economic conditions, yet attainable through disciplined execution of our strategic initiatives.

The following features of our compensation program for executive officers illustrate our philosophy of making compensation performance-based:

- 100% of annual incentive compensation under our Fiscal 2012 Management Incentive Plan ("MIP") was tied to performance against pre-established specific, measurable financial performance goals;
- 25% of Fiscal 2012 equity compensation was in the form of a three-year performance share award with payout contingent on achieving pre-established average ROIC and operating profit targets over the three-year performance period;
- Our performance-based restricted stock awards, which comprised 37.5% of Fiscal 2012 equity compensation, were forfeitable if operating profit for the year of grant had been less than 80% of the MIP target. Dividends on performance-based restricted stock grants are accrued and not paid out to executive officers unless and until the performance goal is met;
- Approximately 88.5% of our CEO's total target compensation was tied to the achievement of corporate performance objectives and share price performance; and
- We do not provide tax reimbursements, also known as "gross-ups," to executive officers; we have limited perquisites; and we do not have any supplemental executive retirement plans ("SERPs"), defined benefit pension plans, guaranteed salary increases or guaranteed bonuses.

In addition, in mid-2012, the Company adopted a policy that prohibits all associates and directors from entering into hedging or monetization transactions designed to limit the financial risk of ownership of Company stock.

Non-management associates participate in our Success Sharing bonus program, which provides semi-annual cash awards for performance against our business plan, including sales plan and productivity goals. In addition, these associates are eligible to earn awards for superior performance and customer service at the individual, store, regional and divisional levels.

Impact of Fiscal 2012 Business Results on Executive Compensation

The compensation earned by our named executive officers in Fiscal 2012 reflects our corporate performance for the fiscal year, as well as the impact of the challenging economy:

- The LDC Committee approved salary increases for the named executive officers based on its assessment of individual performance and other factors, as discussed in more detail below, although our CEO again declined any increase in his base salary, and therefore it remained the same as his Fiscal 2010 base salary;
- Reflecting our execution against our business plan and strategic initiatives, our MIP paid out in excess of the target performance level;
- The performance condition on the performance-based restricted stock granted in Fiscal 2012 was satisfied, although the shares still remain subject to service-based vesting requirements; and
- The named executive officers earned approximately 132% of their 2010-2012 performance share award because we achieved average ROIC and operating profit over the three-year performance period of 12.8% and $6.74 billion, respectively, reflecting performance in excess of the target level for each metric.

Fiscal 2012 Non-Management Compensation

Compensation of our non-management associates in Fiscal 2012 aligned with our philosophy of taking care of our store associates and motivating superior customer service. Due to the outstanding performance of our non-management associates in Fiscal 2012, we made substantial payouts under our Success Sharing program, with 100% and 99% of stores qualifying for Success Sharing in the first and second halves of Fiscal 2012, respectively. This resulted in total Success Sharing bonus payments to our non-management associates of approximately $195 million for Fiscal 2012 performance. We also provided a 2.5% merit increase budget for our associates in Fiscal 2012, and we continued to make matching contributions under the FutureBuilder 401(k) Plan and to provide a variety of recognition and teambuilding awards to recognize and reward top performing store associates and support store morale, which drives customer service.

Key Compensation Program Changes for Fiscal 2013

To further align pay with performance, the LDC Committee has approved several changes in the executive compensation program for Fiscal 2013:

- The performance hurdle for the performance-based restricted stock granted in Fiscal 2013 has been increased to 90% of the MIP operating profit target (from the previous 80%).
- The mix of equity compensation has been changed for Fiscal 2013 to one-third performance shares, one-third performance-based restricted stock and one-third options (from the prior 25%, 37.5% and 37.5%, respectively).
- The Supplemental Executive Choice Program ("SECP"), described in more detail under "Perquisites" below, has been eliminated starting in 2013.
- As described in Proposal 5 above, in connection with the adoption of the Amended and Restated 2005 Plan, the LDC Committee adopted a new form of equity award agreement that eliminates the accelerated vesting of equity triggered solely by a change in control of the Company.

Opportunity for Shareholder Feedback

The LDC Committee carefully considers feedback from our shareholders regarding executive compensation matters. Shareholders are invited to express their views or concerns directly to the LDC Committee or the Board in the manner described above under "Communicating with the Board" on page 7 of this Proxy Statement.

Named Executive Officers

Our named executive officers for Fiscal 2012 were:

- Francis S. Blake, Chairman and Chief Executive Officer ("CEO");

- Carol B. Tomé, Chief Financial Officer and Executive Vice President – Corporate Services (“CFO”);
- Craig A. Menear, Executive Vice President – Merchandising;
- Marvin R. Ellison, Executive Vice President – U.S. Stores; and
- Matthew A. Carey, Executive Vice President and Chief Information Officer.

The named executive officers (other than the CEO) all report directly to the CEO.

COMPENSATION DETERMINATION PROCESS

Role of LDC Committee

The LDC Committee determines the compensation of our named executive officers other than the CEO. Although it may delegate its responsibilities to subcommittees, the LDC Committee did not delegate any of its authority with respect to the compensation of any executive officer for Fiscal 2012. The LDC Committee makes recommendations regarding CEO compensation, but all decisions with respect to the compensation of the CEO are made by the independent members of the Board, who include all Board members other than the CEO.

Role of Executive Officers in Compensation Decisions

The Executive Vice President – Human Resources (“EVP-HR”) makes recommendations to the LDC Committee as to the amount and form of executive compensation for executive officers other than the CEO and himself. Recommendations as to the amount and form of CEO compensation are made by the LDC Committee’s independent compensation consultant. The CEO has input on the recommendations to the LDC Committee with respect to the compensation of all of our executive officers (other than himself). At the request of the LDC Committee, both the EVP-HR and the CEO regularly attend LDC Committee meetings, excluding executive sessions where their respective compensation and other matters are discussed.

Compensation Consultant

In February 2012, the LDC Committee engaged Pay Governance LLC as its independent compensation consultant for Fiscal 2012 to provide research, market data, survey information and design expertise in developing executive and director compensation programs. Pay Governance provides consulting services solely to compensation committees.

A representative of Pay Governance attended LDC Committee meetings in Fiscal 2012 and advised the LDC Committee on all principal aspects of executive compensation, including the competitiveness of program design and award values and specific analyses with respect to the Company’s executive officers. The compensation consultant reports directly to the LDC Committee, and the LDC Committee is free to replace the consultant or hire additional consultants or advisers at any time.

Pursuant to the independent compensation consultant policy adopted by the LDC Committee, its compensation consultant provides services solely to the LDC Committee and is prohibited from providing services or products of any kind to the Company. Further, affiliates of its compensation consultant may not receive payments from the Company that would exceed 2% of the consolidated gross revenues of the compensation consultant and its affiliates during any year. Pay Governance provided services solely to the LDC Committee in Fiscal 2012, and none of its affiliates provided any services to the Company. In addition, under the independent compensation consultant policy, the LDC Committee assessed Pay Governance’s independence and whether its work raised any conflict of interest, taking into consideration the independence factors set forth in applicable SEC rules. Based on that assessment, including review of a letter from Pay Governance addressing each of those factors, the LDC Committee determined that Pay Governance was independent and that its work did not raise any conflict of interest.

Benchmarking

We do not target any specific peer group percentile ranking for total compensation or any particular component of compensation for our named executive officers. The LDC Committee considers each executive’s compensation history and peer group market position as reference points in awarding annual compensation. For our CEO, the LDC Committee considered data from the Fortune 50 companies, excluding certain financial services companies due to their unique compensation structure.[1] This data was provided to us by Pay Governance from the Towers Watson Executive

[1] The excluded companies were American International Group, Inc., Bank of America Corporation, Berkshire Hathaway Inc., Citigroup Inc., Fannie Mae, Freddie Mac, the Goldman Sachs Group, Inc., JP Morgan Chase & Co., State Farm and Wells Fargo & Company.

Compensation Database. For our CEO, the LDC Committee also used retail peer data provided by Pay Governance. This peer group, which is listed below, consists of retailers with revenues greater than $10 billion and reflects companies in the retail industry with whom we compete for executive talent.

Retail Peer Group

AutoNation, Inc.	Office Depot, Inc.
Best Buy Co., Inc.	Penske Automotive Group, Inc.
Costco Wholesale Corporation	Rite Aid Corp.
CVS Caremark Corp.	Safeway, Inc.
Dollar General Corporation	Sears Holding Corporation
Gap Inc.	Staples, Inc.
Genuine Parts Company	SuperValu Inc.
J. C. Penney Company, Inc.	Target Corporation
Kohl's Corporation	The Kroger Co.
Limited Brands, Inc.	TJX Companies Inc.
Lowe's Companies, Inc.	Walgreen Co.
Macy's, Inc.	Wal-Mart Stores, Inc.
Nordstrom, Inc.	Whole Foods Market, Inc.

Our revenues and our CEO's target total compensation ranked at the following percentiles compared to each of these peer groups:

Category	Percentile Rank	
	Fortune 50	Retail Peers
Company Revenue(1)	37%	80%
CEO Target Total Compensation	20%	73%

(1) Based on fiscal 2011 revenue as reported in SEC filings.

For our CFO, the LDC Committee considered data from the Fortune 50 companies provided to us by Hewitt Associates. The LDC Committee uses the Fortune 50 data for the CEO and CFO positions because the Fortune 50 represents companies of size similar to us with whom we compete for executive talent.

For our other named executive officers, the LDC Committee considers data from the Hay Group's Retail Executive and Management Total Remuneration Survey, which provides information and comparisons on compensation for executive and industry specific positions at the corporate and division level of retail companies. This survey data helps the LDC Committee understand the competitive market for the industry in which the Company principally competes for retail-specific talent and for customers.

