

DOLLAR TREE INC
Form DEF 14A
May 17, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

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

DOLLAR TREE, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
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 - (3) Filing Party:
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DOLLAR TREE, INC.

500 Volvo Parkway

Chesapeake, Virginia 23320

NOTICE OF

ANNUAL MEETING OF SHAREHOLDERS

to be held on

Thursday, June 17, 2010

To Our Shareholders:

We will hold the annual meeting of shareholders of Dollar Tree, Inc. at The Westin Virginia Beach Town Center, 4535 Commerce Street, Virginia Beach, Virginia 23462 on Thursday, June 17, 2010 at 10:00 a.m. local time. Shareholders will consider and vote on the following:

- Four directors nominated by the Board of Directors;
- Management's proposal to declassify the Board of Directors;
- Management's proposal to increase authorized shares of common stock; and
- Any other business that may properly come before the meeting.

Shareholders of record at the close of business on April 16, 2010 will receive notice of and be allowed to vote at the meeting.

Your vote is important to us. We encourage you to read the attached proxy statement then sign, date and return your proxy card in the enclosed envelope at your earliest convenience. Sending in your proxy card will not prevent you from voting your shares at the meeting, if you desire to do so.

BY ORDER OF THE BOARD OF DIRECTORS

James A. Gorry, III
Corporate Secretary

Chesapeake, Virginia
May 21, 2010

**IMPORTANT NOTICE ABOUT THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 17, 2010**

The Company's proxy statement and annual report to shareholders for the fiscal year ended January 30, 2010 are available at <http://www.dollartreeinfo.com/investors/financial/annuals/>

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INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Dollar Tree's Board of Directors is soliciting your proxy to vote your shares at the annual meeting of shareholders. This proxy statement summarizes the information you need to know to vote at the meeting.

We began mailing these proxy materials on or about May 21, 2010 to all shareholders entitled to vote. The Dollar Tree 2009 Annual Report, which includes our financial statements, is being sent with this proxy statement.

The principal executive offices of Dollar Tree are located at, and our mailing address is, 500 Volvo Parkway, Chesapeake, Virginia, 23320; telephone: (757) 321-5000.

When and where is the annual meeting?

As shown in the Notice of Annual Meeting, the 2010 annual meeting of shareholders of Dollar Tree, Inc. will be held on Thursday, June 17, 2010, at The Westin Virginia Beach Town Center, 4535 Commerce Street, Virginia Beach, Virginia 23462 at 10:00 a.m. local time.

Who is entitled to vote at the meeting?

You are entitled to vote if you were a shareholder of record of our common stock as of the close of business on April 16, 2010. Holders of record have one vote for each share held at the close of business. At that time, there were 84,784,838 shares of Dollar Tree, Inc. common stock outstanding. Votes will be tabulated by our transfer agent, Computershare.

What is the difference between a shareholder of record and a beneficial owner of shares held in street name?

If your shares are registered directly in your name with the Company's transfer agent, Computershare, you are a shareholder of record. If your shares are held in an account at a brokerage firm, bank, or similar institution, then you are the beneficial owner of shares held in street name. The institution holding your account is considered the shareholder of record for purposes of voting at the annual meeting. As the beneficial owner, you have the right to instruct the institution on how to vote the shares held in your account.

How can I cast my vote?

Shareholder of Record

If you are a shareholder of record, you may vote in person at the annual meeting, vote by proxy using the enclosed proxy card or vote over the telephone or the Internet.

- To vote in person, we will give you a ballot to vote your shares when you arrive at the meeting.
- To vote using the enclosed proxy card, simply complete, sign, date and return it promptly in the envelope provided. If you send more than one proxy card, then your shares will be voted in accordance with the proxy card bearing the latest date.
- To vote by Internet, go to www.investorvote.com/DLTR and follow the steps outlined on the secured website.
- To vote by telephone, dial toll free, 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. Follow the instructions provided by the recorded message.

Beneficial Owner

- To vote using the enclosed proxy card, simply complete, sign, date and return it promptly in the envelope provided. If you send more than one proxy card, then your shares will be voted in accordance with the proxy card bearing the latest date.
- To vote by Internet, go to www.proxyvote.com and follow the steps outlined on the secured website.
- To vote by telephone, dial toll free, 1-800-579-1639 (please note that beneficial shareholders may receive a different number based on their broker).