Mitigating Compensation Risk

In November 2012, the LDC Committee undertook a broad-based review and risk assessment of the Company's compensation policies and practices for its associates. Based on that assessment, the LDC Committee determined that our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. In reaching that conclusion, management and the LDC Committee evaluated each key element of our compensation plans and practices for our executive officers and associates against the following factors identified as part of our risk assessment process:

- Performance/payment time horizons are appropriate and not overweight in short-term incentives;
- The relationship between the incremental achievement levels and corresponding payouts in our incentive plans is appropriate, and all incentives, other than equity incentives that are tied to growth in our share price, have payout caps;
- Programs employ a reasonable mix of performance metrics and are not concentrated on a single metric;
- Criteria for payments are closely aligned with our strategic goals and shareholder interests;
- Payout curves are reasonable and do not contain steep "cliffs" that might encourage unreasonable short-term business decisions to achieve payment thresholds;
- Equity for officers is paid in a balanced mix of performance-based restricted stock, performance shares and stock options; other associates receive equity in the form of service-based restricted stock;
- Bonus and equity awards to executive officers are subject to a recoupment policy, as described below on page 41, to discourage manipulation of incentive program elements; and
- Stock ownership guidelines are in place to further align the interests of shareholders and executive officers, as described below on page 41.

Consideration of Last Year's Advisory Shareholder Vote on Executive Compensation

At our annual meeting of shareholders on May 17, 2012, over 98% of the shares voted were voted in support of the compensation of the Company's named executive officers. Since then, as part of our regular interaction with our largest shareholders, we have continued to request input on our compensation practices. In considering the results of the 2012 advisory vote on executive compensation and feedback from these shareholders, the LDC Committee concluded that the compensation paid to our executive officers and the Company's overall executive pay practices have strong shareholder support and therefore determined to maintain the current compensation structure, with the few changes discussed above for Fiscal 2013.

At our 2011 annual meeting, our shareholders expressed a preference that advisory votes on executive compensation occur every year, as recommended by our Board. Consistent with this preference, the Board implemented an annual advisory vote on executive compensation until the next advisory vote on the frequency of shareholder votes on executive compensation, which will occur no later than the Company's annual meeting of shareholders in 2017.

ELEMENTS OF OUR COMPENSATION PROGRAMS

The principal elements of our compensation programs are discussed below.

Base Salaries

We provide competitive base salaries that allow us to attract and retain a high-performing leadership team. Base salaries for our named executive officers are reviewed and generally adjusted annually based on a comprehensive management assessment process. In January 2012, based upon a review of competitive market data, the Company's high level of performance in Fiscal 2011 despite challenging economic conditions, and assessments of anticipated economic conditions in Fiscal 2012, the LDC Committee approved a Company-wide 2.5% merit increase budget.

In establishing the actual base salaries for the named executive officers for Fiscal 2012, the LDC Committee considered total compensation, scope of responsibilities, performance over the previous year, experience, internal pay equity, potential to assume additional responsibilities, and the competitive marketplace. As a result of this assessment, the named executive officers other than the CEO received annual salary increases in April 2012 ranging from 3.2% to 4.5%, as set forth below. Mr. Blake again declined any increase in base salary. His salary, therefore, remained unchanged from Fiscal 2010. Mr. Blake's base salary falls below the 50th percentile for the retail peer group and below the 25th percentile for the Fortune 50 peer group.

Name	2012 Base Salary	2011 Base Salary	Percent Increase
Francis S. Blake	$1,066,000	$1,066,000	0.0%
Carol B. Tomé	$ 975,000	$ 945,000	3.2%
Craig A. Menear	$ 752,000	$ 723,000	4.0%
Marvin R. Ellison	$ 700,000	$ 670,000	4.5%
Matthew A. Carey	$ 660,000	$ 634,000	4.1%

Annual Incentive

All named executive officers participate in the MIP, our cash-based annual incentive plan. The Fiscal 2012 MIP payout was contingent on the achievement of financial performance goals set by the LDC Committee at the beginning of the Fiscal 2012 performance period. The LDC Committee bases the payout on achievement of financial metrics to more directly align MIP goals with shareholder value creation and achievement of the Company's business plan.

Performance Goals. Set forth below are the MIP financial performance measures and the threshold, target and maximum Company achievement levels selected by the LDC Committee for Fiscal 2012 (dollars in billions):

Fiscal 2012 Performance Measures								
		Threshold			Target	Maximum		
Measure	Weighting	Goal	% of Target	% of Target Payout	Goal	Goal	% of Target	% of Target Payout
Sales	40%	$69.54	95%	10%	$73.20	$95.15	130%	250%
Operating Profit	40%	$ 6.56	90%	10%	$ 7.29	$ 9.48	130%	200%
Inventory Turns	20%	3.98	90%	10%	4.42	5.30	120%	250%

The operating profit threshold must be met for any MIP payout to occur. The relative weighting among the goals was determined by the LDC Committee with input from the CEO and the EVP-HR to reflect the Company's priorities for Fiscal 2012. The LDC Committee aligned the weighting of the sales and operating profit goals to emphasize top line sales growth balanced with the Company's continued focus on profitability as a means to drive bottom line results for shareholders. The pre-established definitions of sales and operating profit under the MIP provided for adjustments for the impact of acquisitions or dispositions of businesses with annualized sales of

$1 billion or more and, for operating profit, nonrecurring charges and write-offs exceeding $50 million in the aggregate for specified types of strategic restructuring transactions in Fiscal 2012. The LDC Committee adopted these definitions for plan purposes because it believes these types of strategic decisions support the long-term best interests of the Company and should not adversely affect incentive opportunities.

For achieving the target level of performance for the Fiscal 2012 MIP, executive officers receive 100% payout. The target performance level was consistent with our 2012 business plan and the forecast disclosed at the beginning of Fiscal 2012. For Fiscal 2012, the LDC Committee set the threshold performance levels at 95%, 90% and 90% of the performance targets for the sales, operating profit and inventory measures, respectively. The threshold performance level encourages incremental performance even when achievement of the target appears to be unlikely. The change in the threshold performance levels (which had been set at prior year actual results for the 2011 MIP) was designed to moderate the steep payout curve between threshold and target performance and thereby discourage excess risk taking to achieve a payout. At the same time, the LDC Committee lowered the threshold payout to 10% of target, commensurate with the lower threshold performance level.

The LDC Committee also maintained the payout for maximum achievement at 250% of target for the sales and inventory turns goals and 200% of target for the operating profit goal and set the maximum performance goals at levels that require extraordinary performance. The maximum performance level rewards participants for above-target performance while at the same time capping payouts to avoid windfalls due to a better than expected external environment.

The Company uses interpolation to determine the specific amount of the payout for each named executive officer with respect to the achievement of financial goals between the various levels. The LDC Committee does not have discretion to increase the MIP payout earned by a named executive officer, but it may decrease the payout even if the performance goals are achieved.

The annual target payout levels are determined as a percentage of base salary: 200% for the CEO, 125% for the CFO and 100% for the other NEOs. For Messrs. Blake and Carey and Ms. Tomé, payouts for achievement of the performance goals were based on overall Company performance. For Messrs. Menear and Ellison, payouts were based upon performance of the portion of the Company's business for which they were accountable. The specific performance levels for the portions of the Company's business for which Messrs. Menear and Ellison were responsible are not critical to an understanding of the Company's compensation program, and we do not believe disclosure of this information would be meaningful to shareholders since it would not be apparent how this information correlates to our consolidated financial statements.

MIP Results. For Fiscal 2012, for purposes of determining the achievement of MIP awards, sales were $74.75 billion, operating profit was $7.91 billion and inventory turns were 4.47 times, exceeding the target level for each of the Company's performance goals. Pursuant to the pre-established definition of operating profit under the MIP, operating profit was adjusted by $145 million, reflecting the charges incurred in connection with the closing of seven of the Company's stores in China in Fiscal 2012 due to the Company's change in strategy with respect to the China market. Actual operating profit without this adjustment was $7.77 billion, which also exceeded the target performance level for operating profit under the MIP.

Based on performance in Fiscal 2012 against the performance goals, the following were the target and actual MIP awards for Fiscal 2012 for each of the named executive officers:

	At Target Performance		At Actual Performance	
Name	**% of Base Salary**	**Dollar Amount**	**% of Base Salary**	**Dollar Amount**
Francis S. Blake	200%	$2,132,000	234%	$2,499,386
Carol B. Tomé	125%	$1,218,750	147%	$1,428,765
Craig A. Menear	100%	$752,000	124%	$929,195
Marvin R. Ellison	100%	$700,000	124%	$864,943
Matthew A. Carey	100%	$660,000	117%	$773,731

Long-Term Incentives

For Fiscal 2012, we awarded the named executive officers annual long-term incentives consisting of the following:

Award Type	% of Total 2012 Long-Term Incentives
Performance Shares	25%
Stock Options	37.5%
Performance-Based Restricted Stock	37.5%

The LDC Committee believed that this mix of equity components provided an appropriate balance of mid- and long-term performance measures and retention incentive, without promoting excessive risk-taking. The LDC Committee also believed that the mix was consistent with its focus on pay for performance and alignment with longer-term shareholder interests. The total value of awards granted was determined by the LDC Committee after considering the value of equity grants of officers with similar responsibilities at peer group companies described under "Benchmarking" in the "Compensation Determination Process" section above and individual performance relating to financial management, leadership, talent management and operational effectiveness, as well as retention risk. Mr. Blake again declined any increase in his total equity value. His equity award value, therefore, remained unchanged from Fiscal 2010. For Fiscal 2012, the annual equity award for the CEO at the target level was 657% of base salary. For the other named executive officers, the target equity value ranged from 288% to 357% of base salary.

Performance Shares. The Fiscal 2012-2014 performance share award provides for the grant of shares of our common stock at the end of a three-year period based on the achievement of average ROIC and operating profit goals over that period, as follows (dollars in billions):

Fiscal 2012-2014 Performance Shares	Threshold	Target	Maximum
Three-Year Average ROIC	12.1%	15.1%	18.1%
Three-Year Average Operating Profit	$6.29	$7.87	$9.44
Percent of Target Payout	25%	100%	200%

For results between these levels, the number of shares is determined by interpolation. There is no payout for results below the threshold level. Each performance measure is separately determined and equally weighted. The pre-established definition of operating profit provides for adjustments for the impact of acquisitions or dispositions of businesses with annualized sales of $1 billion or more and non-recurring charges and write-offs exceeding $50 million in the aggregate in any one fiscal year for specified types of strategic restructuring transactions. The pre-established definition of ROIC (a measure of after-tax operating income over the average of beginning and ending equity and long-term debt for the fiscal year) provides for adjustments for share repurchase activity, dividend increases above a specified level and the impact of acquisitions or dispositions of businesses with annualized sales of $1 billion or more. Dividend equivalents accrue on the performance share awards (as reinvested shares) and will be paid upon the payout of the award based on the actual number of shares earned.