Shareholders who own their shares in street name are not able to vote at the annual meeting unless they have a proxy, executed in their favor, from the holder of record of their shares.

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What are the Board's voting recommendations?

The Board recommends that you vote your shares:

- FOR re-electing four members of the Board as Class III directors;
- FOR approving management's proposal to declassify the Board of Directors; and
- FOR approving management's proposal to increase the authorized shares of common stock.

Can I change my voting instructions before the meeting?

You may revoke your proxy by sending in a signed proxy card with a later date, providing subsequent telephone or Internet voting instructions, providing a written notice of revocation to the Corporate Secretary of Dollar Tree, Inc. prior to the annual meeting or attending the annual meeting to cast your vote in person.

What constitutes a quorum requirement?

A quorum is necessary for the transaction of business at the annual meeting. A quorum exists when holders of a majority of the total number of issued and outstanding shares of common stock that are entitled to vote at the annual meeting are present in person or by proxy.

Who will count the votes?

A representative of Computershare, our transfer agent, will act as the Inspector of Election, determine the presence of a quorum and tabulate the votes.

What is the effect of abstentions and broker non-votes?

The inspector will treat valid proxies marked "abstain" or proxies required to be treated as broker non-votes as present for purposes of determining whether there is a quorum at the annual meeting. A broker non-vote occurs when a broker or nominee holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because the broker or nominee does not have discretionary voting power and has

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not received instructions from the beneficial owner of the shares. Abstentions with respect to any matter will have the same effect as a vote against that proposal.

Brokers may vote on routine matters but do not have discretionary power to vote your shares on non-routine matters unless the broker receives appropriate instructions from you. The election of directors is considered a non-routine matter. Due to recent rule changes, brokers will no longer be able to vote your shares with respect to the election of directors if you have not provided instructions. Therefore, we strongly urge you to vote your shares.

If I share an address with another shareholder and we receive only one paper copy of proxy materials, how can I obtain an additional copy of proxy materials?

In some cases, only one proxy statement is being delivered to multiple shareholders sharing an address unless we have received contrary instructions from one or more of the shareholders. Upon written or oral request, we will deliver a separate copy of the proxy statement to a shareholder at a shared address to which a single copy of the proxy statement was delivered. You can notify our Corporate Secretary at our address on page 1 that you wish to receive a separate copy of the proxy statement in the future, or alternatively, that you wish to receive a single copy of the materials instead of multiple copies. Each shareholder will receive voting instructions relative to their individual holdings, regardless of a shared address.

How can I obtain an additional proxy card?

If you lose, misplace or otherwise need to obtain a proxy card and you are a shareholder of record, you should contact Computershare at 1-800-622-6757 (US, Canada, Puerto Rico) or 781-575-4735 (non-US).

If you hold your shares of common stock in street name and therefore are not a shareholder of record, contact your account representative at the broker, bank or similar institution through which you hold your shares.

Where and when will I be able to find the voting results?

You can find the official voting results on our Form 8-K within four business days after the annual meeting.

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Who pays for the costs of the proxy solicitations?

The cost of soliciting proxies will be borne by us. Proxies may be solicited by officers, directors and regular employees of our company or our affiliates, none of whom will receive any additional compensation for their services. Such solicitations may be made personally, or by mail, facsimile, telephone, telegram or messenger. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy material and annual reports to the beneficial owners of shares in accordance with the schedule of charges approved by the National Association of Securities Dealers, Inc. We have retained Georgeson Inc. to assist with the solicitation of proxies for a fee not to exceed \$20,000, plus reimbursement for out-of-pocket expenses.

PROPOSAL NO. 1- ELECTION OF DIRECTORS

Directors and Nominees

Our Board of Directors is currently divided into three staggered classes for purposes of election. One class is elected at each annual meeting of shareholders to serve for a three-year term. Our current by-laws provide for twelve directors.

In August 2009, the Board of Directors unanimously voted to recommend at the 2010 annual meeting an amendment to Dollar Tree's Articles of Incorporation to declassify the Board. If our shareholders approve the proposed amendment, directors who have been elected to three-year terms prior to the effectiveness of the amendment, including directors elected at the 2010 meeting, will complete those terms. Beginning with the 2011 meeting, directors whose previous terms are expiring will be subject to election for a one-year term expiring at the next annual meeting.

At the 2010 annual meeting of shareholders, the terms of the following Class III directors are expiring: H. Ray Compton, Lemuel E. Lewis, and Bob Sasser. The Board proposes to nominate these three directors to be re-elected as Class III directors at the 2010 annual meeting of shareholders. Also at this year's meeting, our newly appointed Class III director, Conrad M. Hall, is required to stand for election. The Board originally appointed Mr. Hall to his seat on January 14, 2010. If so elected, the four Class III directors will hold office for a three-year term expiring at the annual meeting of shareholders held in 2013.

All other directors will continue in office following this annual meeting and their terms will expire in either 2011 (Class I) or 2012 (Class II). Provided that our shareholders approve the management proposal to amend the Articles of Incorporation to eliminate the classified structure, the entire Board will be elected annually beginning with the 2013 annual meeting.

The nominees have indicated their willingness to serve as directors. If a nominee becomes unable to stand for re-election, the persons named in the proxy will vote for any substitute nominee proposed by the Board of Directors.

Vote Required

Our directors are elected by a plurality vote. The four nominees at the 2010 Annual Meeting of Shareholders receiving the greatest number of votes cast will be elected. Shares held by brokers that are not voted in the election of directors will have no effect. In addition, we have adopted a corporate governance policy requiring each director-nominee to submit a resignation letter if he or she does not receive a majority of the votes cast. See page 16 for more on this policy.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR
EACH OF THE NOMINEES FOR DIRECTOR.**

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INFORMATION CONCERNING NOMINEES, DIRECTORS AND EXECUTIVE OFFICERS

Nominees

H. Ray Compton

Private investor; corporate director

Member of the Nominating and Corporate Governance Committee;

Member of the Compensation Committee

Class III director

Mr. Compton, age 67, has been a director since 1986. Mr. Compton was Executive Vice President from 1998 to 2002 and Chief Financial Officer from 1986 to 1998. He retired as a full-time employee in 2002 and became fully retired in 2004. From 1979 until 1991, he was employed in similar roles with K&K Toys, Inc. Prior to 1979, he was associated for 15 years with a manufacturing company in various accounting and management positions.

Having served as a director for almost twenty-five years and a former Chief Financial Officer, Mr. Compton brings to the Board a deep understanding of the company's history and unique business model. In addition, Mr. Compton's extensive experience in management, finance and accounting, coupled with his past service as Chairman of the Audit Committee for Hibbett Sports, Inc., is a vital asset to our Board.

Mr. Compton has been a director of Dollar Tree since 1986. He previously served on the Board of Hibbett Sports, Inc. from 1997 to 2005.

Conrad M. Hall

Private investor; corporate director

Class III director

Mr. Hall, age 66, served as the President and Chief Executive Officer of Dominion Enterprises, a leading media and marketing information services company from 2006 until his retirement in January 2009. Prior to 2006, he served as the President and Chief Executive Officer of Trader Publishing Company since April 1991. From 1989 to 1991, he served as the President of Landmark Target Media, Inc. Mr. Hall joined Landmark Communications, Inc. in 1970 where he held various senior positions, including Executive Vice President and Chief Financial Officer from 1985 to 1989. He also served as the Vice President of The Virginian-Pilot and The Ledger-Star division of Landmark from 1977 to 1981.

Mr. Hall's experience as a former Chief Executive Officer and his demonstrated success in new business development will be of immense value to the Board, especially as we continue to evaluate growth opportunities. He also brings to the Board thirty years of operational expertise, extensive experience in information technology, strategic planning, human resources, and a solid financial background.

Mr. Hall became a director of Dollar Tree in January 2010. He previously served as a director for Dominion Enterprises and Landmark Communications, Inc. from 2006 through 2009. He also served on the Board of Trader Publishing Company from 1991 through 2006.