In Fiscal 2011 and the fiscal year ended January 30, 2011 ("Fiscal 2010"), the LDC Committee also granted performance share awards that were structured similarly to the Fiscal 2012-2014 award. The Fiscal 2011-2013 and Fiscal 2010-2012 awards each provide for the grant of shares of our common stock at the end of the respective three-year period based on the achievement of average ROIC and operating profit goals over that period, as follows (dollars in billions):

Fiscal 2011-2013 Performance Shares	Threshold	Target	Maximum
Three-Year Average ROIC	10.9%	13.6%	16.3%
Three-Year Average Operating Profit	$5.56	$6.95	$8.34
Percent of Target Payout	25%	100%	200%

Fiscal 2010-2012 Performance Shares	Threshold	Target	Maximum
Three-Year Average ROIC	9.8%	12.2%	14.6%
Three-Year Average Operating Profit	$4.99	$6.24	$7.49
Percent of Target Payout	25%	100%	200%

Operating profit and ROIC are defined in the same manner as under the Fiscal 2012-2014 award. Dividend equivalents accrue on the performance share awards (as reinvested shares) and will be paid upon the payout of the award based on the actual number of shares earned.

The performance period for the Fiscal 2010-2012 performance share awards ended on February 3, 2013. Over the three-year period, the Company achieved an average ROIC of 12.8% and average operating profit of $6.74 billion. As a result, the named executive officers earned approximately 132% of their 2010-2012 performance share award, reflecting performance in excess of the target level for each metric. Pursuant to the pre-established definitions of operating profit and ROIC, operating profit was adjusted by $145 million due to charges incurred in connection with the closing of the China stores, and ROIC was adjusted for share repurchases and dividend increases above the dividend level at the time the award was granted. Average ROIC and operating profit over the three-year period without the adjustments were 14.9% and $6.76 billion, respectively. The named executive officers earned the following shares under the award, which include reinvested accrued dividends:

Name	Value at Date of Grant(1) (3/24/2010)	Shares Earned at End of Performance Period	Value at End of Performance Period(2) (2/3/2013)
Francis S. Blake	$1,749,999	76,539	$5,151,075
Carol B. Tomé	$ 749,986	32,801	$2,207,507
Craig A. Menear	$ 524,974	22,960	$1,545,208
Marvin R. Ellison	$ 524,974	22,960	$1,545,208
Matthew A. Carey	$ 374,977	16,400	$1,103,720

(1) Reflects the grant date fair value.

(2) Reflects the value based upon the closing stock price of $67.30 on February 1, 2013.

Stock Options. In Fiscal 2012, we granted stock options with an exercise price equal to the fair market value of our stock, which is defined as the market closing price on the date of grant. Options vest 25% on each of the second, third, fourth and fifth anniversaries of the grant date. Option re-pricing is expressly prohibited by our 2005 Plan without shareholder approval.

Performance-Based Restricted Stock. In Fiscal 2012, we granted performance-based restricted stock awards that were forfeitable if operating profit was less than 80% of the MIP target for Fiscal 2012. The performance goal was met at the end of Fiscal 2012. As a result, the restricted stock will vest 50% on each of the 30 and 60 month anniversaries of the grant date. Dividends on the restricted stock awards were accrued and not paid out unless the performance goal was met. Once the performance goal is met, dividends are then paid currently on the shares of restricted stock.

Deferred Compensation Plans

In addition to the FutureBuilder 401(k) Plan (a broad-based tax-qualified plan), we have two nonqualified deferred compensation plans for our management and highly compensated associates, including executive officers:

- The Deferred Compensation Plan for Officers (solely funded by the individuals who participate in the plan); and
- The FutureBuilder Restoration Plan (the "Restoration Plan"), which provides a Company matching contribution equal to 3.5% of the amount of salary and annual cash incentive earned by a management-level associate in excess of the IRS limits for tax-qualified plans, payable in shares of common stock of the Company upon retirement or other employment termination.

The plans are designed to permit participants to accumulate income for retirement and other personal financial goals. The Deferred Compensation Plan for Officers and the Restoration Plan are described in the notes to the "Nonqualified Deferred Compensation for Fiscal 2012" table on page 53. Deferred compensation arrangements are common executive programs, and we believe that these arrangements help us in the recruitment and retention of executive talent; however, we do not view nonqualified deferred compensation as a significant element of our compensation programs. None of these plans provides above-market or preferential returns.

Perquisites

We do not view perquisites as a significant element of our compensation program. We do not provide tax reimbursements, or "gross-ups," on perquisites.

- Our named executive officers participated in the SECP, which for Fiscal 2012 provided an allowance of $125,000 on a calendar year basis for the CEO and $85,000 for the other NEOs. Each executive could use his or her allowance to pay for financial planning services, medical services or expenses, automobile and related expenses, life and disability insurance, excess personal liability coverage, and/

or to contribute to a retiree health savings plan, up to a maximum of $25,000 for any one category. ***We discontinued this program starting in 2013.***

- Our named executive officers participate in a death-benefit-only program, under which they are entitled to a $400,000 benefit upon death if they are employed by the Company at that time. In addition, the benefit is continued for life for executive officers with ten years of service with the Company. Currently, Mr. Blake, Ms. Tomé, Mr. Menear and Mr. Ellison have met this service requirement and are entitled to lifetime death benefit coverage. ***In Fiscal 2009, we discontinued this benefit for any new executive officers.***
- The Company permits Mr. Blake to travel by Company aircraft, including travel for personal reasons, and we also permit non-business use of Company aircraft by other named executive officers on a more limited basis.

Other Benefits

Our named executive officers have the option to participate in various employee benefit programs, including medical, dental, disability and life insurance benefit programs. These benefit programs are generally available to all associates. We also provide all associates, including our named executive officers, with the opportunity to purchase our common stock through payroll deductions at a 15% discount through our Amended and Restated Employee Stock Purchase Plan (the "ESPP"), a nondiscriminatory, tax-qualified plan. All associates, including our named executive officers, are also eligible to participate in our charitable matching gift program through the Home Depot Foundation.

MANAGEMENT OF COMPENSATION-RELATED RISK

We employ a number of mechanisms to mitigate the chance of our compensation programs encouraging excessive risk-taking, including those described below.

Annual Risk Assessment

As discussed above under "Mitigating Compensation Risk" on page 36, our LDC Committee undertakes an annual review and risk assessment of our compensation policies and practices.

Compensation Recoupment Policy

Pursuant to the executive compensation clawback policy set forth in our Corporate Governance Guidelines, if the Board determines that any bonus, incentive payment, equity award or other compensation awarded to or received by an executive officer was based on any financial results or operating metrics that were achieved as a result of that officer's knowing or intentional fraudulent or illegal conduct, we will seek to recover from the officer such compensation (in whole or in part) as the Board deems appropriate under the circumstances and as permitted by law.

Stock Ownership and Retention Guidelines

Our Executive Stock Ownership and Retention Guidelines require our named executive officers to hold shares of common stock with a value equal to the specified multiples of base salary indicated below. This program assists in focusing executives on long-term success and shareholder value. Shares owned outright, restricted stock and shares acquired pursuant to the ESPP, the FutureBuilder 401(k) Plan and the Restoration Plan are counted towards this requirement. Unearned performance shares are not counted toward this requirement. Newly hired and promoted executives have four years to satisfy the requirements.

As of March 1, 2013, all of our named executive officers complied with the stock ownership and retention guidelines and held the following multiples of base salary (rounded to the nearest whole multiple):

Name	Multiple of Base Salary	
	Current Ownership	Guideline
Francis S. Blake	46x	6x
Carol B. Tomé	45x	4x
Craig A. Menear	14x	4x
Marvin R. Ellison	23x	4x
Matthew A. Carey	12x	4x

Anti-Hedging Policy

Effective August 1, 2012, the Company adopted a policy that prohibits all associates and directors from entering into hedging or monetization transactions designed to limit the financial risk of ownership of Company stock. These include prepaid variable forward contracts, equity swaps, collars, exchange funds and other similar transactions, as well as speculative transactions in derivatives of the Company's securities, such as puts, calls, options (other than those granted under a Company compensation plan) or other derivatives.

Equity Grant Procedures

Company-wide equity grants, including equity grants to named executive officers, are awarded annually effective as of the date of the March meeting of the LDC Committee, which is generally scheduled at least a year in advance. Throughout the year, equity awards are made to new hires, promoted employees, and, in rare circumstances, as a reward for exceptional performance. In all cases, the effective grant date for these mid-year awards is the date of the next regularly scheduled quarterly LDC Committee meeting. The exercise price of each of our stock option grants is the market closing price on the effective grant date.

SEVERANCE AND CHANGE IN CONTROL ARRANGEMENTS

We have a limited severance arrangement with Ms. Tomé. When Ms. Tomé's employment arrangement was adopted in 2001, the severance provisions reflected the terms provided to our other executives at that time and were consistent with the terms provided in the competitive market for executive talent. This severance arrangement is discussed below under "Potential Payments Upon Termination or Change in Control—Termination Without Cause or For Good Reason" on page 54. We do not have a severance arrangement with our CEO or any of our other NEOs.

We do not have any change in control agreements with our executives. However, our equity awards granted prior to Fiscal 2013, including those granted to the named executive officers, provide for accelerated vesting on a change in control. This type of vesting can be an effective means to retain associates through completion of a value-creating transaction, especially for more senior executives for whom equity represents a significant portion of total compensation. In the event the value of such accelerated vesting constitutes an "excess parachute payment," the executive would be subject to a 20% excise tax on such amount, and the amount would not be tax deductible by the Company. In Fiscal 2013, in connection with the adoption of the Amended and Restated 2005 Plan described in Proposal 5 above, the LDC Committee adopted a new form of equity award agreement, effective for awards granted in Fiscal 2013, that eliminate this accelerated vesting of equity triggered solely by a change in control of the Company.