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<p>Lemuel E. Lewis</p> <p>Private investor; corporate director</p> <p>Member of the Audit Committee</p> <p>Class III director</p>	<p>Mr. Lewis, age 63, served as the Executive Vice President and Chief Financial Officer of Landmark Communications, Inc. from 2000 until his retirement in 2006. From 1981 to 2000, he held several other senior positions with Landmark Communications. He has been the Chairman of the Board for the Federal Reserve Bank of Richmond since 2008 and was the Chairman of its Audit Committee from 2005 to 2008.</p> <p>Mr. Lewis brings to the Board many years of experience in accounting, finance, human resources, mergers and acquisitions, and business unit operations. The Board also benefits from his valuable financial experience as a former Chief Financial Officer and his service on other Boards, including the Audit Committee of Markel Corporation. In addition, our Board has determined that Mr. Lewis qualifies as an Audit Committee financial expert.</p> <p>Mr. Lewis became a director of Dollar Tree in July 2007. He also serves on the Board of Markel Corporation. He previously served on the Board of Landmark Communications from 2006 through 2008.</p>
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<p>Bob Sasser</p> <p>President and Chief Executive Officer</p> <p>Dollar Tree, Inc.</p> <p>Class III director</p>	<p>Mr. Sasser, age 58, has been Chief Executive Officer since 2004 and President since 2001. He had been Dollar Tree's Chief Operating Officer from 1999 to 2004. Previously, from 1997 to 1999, he served as Senior Vice President, Merchandise and Marketing of Roses Stores, Inc. From 1994 to 1996, he was Vice President, General Merchandise Manager for Michaels Stores, Inc. Prior to 1994, he held several positions at Roses Stores, Inc., ranging from Store Manager to Vice President, General Merchandise Manager.</p> <p>Mr. Sasser's demonstration of outstanding leadership skills, business acumen, commitment to excellence, and his major contributions to the company's growth and success as the Chief Executive Officer of Dollar Tree, provides essential insight and guidance to our Board. In addition, the Board benefits from Mr. Sasser's thirty-seven years of retail experience.</p> <p>Mr. Sasser was elected to our Board in 2004.</p>
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Other Directors

<p>Arnold S. Barron</p> <p>Private Investor; corporate director</p>	<p>Mr. Barron, age 62, was the Senior Executive Vice President, Group President of The TJX Companies, Inc. from 2004 until his retirement in January 2009. His employment with The TJX Companies began in 1979. He held the positions of Executive Vice President, Chief Operating Officer, The Marmaxx Group</p>
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Member of the Compensation Committee

(2000-2004), Senior Vice President, Group Executive, TJX (1996-2000), Senior Vice President, General Merchandising Manager, T.J. Maxx (1993-1996). From 1979 to 1993, he held several other executive positions within The TJX Companies, Inc.

Class II director

With more than thirty years of experience in senior management, operations and retail merchandising, Mr. Barron brings a tremendous combination of skills and experience spanning areas key to our business.

Mr. Barron became a director of Dollar Tree in March 2008. He also serves on the Board of rue21, inc.

Class II director

Dr. Zeithaml became a director of Dollar Tree in July 2007.

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Macon F. Brock, Jr.

Chairman

Dollar Tree, Inc.

Class I director

Mr. Brock, age 68, has been Chairman of the Board since 2001 and a director since 1986. He served as the Chief Executive Officer from 1993 to 2003. From 1986, when he co-founded Dollar Tree, until 2001, he served as President. Until 1991, he was an officer and director of K&K Toys, Inc.

As the company's co-founder, Chairman of the Board and former Chief Executive Officer, Mr. Brock brings to our Board an intimate knowledge of our business and operations coupled with extensive experience in executive management. His service on the Board also ensures that the Company's unique culture and historical commitment to the core values of its customers is preserved. The Board also benefits from his service on the Board and Committees of other public companies.

Mr. Brock has served on our Board since 1986. He also serves on the Board of Lumber Liquidators, Inc. and rue21, inc. He previously served on the Board of Landmark Communications from 2004 through 2009.