TAX DEDUCTIBILITY CONSIDERATIONS

Section 162(m) of the Internal Revenue Code generally denies a corporate tax deduction for annual compensation exceeding $1 million paid to the chief executive officer and the three other most highly compensated executive officers of a public company, other than the chief financial officer. The limitation does not apply to compensation based on achievement of pre-established performance goals if certain requirements are met. Our 2005 Plan, and the stock options, performance-based restricted stock, and performance shares granted under this plan, as well as the annual cash incentive award under the MIP, are intended to permit such awards to qualify as performance-based compensation to maximize the tax deductibility of these awards. However, the LDC Committee reserves the discretion to award compensation that is not exempt from the deduction limits of Section 162(m).

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation during the last three fiscal years paid to or earned by the Company's (1) CEO, (2) CFO and (3) the three other most highly compensated executive officers who were serving as executive officers as of the end of Fiscal 2012 (collectively, the "named executive officers").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)[1]	Bonus ($)	Stock Awards ($)[2] [3]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)[4] [5]	Total ($)
Francis S. Blake	**2012**	1,086,500	—	4,591,142	2,624,997	2,499,386	—	291,889	11,093,914
Chief Executive	**2011**	1,066,000	—	4,477,108	2,624,997	2,385,516	—	241,332	10,794,953
Officer & Chairman	**2010**	1,056,538	—	4,374,997	2,624,996	2,154,453	—	241,687	10,452,671
Carol B. Tomé	**2012**	986,250	—	2,074,472	1,162,498	1,428,765	—	115,972	5,767,957
Chief Financial Officer &	**2011**	942,692	—	2,002,252	1,162,500	1,321,712	—	187,659	5,616,815
Executive Vice President - Corporate Services	**2010**	929,231	—	1,874,980	1,124,998	1,181,059	—	243,246	5,353,514
Craig A. Menear	**2012**	759,211	—	1,634,265	937,496	929,195	—	77,700	4,337,867
Executive Vice President -	**2011**	718,154	—	1,438,983	843,748	810,577	—	115,014	3,926,476
Merchandising	**2010**	695,769	—	1,312,451	787,499	688,472	—	137,852	3,622,043
Marvin R. Ellison	**2012**	705,961	—	1,641,095	937,496	864,943	—	97,396	4,246,891
Executive Vice President -	**2011**	665,385	—	1,442,624	843,748	751,157	—	111,447	3,814,361
U.S. Stores	**2010**	644,231	—	1,312,451	787,499	637,474	—	106,186	3,487,841
Matthew A. Carey	**2012**	666,192	—	1,261,505	712,495	773,731	—	41,388	3,455,311
Executive Vice President &	**2011**	629,615	—	1,128,189	656,249	709,389	—	100,681	3,224,123
Chief Information Officer	**2010**	611,538	—	937,474	562,499	621,477	—	125,948	2,858,936

(1) Amount of salary actually received in any year may differ from the annual base salary amount due to the timing of payroll periods and the timing of changes in base salary, which typically occur in April. In addition, Fiscal 2012 contained 53 weeks, compared to 52 weeks in Fiscal 2011 and 2010, so Fiscal 2012 salary amounts include one more week of pay than Fiscal 2011 and 2010.

(2) Amounts set forth in the Stock Awards and Option Awards columns represent the aggregate grant date fair value of awards granted in Fiscal 2012, Fiscal 2011 and Fiscal 2010 computed in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 718 ("FASB ASC Topic 718"). The assumptions made in the valuation of the awards are set forth in Note 1 to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K as filed with the SEC on March 28, 2013 (the "2012 Form 10-K"). The valuation of restricted stock awards is based on the closing stock price on the grant date. There were no equity award forfeitures by the named executive officers during Fiscal 2012.

(3) Amounts reflect the grant date fair value of performance share and performance-based restricted stock awards granted to named executive officers during Fiscal 2012, Fiscal 2011 and Fiscal 2010, plus the value of share equivalents under the Restoration Plan in Fiscal 2012 and Fiscal 2011, as set forth in the table below. Fiscal 2012 contributions to the Restoration Plan reflect contributions for two plan years, since the January 31, 2012 and January 31, 2013 allocation dates both fell within Fiscal 2012. No contributions to the Restoration Plan are shown for Fiscal 2010 because the January 31, 2011 allocation date fell within Fiscal 2011.

Name	Grant Date Fair Value for Performance Shares ($)			Grant Date Fair Value for Performance-Based Restricted Stock ($)			Value of Share Equivalents Under Restoration Plan ($)		
	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2012	Fiscal 2011	Fiscal 2010
Francis S. Blake	1,749,969	1,749,997	1,749,999	2,624,979	2,624,995	2,624,998	216,194	102,116	—
Carol B. Tomé	774,981	774,989	749,986	1,162,497	1,162,465	1,124,995	136,994	64,798	—
Craig A. Menear	624,964	562,483	524,974	937,496	843,725	787,477	71,805	32,775	—
Marvin R. Ellison	624,964	562,483	524,974	937,496	843,725	787,477	78,635	36,416	—
Matthew A. Carey	474,997	437,499	374,977	712,495	656,230	562,497	74,013	34,460	—

The grant date fair value of the performance shares reflected in the table above is computed based upon the probable outcome of the performance goals as of the grant date, in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. For all performance-based awards other than the performance shares granted in Fiscal 2012, Fiscal 2011 and Fiscal 2010, this value is the same as the value calculated assuming the maximum level of performance under the awards. The value of the performance share awards granted in Fiscal 2012, Fiscal 2011 and Fiscal 2010 as of the grant date, assuming that the maximum level of the performance goals will be achieved, is as follows for each of the named executive officers:

Name	Value of Performance Shares Assuming Maximum Performance ($)		
	Fiscal 2012	Fiscal 2011	Fiscal 2010
Francis S. Blake	3,499,938	3,499,993	3,499,997
Carol B. Tomé	1,549,963	1,549,978	1,499,971
Craig A. Menear	1,249,928	1,124,966	1,049,948
Marvin R. Ellison	1,249,928	1,124,966	1,049,948
Matthew A. Carey	949,993	874,998	749,953

(4) Incremental cost of perquisites is based on actual cost to the Company. The incremental cost of personal use of Company aircraft is based on the average direct cost of use per hour, which includes fuel, maintenance, crew travel and lodging expense, landing and parking fees, engine restoration cost and any lost tax deduction in connection with personal use. Any applicable deadhead flights are allocated to the named executive officers. No incremental cost for personal use of the Company aircraft was attributed to a named executive officer where the plane was already traveling to the destination for business reasons. Since our aircraft are used primarily for business travel, we do not include the fixed costs that do not change based on usage, such as crew salaries, depreciation, hangar rent and insurance. In addition to the incremental cost of personal aircraft use reported in the All Other Compensation column and in footnote 5 below, we also impute taxable income to the named executive officers for any personal aircraft use in accordance with Internal Revenue Service regulations. We do not provide tax reimbursements, or “gross-ups,” on these amounts.

(5) The following identifies the perquisites and other compensation for Fiscal 2012 that are required to be quantified by SEC rules. The SECP provides that participants may allocate their annual allowance to pay for financial planning services, medical services or expenses, automobile and related expenses, life and disability insurance, excess personal liability coverage, and coverage under a retiree health savings plan, with a maximum allocation of $25,000 for any one category. In Fiscal 2012, each of the named executive officers allocated a

portion of his or her allowance to every category, except that Ms. Tomé did not select any allocation for medical services or expenses and Mr. Ellison did not select disability insurance. Amounts received by the named executive officers under the SECP in Fiscal 2012 are set forth below. As noted above in the Compensation Discussion and Analysis, the SECP has been discontinued beginning in 2013. In addition, the Company made matching contributions to charitable organizations on behalf of each of the named executive officers, as shown below. Other perquisites and personal benefits for Fiscal 2012 were long-term disability and accidental death insurance premiums, nominal gifts from an executive business conference, personal use of Company tickets to entertainment events for Mr. Carey, security for Mr. Blake, and incremental amounts accrued during Fiscal 2012 under the death-benefit-only program. For Fiscal 2012, the accrued amounts under the death-benefit-only program for Messrs. Blake and Ellison were $104,993 and $40,126 respectively, reflecting the fact that both reached their tenth year of service with the Company in Fiscal 2012 and, as a result, the program now provides them with a lifetime benefit. We do not provide tax gross-ups on any of these perquisites or personal benefits.

Name	SECP ($)	Use of Airplane ($)	Matching Charitable Contributions ($)
Francis S. Blake	74,418	92,007	10,000
Carol B. Tomé	35,000	27,696	37,304
Craig A. Menear	35,000	—	25,000
Marvin R. Ellison	40,000	415	4,990
Matthew A. Carey	19,654	4,106	580

MATERIAL TERMS OF NAMED EXECUTIVE OFFICER EMPLOYMENT ARRANGEMENTS

This section describes employment arrangements in effect for the named executive officers during Fiscal 2012. All of these arrangements are "at-will" arrangements set forth in the offer letters provided to the named executive officers at the time of hire or promotion, as applicable. These offer letters have no set duration and consequently no renewal or extension provisions. The offer letters are all filed as exhibits to the 2012 Form 10-K.

The offer letters state each named executive officer's initial base salary and annual MIP target as a percentage of base salary, payout of which is subject to the achievement of pre-established goals. Both the base salary and MIP target are subject to adjustment upon future review by the LDC Committee, or independent members of the Board in the case of Mr. Blake. The Fiscal 2012 base salary and MIP target as a percentage of base salary for each named executive officer are set forth above in the Compensation Discussion and Analysis. In addition, the offer letters provide that each of the named executive officers is eligible to receive benefits available to all salaried associates and to participate in the Company's executive officer programs, including the (a) death-benefit-only insurance program, (b) SECP and (c) Restoration Plan. As noted above in the Compensation Discussion and Analysis, the SECP has been discontinued beginning in 2013. Any provisions in the letters regarding termination of employment are discussed below in the section entitled "Potential Payments Upon Termination or Change in Control" beginning on page 54.

Mr. Blake's letter also states that the Company has requested that he travel by Company aircraft. However, to the extent Mr. Blake or his family uses Company aircraft for personal reasons, the Company will not provide a tax gross-up for any imputed compensation.

FISCAL 2012 GRANTS OF PLAN-BASED AWARDS

The following table sets forth the plan-based awards granted to named executive officers pursuant to Company plans during Fiscal 2012.