Mary Anne Citrino

Senior Managing Director,
Corporate Advisory Services

The Blackstone Group

Member of the Audit Committee

Class I director

Ms. Citrino, age 51, has been the Senior Managing Director in the Corporate Advisory Services group at The Blackstone Group, a global investment and advisory firm, since 2005. Previously, Ms. Citrino was employed at Morgan Stanley for over 20 years. During her years there, she served as the Global Head of Consumer Products Investment Banking, Co-Head of Health Care Services Investment Banking, and a Mergers and Acquisitions Analyst.

With more than twenty years of experience in investment banking, extensive experience in mergers and acquisitions, together with her competence in critical financial analysis and successful record in a variety of business dealings, Ms. Citrino brings essential skills and a unique perspective to the Board.

Ms. Citrino was appointed as a director of Dollar Tree in 2005. She also serves on the Board of Health Net, Inc.

Richard G. Lesser

Private investor; corporate director

Chairman of the Compensation Committee;

Member of the Nominating and Corporate Governance Committee

Class I director

Mr. Lesser, age 75, was Senior Corporate Adviser of the TJX Companies, Inc. from 2002 until his retirement in January 2005. He was Executive Vice President from 1991 to 2001 and Chief Operating Officer from 1994 to 1999. He was President of its Marmaxx Division (TJ Maxx and Marshalls) from 1995 to 2001. From 1981 to 1993, he held various executive positions within The TJX Companies, Inc.

Mr. Lesser's distinguished career, three decades of retail industry experience, together with his past service on the Board and Committees of other large public retail companies, brings a wealth of industry experience and valuable insight to our Board.

Mr. Lesser has been a Dollar Tree director since 1999. He previously served on the Board of Directors of The TJX Companies, Inc. from 1995 through 2007, A.C. Moore Arts & Crafts, Inc. from 1993 through 2007 and Reebok International Ltd. from 1988 through 2005.

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<p>Thomas E. Whiddon</p> <p>Private investor;</p> <p>Advisory Director, Berkshire Partners, LLC</p> <p>Chairman of the Audit Committee</p> <p>Class I director</p>	<p>Mr. Whiddon, age 57, is an Advisory Director of Berkshire Partners, LLC (a private equity firm), and as such, has served in interim executive operating roles for various Berkshire portfolio companies since 2005. Previously, he was Executive Vice President of Lowe's Companies, Inc. from 1996 until his retirement in 2003. During this time, he served as Executive Vice President of Logistics and Technology from 2000 to 2003 and Executive Vice President, Chief Financial Officer from 1996 to 2000. Prior to his tenure at Lowe's, he served as the Chief Financial Officer and Treasurer of Zale Corporation from 1994 to 1996. From 1986 to 1993, he served as the Treasurer of Eckerd Corporation.</p> <p>Having served as Chief Financial Officer and Treasurer of successful large public retail companies, coupled with his many years of experience in public accounting, Mr. Whiddon brings to our Board extensive financial expertise. In addition, our Board has determined that Mr. Whiddon qualifies as an Audit Committee financial expert. His service on the Board and a number of Committees of Carter's Inc. and Sonoco Products Company, Inc. further enhances his contributions to our Board. He also brings a fresh perspective to Dollar Tree's logistics and technology focus.</p> <p>Mr. Whiddon has been a member of our Board since 2003. He currently serves as a director of Sonoco Products Company, Inc. and Carter's Inc.</p>
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Executive Officers

(Other than those listed above)

<p>Kevin S. Wampler</p> <p>Chief Financial Officer</p> <p>Dollar Tree, Inc.</p>	<p>Mr. Wampler, age 47, has been the Chief Financial Officer since December 2008. Prior to joining Dollar Tree, he served as Executive Vice President, Chief Financial Officer and Assistant Secretary for The Finish Line, Inc. from October 2003 to November 2008. Mr. Wampler held various other senior positions during his fifteen-year career at The Finish Line, including Senior Vice President, Chief Accounting Officer and Assistant Secretary from 2001 to 2003. Mr. Wampler, a Certified Public Accountant, was employed by Ernst and Young LLP from 1986 to 1993.</p>
<p>Gary M. Philbin</p> <p>Chief Operating Officer</p> <p>Dollar Tree, Inc.</p>	<p>Mr. Philbin, age 53, became Chief Operating Officer in March 2007. He previously served as our Senior Vice President of Stores since December 2001. He joined Dollar Tree from Grand Union, a New Jersey based grocery-store chain, where he held a number of positions including Chief Executive Officer prior to the company's sale to C&S Wholesale Grocers. Prior to Grand Union, from 1996-1997, Mr. Philbin was the Executive Vice President of Operations and Merchandising for Cub Foods, a division of</p>