FISCAL 2012 GRANTS OF PLAN-BASED AWARDS(1)

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards; Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards[4]
Name	Grant Date[3]	Approval Date[3]	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)	($/Sh)	($)
Francis S. Blake												
Performance Shares	3/21/2012	2/23/2012	—	—	—	4,393	35,147	70,294	—	—	—	1,749,969
Annual Stock Grant	3/21/2012	2/23/2012	—	—	—	—	52,721	—	—	—	—	2,624,979
Annual Option Grant	3/21/2012	2/23/2012	—	—	—	—	—	—	—	266,768	49.79	2,624,997
2012 MIP[2]	2/23/2012	2/23/2012	85,280	2,132,000	4,903,600	—	—	—	—	—	—	—
Carol B. Tomé												
Performance Shares	3/21/2012	2/23/2012	—	—	—	1,945	15,565	31,130	—	—	—	774,981
Annual Stock Grant	3/21/2012	2/23/2012	—	—	—	—	23,348	—	—	—	—	1,162,497
Annual Option Grant	3/21/2012	2/23/2012	—	—	—	—	—	—	—	118,140	49.79	1,162,498
2012 MIP[2]	2/23/2012	2/23/2012	48,750	1,218,750	2,803,125	—	—	—	—	—	—	—
Craig A. Menear												
Performance Shares	3/21/2012	2/23/2012	—	—	—	1,569	12,552	25,104	—	—	—	624,964
Annual Stock Grant	3/21/2012	2/23/2012	—	—	—	—	18,829	—	—	—	—	937,496
Annual Option Grant	3/21/2012	2/23/2012	—	—	—	—	—	—	—	95,274	49.79	937,496
2012 MIP[2]	2/23/2012	2/23/2012	30,080	752,000	1,729,600	—	—	—	—	—	—	—
Marvin R. Ellison												
Performance Shares	3/21/2012	2/23/2012	—	—	—	1,569	12,552	25,104	—	—	—	624,964
Annual Stock Grant	3/21/2012	2/23/2012	—	—	—	—	18,829	—	—	—	—	937,496
Annual Option Grant	3/21/2012	2/23/2012	—	—	—	—	—	—	—	95,274	49.79	937,496
2012 MIP[2]	2/23/2012	2/23/2012	28,000	700,000	1,610,000	—	—	—	—	—	—	—
Matthew A. Carey												
Performance Shares	3/21/2012	2/23/2012	—	—	—	1,192	9,540	19,080	—	—	—	474,997
Annual Stock Grant	3/21/2012	2/23/2012	—	—	—	—	14,310	—	—	—	—	712,495
Annual Option Grant	3/21/2012	2/23/2012	—	—	—	—	—	—	—	72,408	49.79	712,495
2012 MIP[2]	2/23/2012	2/23/2012	26,400	660,000	1,518,000	—	—	—	—	—	—	—

(1) All awards were granted under the 2005 Plan, other than MIP awards, which were granted under the MIP.

(2) The Fiscal 2012 MIP is based on achievement of pre-established performance goals as described in the Compensation Discussion and Analysis. The amount in the “Threshold” column for the 2012 MIP reflects the minimum possible payout based upon assumed achievement of the threshold performance levels as discussed below under “Terms of Plan-Based Awards Granted to the Named Executive Officers for Fiscal 2012 – 2012 MIP.”

(3) Awards under the 2005 Plan were approved at the February 23, 2012 meeting of the LDC Committee (or by the independent Board members on that date for the CEO) but were effective as of March 21, 2012. See discussion under “Equity Grant Procedures” on page 42 in the Compensation Discussion and Analysis above.

(4) Amounts represent the grant date fair value of awards granted in Fiscal 2012 computed in accordance with FASB ASC Topic 718. The assumptions made in the valuation of the awards are set forth in Note 1 to the Company’s consolidated financial statements as filed with the SEC in the 2012 Form 10-K. The valuation of restricted stock awards is based on the closing stock price on the grant date. There were no equity award forfeitures by the named executive officers during Fiscal 2012.

TERMS OF PLAN-BASED AWARDS GRANTED TO NAMED EXECUTIVE OFFICERS FOR FISCAL 2012

The LDC Committee approved the Fiscal 2012 annual grants of performance shares, performance-based restricted stock and stock options under the 2005 Plan for the named executive officers other than Mr. Blake. Mr. Blake's awards were approved by the independent members of the Board.

Performance Shares

For Fiscal 2012, 25% of the equity compensation provided to named executive officers was in the form of performance shares. The terms and conditions of the awards are described under "Long-Term Incentives" in the Compensation Discussion and Analysis above. In the event of death, disability or retirement at or after age 60 with at least five years of continuous service ("retirement"), the executive or his or her estate will be entitled to receive any performance shares ultimately earned, and in the event of death or disability before retirement, a pro rata portion of any shares ultimately earned. Because Mr. Blake has reached age 60 and has more than five years of service, he is "retirement eligible," and his performance share award is non-forfeitable, although payout is based on achievement of the performance goals. Upon a change in control, the executive would be entitled to a pro rata portion of performance shares based on actual performance for the portion of the performance period before a change in control, plus a pro rata portion of the target performance shares for the portion of the performance period after a change in control. Dividend equivalents accrue on performance share awards (as reinvested shares) and are paid upon the payout of the award based on the actual number of shares earned.

Annual Stock Grants

For Fiscal 2012, 37.5% of the equity compensation provided to named executive officers was in the form of performance-based restricted stock, which was forfeitable if operating profit was less than 80% of the MIP target for Fiscal 2012. If the performance target is met, as it was for Fiscal 2012, the awards are then subject to time-based vesting. The annual restricted stock grants vest 50% on each of the 30th month and 60th month anniversaries of the grant date, subject to continued employment through the vesting date, or, if sooner, upon change in control or termination due to death or disability. In addition, if the performance target is met, the restricted stock becomes non-forfeitable once the executive reaches retirement eligibility but is not transferable before the time-based vesting dates. Mr. Blake's award became non-forfeitable when the performance condition was met for Fiscal 2012 because he was retirement eligible at that time. Dividends on the restricted stock are accrued (as cash dividends) and not paid out to executive officers unless the performance target is met. Once the performance target is met, dividends are then paid currently on the shares of restricted stock.

Annual Stock Option Grants

For Fiscal 2012, 37.5% of the equity compensation provided to named executive officers was in the form of nonqualified stock options. The stock option awards vest 25% per year on the second, third, fourth and fifth anniversaries of the grant date, or, if sooner, on termination due to death or disability or upon a change in control. In addition, the stock option awards become non-forfeitable once the executive becomes retirement eligible but are not exercisable before the time-based vesting dates. Generally, stock options may be exercised, once vested, over the remainder of the ten-year option term. Mr. Blake's option award is non-forfeitable because he is retirement eligible but is not exercisable until the time-based vesting dates.

2012 MIP

Each of the named executive officers participated in the Fiscal 2012 MIP, the Company's annual cash-based incentive plan. The Fiscal 2012 MIP payout was based upon achievement of pre-established financial performance goals, as described above in the Compensation Discussion and Analysis. The pre-established definitions of the sales and operating profit goals provided for adjustments for the impact of acquisitions or dispositions of businesses with annualized sales of $1 billion or more and, for operating profit, nonrecurring charges and write-offs in Fiscal 2012 exceeding $50 million in the aggregate for specified types of strategic restructuring transactions. The LDC Committee believes that these types of strategic actions support the long-term best interests of the Company and adopted these definitions for plan purposes so that such strategic actions do not adversely affect incentive opportunities. As noted above in the Compensation Discussion and Analysis, for Fiscal 2012, operating profit as defined under the MIP was adjusted by $145 million, reflecting the charges incurred in connection with the closing of the Company's stores in China.

The Committee approved threshold, target and maximum payout levels for Fiscal 2012 for the named executive officers under the MIP. The threshold, target and maximum potential payouts under the MIP for the named executive officers reflect the following percentages of base salary at the end of Fiscal 2012:

	Percentage of Base Salary		
Name	Threshold	Target	Maximum
Francis S. Blake	8%	200%	460.0%
Carol B. Tomé	5%	125%	287.5%
Craig A. Menear	4%	100%	230.0%
Marvin R. Ellison	4%	100%	230.0%
Matthew A. Carey	4%	100%	230.0%

Because the operating profit threshold must be met for any payout to occur, the threshold percentage above reflects the minimum possible payout based upon assumed achievement of that threshold. The actual amounts earned based on achievement of Fiscal 2012 MIP performance goals are reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

OUTSTANDING EQUITY AWARDS AT 2012 FISCAL YEAR-END

The following table sets forth information regarding outstanding equity awards as of the end of Fiscal 2012 granted to the named executive officers.

OUTSTANDING EQUITY AWARDS AT 2012 FISCAL YEAR-END

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units That Have Not Vested ($)	Equity Incentive Plan Awards: Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Francis S. Blake	50,000	—	—	36.50	3/16/2014	32,137(2)	2,162,820	76,539(3)	5,151,075
	63,000	—	—	37.70	3/22/2015	23,371(2)	1,572,868	99,719(3)	6,711,089
	446,292	148,764(1)	—	26.84	3/18/2018	41,252(2)	2,776,260	71,366(3)	4,802,932
	194,465	194,465(1)	—	23.28	3/24/2019	52,721(2)	3,548,123	—	—
	97,772	293,318(1)	—	32.32	3/23/2020	—	—	—	—
	—	353,012(1)	—	36.62	3/22/2021	—	—	—	—
	—	266,768(1)	—	49.79	3/20/2022	—	—	—	—
Carol B. Tomé	82,859	—	—	38.74	3/20/2017	6,000(2)	403,800	32,801(3)	2,207,507
	160,207	53,403(1)	—	26.84	3/18/2018	6,000(2)	403,800	44,161(3)	2,972,035
	86,761	86,761(1)	—	23.28	3/24/2019	6,000(2)	403,800	31,604(3)	2,126,949
	41,902	125,708(1)	—	32.32	3/23/2020	30,000(2)	2,019,000	—	—
	—	156,334(1)	—	36.62	3/22/2021	25,000(2)	1,682,500	—	—
	—	118,140(1)	—	49.79	3/20/2022	25,000(2)	1,682,500	—	—
	—	—	—	—	—	25,000(2)	1,682,500	—	—
	—	—	—	—	—	20,000(2)	1,346,000	—	—
	—	—	—	—	—	26,080(2)	1,755,184	—	—
	—	—	—	—	—	24,914(2)	1,676,712	—	—
	—	—	—	—	—	17,404(2)	1,171,289	—	—
	—	—	—	—	—	31,744(2)	2,136,371	—	—
	—	—	—	—	—	23,348(2)	1,571,320	—	—
Craig A. Menear	34,446	—	—	38.74	3/20/2017	2,500(2)	168,250	22,960(3)	1,545,208
	11,781	—	—	38.95	5/23/2017	5,000(2)	336,500	32,051(3)	2,157,032
	105,279	35,093(1)	—	26.84	3/18/2018	17,139(2)	1,153,455	25,487(3)	1,715,275
	67,995	22,666(1)	—	18.52	11/19/2018	16,323(2)	1,098,538	—	—
	56,843	56,844(1)	—	23.28	3/24/2019	12,183(2)	819,916	—	—
	29,331	87,996(1)	—	32.32	3/23/2020	23,040(2)	1,550,592	—	—
	—	113,468(1)	—	36.62	3/22/2021	18,829(2)	1,267,192	—	—
	—	95,274(1)		49.79	3/20/2022	—	—	—	—
Marvin R. Ellison	20,000	—	—	36.50	3/16/2014	2,500(2)	168,250	22,960(3)	1,545,208
	14,200	—	—	37.70	3/22/2015	4,000(2)	269,200	32,051(3)	2,157,032
	15,000	—	—	42.51	11/16/2015	15,000(2)	1,009,500	25,487(3)	1,715,275
	29,829	—	—	38.74	3/20/2017	9,314(2)	626,832	—	—
	—	19,073(1)	—	26.84	3/18/2018	6,749(2)	454,208	—	—
	22,665	22,666(1)	—	18.52	11/19/2018	16,323(2)	1,098,538	—	—
	—	56,844(1)	—	23.28	3/24/2019	12,183(2)	819,916	—	—
	—	87,996(1)	—	32.32	3/23/2020	23,040(2)	1,550,592	—	—
	—	113,468(1)	—	36.62	3/22/2021	18,829(2)	1,267,192	—	—
	—	95,274(1)	—	49.79	3/20/2022	—	—	—	—
Matthew A. Carey	117,870	58,930(1)	—	18.52	11/19/2018	12,027(2)	809,417	16,400(3)	1,103,720
	41,884	41,885(1)	—	23.28	3/24/2019	8,702(2)	585,645	24,929(3)	1,677,722
	20,951	62,854(1)	—	32.32	3/23/2020	17,920(2)	1,206,016	19,371(3)	1,303,668
	—	88,253(1)	—	36.62	3/22/2021	14,310(2)	963,063	—	—
	—	72,408(1)	—	49.79	3/20/2022	—	—	—	—

(1) Unexercisable stock options as of the end of Fiscal 2012 for each named executive officer vest as follows:

Vesting Date	F. Blake	C. Tomé	C. Menear	M. Ellison	M. Carey
March 19, 2013	148,764	53,403	35,093	19,073	—
March 23, 2013	88,253	39,083	28,367	28,367	22,063
March 24, 2013	97,773	41,903	29,332	29,332	20,951
March 25, 2013	97,232	43,380	28,422	28,422	20,942
November 20, 2013	—	—	22,666	22,666	58,930
March 21, 2014	66,692	29,535	23,818	23,818	18,102
March 23, 2014	88,253	39,084	28,367	28,367	22,063
March 24, 2014	97,772	41,902	29,332	29,332	20,951
March 25, 2014	97,233	43,381	28,422	28,422	20,943
March 21, 2015	66,692	29,535	23,819	23,819	18,102
March 23, 2015	88,253	39,083	28,367	28,367	22,063
March 24, 2015	97,773	41,903	29,332	29,332	20,952
March 21, 2016	66,692	29,535	23,818	23,818	18,102
March 23, 2016	88,253	39,084	28,367	28,367	22,064
March 21, 2017	66,692	29,535	23,819	23,819	18,102
Total	**1,256,327**	**540,346**	**411,341**	**395,321**	**324,330**

(2) Restricted stock as of the end of Fiscal 2012 for each named executive officer vests as follows:

Vesting Date	F. Blake	C. Tomé	C. Menear	M. Ellison	M. Carey
March 19, 2013	—	26,080	17,139	9,314	—
September 23, 2013	20,626[a]	15,872	11,520	11,520	8,960
November 20, 2013	—	—	—	6,749	—
March 25, 2014	32,137[a]	24,914	16,323	16,323	12,027
September 21, 2014	26,360	11,674	9,414	9,414	7,155
March 24, 2015	23,371[a]	17,404	12,183	12,183	8,702
March 20, 2016	—	20,000	—	15,000	—
March 23, 2016	20,626[a]	15,872	11,520	11,520	8,960
March 21, 2017	26,361	11,674	9,415	9,415	7,155
January 8, 2019	—	123,000	—	—	—
August 2, 2019	—	—	7,500	—	—
February 6, 2027	—	—	—	6,500	—
Total	**149,481**	**266,490**	**95,014**	**107,938**	**52,959**

(a) These shares became nonforfeitable and are reflected net of withholding tax obligations incurred when the performance condition on the shares was met, but the shares remain restricted until the time-based vesting dates are reached.

(3) The named executive officers' performance share awards vest upon certification of earned amounts by the LDC Committee following the completion of the three-year performance periods ending February 3, 2013, February 2, 2014 and February 1, 2015. The vesting of the awards is based on achievement of pre-established average ROIC and operating profit goals, as described above in the Compensation Discussion and Analysis under "Long-Term Incentives—Performance Shares." These performance share awards vest sooner in the event of a change in control of the Company. The number of shares vesting upon a change in control is determined based on actual results achieved through the date of the change in control, prorated based on the number of days in the performance period before the change in control, plus the target award amount, prorated based on the number of days in the performance period after the change in control. Dividend equivalents accrue on the performance shares (as reinvested shares) and will be paid upon the payout of the award based on the actual number of shares earned. For the Fiscal 2010-2012 award, the shares reported are the actual amount earned based on the performance level met as of February 3, 2013, as certified by the LDC Committee on February 28, 2013, and include dividend equivalents accrued on the award. For the Fiscal 2011-2013 award and the Fiscal 2012-2014 award, the reported number of shares includes dividend equivalents accrued through February 3,

2013 and assumes achievement of the maximum levels of performance, in accordance with SEC requirements. The reported value of the performance share awards is based on the closing stock price on February 1, 2013.

OPTIONS EXERCISED AND STOCK VESTED IN FISCAL 2012

The following table sets forth the options exercised and the shares of restricted stock that vested for the named executive officers during Fiscal 2012.

OPTIONS EXERCISED AND STOCK VESTED IN FISCAL 2012

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized On Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized On Vesting ($)
Francis S. Blake	420,000	2,737,854	148,988[1]	7,402,506
Carol B. Tomé	285,000	4,125,077	109,468	5,508,617
Craig A. Menear	62,050	1,235,663	58,340	2,952,796
Marvin R. Ellison	217,720	6,480,447	86,856	4,676,253
Matthew A. Carey	58,920	2,421,082	26,511	1,352,944

(1) Includes 30,430 shares withheld to pay taxes on a performance-based restricted stock grant that became nonforfeitable on March 21, 2012 due to Mr. Blake being retirement eligible. The remaining shares under this grant continue to be restricted until the time-based vesting dates are reached.

NONQUALIFIED DEFERRED COMPENSATION FOR FISCAL 2012

The following table sets forth information regarding the participation of the named executive officers in the Company's nonqualified deferred compensation plans for Fiscal 2012.

NONQUALIFIED DEFERRED COMPENSATION FOR FISCAL 2012

Name	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)(2)	Aggregate Earnings in Last FY ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)(4)
Francis S. Blake					
Restoration Plan(5)	N/A	216,194	374,977	—	1,187,882
Carol B. Tomé					
Restoration Plan(5)	N/A	136,994	422,705	—	1,286,231
Craig A. Menear					
Deferred Compensation Plan For Officers(6)	202,644	—	51,672	—	1,021,076
Restoration Plan(5)	N/A	71,805	148,029	—	463,502
Marvin R. Ellison					
Deferred Compensation Plan For Officers(6)	—	—	8,427	—	56,679
Restoration Plan(5)	N/A	78,635	121,131	—	389,046
Matthew A. Carey					
Restoration Plan(5)	N/A	74,013	42,485	—	159,750

(1) Executive contributions represent deferral of base salary and incentive awards under the MIP during Fiscal 2012, which amounts are also disclosed in the Fiscal 2012 Salary column and the Fiscal 2011 Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. The Restoration Plan is non-elective, and the participants cannot make contributions to it.

(2) All Company contributions to the Restoration Plan are included as compensation in the Stock Awards column of the Summary Compensation Table. The Company does not make contributions to the Deferred Compensation Plan for Officers. Fiscal 2012 contributions to the Restoration Plan reflect contributions for two plan years, since the January 31, 2012 and January 31, 2013 allocation dates both fell within Fiscal 2012.

(3) Deferred Compensation Plan For Officers earnings represent notional returns on participant-selected investments. Restoration Plan earnings represent an increase in the value of the underlying Company stock during Fiscal 2012 plus dividends that are credited at the same rate, and at the same time, that dividends are paid to all shareholders.

(4) For the Restoration Plan, amounts in the aggregate balance for Messrs. Blake, Menear, Ellison and Carey and Ms. Tomé of $432,871, $143,137, $116,105, $34,460 and $484,772, respectively, were previously reported in the Summary Compensation Table. For the Deferred Compensation Plan For Officers, $638,902 of the aggregate balance amount for Mr. Menear and $1,256 for Mr. Ellison were previously reported in the Summary Compensation Table.

(5) The Restoration Plan, an unfunded, nonqualified deferred compensation plan, provides management-level associates with a benefit equal to the matching contributions that they would have received under the Company's FutureBuilder 401(k) Plan if certain Internal Revenue Code limitations were not in place. On January 31st of each year, the plan makes an allocation to participant accounts in an amount equal to the participant's taxable wages during the prior calendar year minus the Internal Revenue Code limit ($250,000 for 2012) multiplied by 3.5%. This amount is then converted to units representing shares of the Company's common stock. Stock units credited to a participant's account are also credited with dividend equivalents at the same time, and in the same amount, as dividends are paid to shareholders. Participant account balances vest at the same time their account in the Company's tax-qualified FutureBuilder 401(k) Plan vests, which provides for 100% cliff vesting after three years of service. A participant's vested account balance is payable in shares of common stock on retirement or other employment termination. In-service withdrawals are not permitted.

(6) The Deferred Compensation Plan For Officers is an unfunded, nonqualified deferred compensation plan that allows officers and other highly compensated associates to defer payment of up to 50% of base salary and up to 100% of annual incentive compensation until retirement or other employment termination. The Company makes no contributions to the Deferred Compensation Plan For Officers. Participants may also elect an in-service distribution during a designated calendar year or upon a change in control. Payment is made, at the participant's election, in a single sum or equal annual installment payments over a period of not less than ten years commencing at retirement after age 60 or one year thereafter, provided that distribution in a single sum is automatically made on termination for reasons other than retirement or disability. Participants elect to invest their account balances among an array of mutual funds, and notional earnings are credited to participant accounts based on fund returns. Accounts are 100% vested at all times.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Termination Without Cause or For Good Reason

Messrs. Blake, Menear, Ellison and Carey's employment arrangements do not entitle them to any severance payments upon employment termination. They would, however, be entitled to any vested benefits under Company plans in which they participate.

The following table sets forth the estimated value of benefits that Ms. Tomé would be entitled to receive, assuming a termination of employment by the Company without cause or by Ms. Tomé for good reason as of February 3, 2013, the last day of Fiscal 2012. She would also be entitled to any vested benefits under Company plans in which she participates, including any vested amounts under the Restoration Plan as set forth in the Nonqualified Deferred Compensation table on page 53 of this Proxy Statement. Ms. Tomé is not entitled to payment of any benefits upon termination for cause or resignation without good reason other than for accrued compensation earned prior to employment termination and any vested benefits under Company plans in which she participates.

TERMINATION BENEFITS

Name	Value of Salary Continuation ($)	Value of Equity Awards Vesting on Termination ($)	Total ($)
Carol B. Tomé	1,950,000	17,112,467	19,062,467

Under Ms. Tomé's employment arrangement, pursuant to provisions that were adopted in 2001, in the event her employment is terminated by the Company without cause, or by Ms. Tomé for good reason, the Company will continue to pay her base salary for 24 months in accordance with the Company's normal payroll practices, subject to any delay necessary to comply with the requirements of Internal Revenue Code Section 409A. Also, vesting will be accelerated on her outstanding restricted stock and stock option awards that would otherwise have vested during the salary continuation period (331,671 options with an intrinsic value of $11,826,725 and 78,540 shares of restricted stock with an intrinsic value of $5,285,742 at the end of Fiscal 2012, based upon the closing stock price of $67.30 on February 1, 2013). Any unvested equity at the end of the salary continuation period will be forfeited.

Termination for cause by the Company under this arrangement generally means that the executive: (a) has engaged in conduct that constitutes willful gross neglect or willful gross misconduct with respect to employment duties that results in material economic harm to the Company, subject to certain conditions, (b) has been convicted of a felony involving theft or moral turpitude, or (c) has violated Company policies. Termination of employment for good reason by the executive generally means the occurrence of certain events without the executive's consent, including: (a) the assignment of a principal office outside of the Atlanta metropolitan area, (b) decrease in base salary or failure to pay the agreed-upon compensation, or (c) cessation of a direct reporting relationship to the CEO.

In exchange for the foregoing severance payments, Ms. Tomé agreed that during the term of her employment and for 24 months thereafter, she will not, without the prior written consent of the Company, be employed by or otherwise participate in the management of competitors of the Company. During the 36-month period following termination, she also agreed not to solicit any employee of the Company to accept a position with another entity. Each named executive officer is also subject to confidentiality restrictions on employment termination, and Messrs. Menear, Ellison and Carey are subject to non-competition and non-solicitation restrictions for 24 months and 36 months post-termination, respectively.

Change in Control

The Company does not maintain change in control agreements for its executives. However, equity awards made prior to Fiscal 2013 to salaried associates, including the named executive officers, generally provide for accelerated vesting of the award upon a change in control of the Company. As noted above in Proposal 5, the LDC Committee adopted a new form of award agreement in February 2013 that no longer provides for automatic acceleration of vesting of awards solely upon a change in control. The following table sets forth the estimated value of benefits that the named executive officers would be entitled to receive due to accelerated vesting of outstanding awards assuming a change in control of the Company as of February 3, 2013. If Ms. Tomé's employment is terminated in connection with a change in control, she would also be entitled to the termination benefits described in the preceding table.

CHANGE IN CONTROL BENEFITS

Name	Value of Restricted Stock and Option Awards ($)[1]	Value of Performance Shares ($)[2]	Total ($)
Francis S. Blake	$50,401,124	$11,377,469	$61,778,593
Carol B. Tomé	$35,176,906	$4,964,856	$40,141,762
Craig A. Menear	$19,649,771	$3,634,806	$23,284,577
Marvin R. Ellison	$19,871,387	$3,634,806	$23,506,193
Matthew A. Carey	$14,456,623	$2,713,334	$17,169,957

(1) Value reflects outstanding restricted stock at the end of Fiscal 2012, multiplied by a closing stock price of $67.30 on February 1, 2013 and outstanding unvested stock options based on the intrinsic value as of February 3, 2013, using the closing stock price of $67.30 on February 1, 2013.

(2) Value reflects the following: (a) for the Fiscal 2010-2012 performance share award, shares earned based on 132% actual performance for the three-year performance period; (b) for the Fiscal 2011-2013 performance share award, (i) shares that would have been earned based on 118% actual performance at the end of Fiscal 2012 multiplied by a ratio of 735 days in the performance period through February 3, 2013 to 1,099 total days in the performance period, plus (ii) target performance shares multiplied by the ratio of 364 days remaining in the performance period after February 3, 2013 to 1,099 total days in the performance period; and (c) for the Fiscal 2012-2014 performance share award, (i) shares that would have been earned based on 109% actual performance at the end of Fiscal 2012 multiplied by a ratio of 371 days in the performance period through February 3, 2013 to 1,099 total days in the performance period, plus (ii) target performance shares multiplied by the ratio of 728 days remaining in the performance period after February 3, 2013 to 1,099 total days in the performance period. In each case, the number of performance shares obtained is multiplied by a closing stock price of $67.30 on February 1, 2013 to determine the intrinsic value as of the end of Fiscal 2012. Amounts include dividend equivalents accrued through the end of Fiscal 2012 converted into additional performance shares.

Termination Due to Death, Disability or Retirement

Equity awards made to salaried associates, including the named executive officers, generally provide for accelerated vesting of the award upon employment termination due to death or disability. The following table sets forth the estimated value of benefits that the named executive officers would be entitled to receive assuming death or disability as of February 3, 2013. In addition, the named executive officers would be entitled to any vested amounts under the Restoration Plan and, if applicable, the Deferred Compensation Plan for Officers, as set forth in the Nonqualified Deferred Compensation table on page 53 of this Proxy Statement.

DEATH OR DISABILITY BENEFITS

Name	Value of Restricted Stock and Option Awards ($)[1]	Value of Performance Shares ($)	Death Benefit ($)[4]	Total ($)
Francis S. Blake	$50,401,124	$11,716,661[2]	400,000	$62,517,785
Carol B. Tomé	$35,176,906	$3,768,194[3]	400,000	$39,345,100
Craig A. Menear	$19,649,771	$2,709,498[3]	400,000	$22,759,269
Marvin R. Ellison	$19,871,387	$2,709,498[3]	400,000	$22,980,885
Matthew A. Carey	$14,456,623	$2,003,656[3]	400,000	$16,860,278

(1) Value reflects outstanding restricted stock at the end of Fiscal 2012, multiplied by a closing stock price of $67.30 on February 1, 2013 and outstanding unvested stock options based on the intrinsic value as of February 3, 2013, using the closing stock price of $67.30 on February 1, 2013.

(2) Value reflects the following: (a) for the Fiscal 2010-2012 performance share award, shares earned based on 132% actual performance for the three-year performance period; (b) for the Fiscal 2011-2013 performance share award, the shares that would have been earned based on 118% actual performance at the end of Fiscal 2012; and (c) for the Fiscal 2012-2014 performance share award, the shares that would have been earned based on 109% actual performance at the end of Fiscal 2012. The number of performance shares obtained is multiplied by a closing stock price of $67.30 on February 1, 2013 to determine the intrinsic value as of the end of Fiscal 2012. Amounts include dividend equivalents accrued through the end of Fiscal 2012 converted into additional performance shares.

(3) Value reflects the following: (a) for the Fiscal 2010-2012 performance share award, shares earned based on 132% actual performance for the three-year performance period; (b) for the Fiscal 2011-2013 performance share award, the prorated portion of shares that would have been earned based on 118% actual performance at the end of Fiscal 2012 multiplied by a ratio of 735 days in the performance period through February 3, 2013 to 1,099 total days in the performance period; and (c) for the Fiscal 2012-2014 performance share award, the prorated portion of shares that would have been earned based on 109% actual performance at the end of Fiscal 2012 multiplied by a ratio of 371 days in the performance period through February 3, 2013 to 1,099 total days in the performance period. The number of performance shares obtained is multiplied by a closing stock price of $67.30 on February 1, 2013 to determine the intrinsic value as of the end of Fiscal 2012. Amounts include dividend equivalents accrued through the end of Fiscal 2012 converted into additional performance shares.

(4) Value reflects a $400,000 death benefit, which is only paid out upon death, not disability.

Certain equity awards made to salaried associates, including the named executive officers, provide that the awards are no longer forfeitable upon retirement on or after age 60 with five years of continuous service with the Company. As of February 3, 2013, Mr. Blake was the only named executive officer who had met this condition. The following table sets forth the estimated value of benefits that Mr. Blake would be entitled to receive assuming termination due to retirement as of February 3, 2013. Mr. Blake would also be entitled to any vested amounts under the Restoration Plan as set forth in the Nonqualified Deferred Compensation table on page 53 of this Proxy Statement.

RETIREMENT BENEFITS

Name	Value of Restricted Stock and Option Awards ($)[1]	Value of Performance Shares ($)[2]	Total ($)
Francis S. Blake	$50,401,124	$11,716,661	$62,117,785

(1) Value reflects restricted stock grants that have the retirement eligibility provision described above and that are outstanding at the end of Fiscal 2012, multiplied by a closing stock price of $67.30 on February 1, 2013, and unvested stock options that have the retirement eligibility provision, based on the intrinsic value as of February 3, 2013, using the closing stock price of $67.30 on February 1, 2013.

(2) Value reflects the following: (a) for the Fiscal 2010-2012 performance share award, shares earned based on 132% actual performance for the three-year performance period; (b) for the Fiscal 2011-2013 performance share award, the shares that would have been earned based on 118% actual performance at the end of Fiscal 2012; and (c) for the Fiscal 2012-2014 performance share award, the shares that would have been earned based on 109% actual performance at the end of Fiscal 2012. The number of performance shares obtained is multiplied by a closing stock price of $67.30 on February 1, 2013 to determine the intrinsic value as of the end of Fiscal 2012. Amounts include dividend equivalents accrued through the end of Fiscal 2012 converted into additional performance shares.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)
Equity Compensation Plans Approved by Security Holders[1]	18,777,849[2]	$34.23[3]	182,611,143[4]
Equity Compensation Plans Not Approved by Security Holders[5]	219,156[6]	$ —[7]	19,449,004[8]
Total	18,997,005		202,060,147

[1] These plans are the Company's 1997 Omnibus Stock Incentive Plan ("1997 Plan"), the 2005 Plan, the ESPP and The Home Depot, Inc. Non-Employee Directors' Deferred Stock Compensation Plan (the "Directors Plan"). The Directors Plan allows the Company's outside directors to elect to defer their cash retainers and meeting fees for deferred stock units payable in shares of the Company's common stock on termination of Board service. Meeting fees were eliminated for meetings held after August 16, 2007.

[2] Includes an aggregate of 3,107,436 stock options under the 1997 Plan, 13,509,428 stock options under the 2005 Plan, 10,741 deferred shares or deferred stock units under the 1997 Plan, 1,155,982 deferred shares or deferred stock units under the 2005 Plan, 994,262 performance shares under the 2005 Plan and 91,759 deferred stock units credited to participant accounts under the Directors Plan. Does not include 148,627 outstanding restricted shares granted under the 1997 Plan and 12,096,363 outstanding restricted shares granted under the 2005 Plan.

[3] Weighted average exercise price of outstanding options; excludes deferred shares, deferred stock units, deferred stock rights, performance shares and shares of restricted stock under the 1997 and 2005 Plans, deferred stock units under the Directors Plan and rights to purchase shares under the ESPP.

[4] Represents 154,224,757 shares under the 2005 Plan, 26,350,713 shares under the ESPP (see Note 8 to the Company's consolidated financial statements included in the 2012 Form 10-K and Exhibit 10.10 to the 2012 Form 10-K) and 2,035,673 shares under the Directors Plan.

[5] These plans are the Company's Non-U.S. Employee Stock Purchase Plan (the "Non-U.S. ESPP") (see Note 8 to the Company's consolidated financial statements in the 2012 Form 10-K and Exhibit 10.10 to the 2012 Form 10-K) and the Restoration Plan (see Note 9 to the Company's consolidated financial statements in the Company's 2012 Form 10-K and Exhibit 10.7 to the 2012 Form 10-K).

[6] Includes 219,156 deferred stock units under the Restoration Plan referred to in footnote 5.

[7] Outstanding equity consists solely of rights to purchase shares under the Non-U.S. ESPP and deferred stock units granted under the Restoration Plan; therefore, there is no weighted-average exercise price.

[8] Represents shares available under the Non-U.S. ESPP.

Director Compensation

Our philosophy with respect to director compensation is to align the interests of non-employee directors with the interests of our shareholders. To implement this philosophy, our Corporate Governance Guidelines provide that the annual retainer for non-employee directors must be at least two-thirds equity. The Company presently provides 82% of each director's annual retainer in Company equity. Furthermore, consistent with our Corporate Governance Guidelines, director equity awards stipulate that shares of Company stock must continue to be held until the director retires from the Board or for one year after Board service ends for any reason other than ordinary Board retirement (at or after age 72), death, disability or a change in control of the Company.

Each non-employee director who was a Board member during Fiscal 2012 received an annual retainer of $280,000 as of the date of the 2012 annual meeting, or, in the case of Mr. Vadon, upon joining the Board in September 2012. The retainer was paid in the following manner:

- $230,000 in the form of deferred shares granted under the 2005 Plan; and
- $50,000 in the form of cash or deferred stock units under the Directors Plan, at the election of the director.

The deferred shares and deferred stock units, together with dividend equivalents that accrue thereon, are payable in shares of the Company's common stock following termination of Board service. Director compensation is paid for the twelve-month period commencing with each annual meeting of shareholders. A pro rata portion of annual director compensation is paid to directors who become Board members after the annual meeting as follows: 100% for appointments before the six-month anniversary of the annual meeting, 50% after the six-month but not later than the nine-month anniversary of the annual meeting, and 25% after the nine-month anniversary of the annual meeting.

Each non-employee director who served as Chair of a Board committee also received $10,000, except for the Chair of the Audit Committee, who received $15,000. Board committee Chair retainers were payable in cash or deferred stock units under the Directors Plan, at the election of the director.

In addition to the annual retainers and applicable committee Chair retainers described above, the Lead Director also receives $80,000 in the form of cash or deferred stock units under the Directors Plan. At least 12% of the Lead Director's cash retainers must be paid in the form of deferred stock units under the Directors Plan pursuant to the equity requirement in the Corporate Governance Guidelines, with the remainder paid in the form of cash or deferred stock units under the Directors Plan, at the election of the Lead Director. For Fiscal 2012, our Lead Director elected to receive 100% of her committee Chair retainer and 20% of each of her annual cash Board retainer and Lead Director retainer in deferred stock units under the Directors Plan.

The Company also pays (or provides for reimbursement of) the travel and accommodation expenses of directors and, when requested by the Company, their spouses to attend Board meetings, conduct store visits and participate in other corporate functions.

The Company maintains a program through which it will match up to $10,000 of charitable donations made by each director, including the Chairman, for each calendar year. Mr. Blake's All Other Compensation reported in the Summary Compensation Table includes $10,000 in matching contributions made under the program for Fiscal 2012. The directors do not receive any financial benefit from this program because the charitable deductions accrue solely to the Company. Donations under the program are not made to any charity from which the director (or a party related to the director) directly or indirectly receives compensation.

Director Compensation

The following table sets forth the compensation paid to or earned during Fiscal 2012 by our non-employee directors who served during Fiscal 2012.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)(6)	Option Awards ($)(6)	All Other Compensation ($)(3)	Total ($)
F. Duane Ackerman	65,000	230,000	—	—	295,000
Ari Bousbib	60,000	230,000	—	—	290,000
Gregory D. Brenneman	60,000	230,000	—	—	290,000
J. Frank Brown	50,000	230,000	—	10,000	290,000
Albert P. Carey	50,000	230,000	—	—	280,000
Armando Codina	50,000	230,000	—	—	280,000
Bonnie G. Hill	140,000	230,000	—	8,400	378,400
Karen L. Katen	50,000	230,000	—	—	280,000
Ronald L. Sargent(4)	50,000	230,000	—	—	280,000
Mark Vadon(5)	50,000	230,000	—	10,000	290,000

(1) Fees earned or paid in cash vary because, in addition to the $50,000 annual retainer, they include retainers for Chair and Lead Director positions. Messrs. Ackerman, Bousbib, Brenneman, Brown, Carey, Codina, Sargent and Vadon deferred 100% and Ms. Katen deferred 50% of their annual cash Board retainers under the Directors Plan, which retainers were converted into stock units that are payable in shares of Company common stock following termination of Board service. Messrs. Ackerman and Bousbib and Ms. Hill deferred 100% of their committee Chair retainers, and Ms. Hill deferred 20% of each of her annual cash Board retainer and Lead Director retainer. Dividend equivalents are credited on stock units in the Directors Plan at the same rate, and at the same time, that dividends are paid to shareholders.

(2) Amounts set forth in the Stock Awards column represent the aggregate grant date fair value of awards granted in Fiscal 2012 computed in accordance with FASB ASC Topic 718.

The grant date fair value of the deferred share award granted during Fiscal 2012 is set forth in the following table, computed in accordance with FASB ASC Topic 718 based on the closing stock price on the grant date. There were no deferred share forfeitures by the directors during Fiscal 2012.

Grant Date	Shares (#)	Value ($)	Directors Who Received
05/17/2012	4,892	230,000	Ackerman, Bousbib, Brenneman, Brown, Carey, Codina, Hill, Katen, Sargent
09/20/2012	3,880	230,000	Vadon

(3) Amounts reported reflect matching charitable contributions.

(4) Mr. Sargent resigned from the Board on November 15, 2012.

(5) Mr. Vadon was appointed to the Board on September 20, 2012.

(6) As of the end of Fiscal 2012, our non-employee directors who served during Fiscal 2012 held the following outstanding equity:

Name	Stock Options	Restricted Shares	Deferred Shares	Deferred Stock Units	Shares Owned Outright	Shares Owned Indirectly	Total
F. Duane Ackerman	—	—	49,633	11,560	900	—	62,093
Ari Bousbib	—	—	49,633	12,545	10,000	—	72,178
Gregory D. Brenneman	—	1,332	63,540	24,843	20,000	—	109,715
J. Frank Brown	—	—	11,805	2,566	—	—	14,371
Albert P. Carey	—	—	42,771	4,198	—	—	46,969
Armando Codina	—	—	48,467	10,715	35,650	—	94,832
Bonnie G. Hill	—	1,795	63,540	14,235	2,568	—	82,138
Karen L. Katen	—	—	49,633	10,250	6,500	—	66,383
Ronald L. Sargent[a]	—	—	11,805	—	—	—	11,805
Mark Vadon	—	—	3,898	847	6,095	—	10,840

(a) Amounts for Mr. Sargent reflect only his remaining deferred shares that have not yet been distributed to him pursuant to their terms. Because Mr. Sargent has not been a director since November 15, 2012, he is no longer required to report ownership of any other equity of the Company that he holds.