SuperValu. From 1993 to 1996, Mr. Philbin held the position of Senior Vice President of Merchandising for Waldbaum's, a division of A&P. He also held various positions in Store Operations and Merchandising over his twenty-year career with the Kroger Company, beginning in 1973.

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Robert H. Rudman Chief Merchandising Officer Dollar Tree, Inc.	Mr. Rudman, age 59, has been Chief Merchandising Officer since June 2003. Prior to joining Dollar Tree, he served as President/CEO and minority shareholder of Horizon Group USA from 2000. From 1996 to 2000, Mr. Rudman was President/CEO of his own consulting company, VQ International Inc. From 1991 until 1996, Mr. Rudman was Executive Vice President/Chief Merchandise Officer of Michaels Stores. Prior to joining Michaels, Mr. Rudman served in a number of positions in a wide variety of retail formats, gaining the majority of his experience in merchandise and marketing.
Stephen W. White Chief Logistics Officer Dollar Tree, Inc.	Mr. White, age 55, has been Chief Logistics Officer since April 2003. He was the Senior Vice President of Logistics from 1999 to 2003, Vice President of Logistics from 1995 to 1999 and Director of Transportation and Distribution from 1994 to 1995. Prior to joining Dollar Tree, he served as Director of Transportation and held various other positions at Ames Department Stores from 1986 to 1994. Prior to Ames, he held several transportation and supply chain positions with a number of companies, including Shell Oil Company and Eastern Airlines.

Mr. Brock is married to Mr. Perry's sister. There are no additional family relationships among the directors and executive officers.

HOW NOMINEES TO OUR BOARD ARE SELECTED

Candidates for election to our Board of Directors are nominated by our Nominating and Corporate Governance Committee and ratified by our full Board of Directors for consideration by the shareholders. The Nominating and Corporate Governance Committee operates under a charter, which is available on our corporate website at <http://www.dollartreeinfo.com/investors/corporate/>. You will find the charter of the committee and the charters of all of our other Board committees under the heading "Corporate Governance" in the Investor Relations section of the site. A copy of the charter is available to all shareholders upon request, addressed to our Corporate Secretary at the address on page 1. All members of the committee are independent under the standards established by the NASDAQ Stock Market.

Our Nominating and Corporate Governance Committee will consider candidates recommended by shareholders. Shareholders may recommend candidates for Nominating and Corporate Governance Committee consideration by submitting such recommendation using the methods described under the "Shareholder Nominations for Election of Directors" section on page 10 and "Communicating with our Board Members" on page 17. In making recommendations, shareholders should be mindful of the discussion of minimum qualifications set forth in the following paragraph. Although a recommended individual may meet the minimum qualification standards, it does not imply that the Nominating and Corporate Governance Committee necessarily will nominate the person so recommended by a shareholder.

In evaluating candidates for election to the Board, our Nominating and Corporate Governance Committee shall take into account the qualifications of the individual candidate as well as the composition of the Board as a whole.

Among other things, the Committee shall consider:

- the candidate's ability to help the Board create shareholder value,
- the candidate's ability to represent the interests of shareholders,
- the business judgment, experience and acumen of the candidate,
- the need of the Board for directors having certain skills and experience,
- other business and professional commitments of the candidate, and
- the number of other boards on which the candidate serves, including public and private company boards.

Our Nominating and Corporate Governance Committee does not have a written diversity policy, however, it does give consideration to potential candidates who would represent diversity on the Board with respect to professional background, experience, expertise, age, gender, and ethnicity.

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Our Nominating and Corporate Governance Committee identifies nominees in a number of ways. One method is the recommendation of a current member of the Board, who personally knows and has an understanding of the qualifications of a proposed nominee. A second method is an awareness of persons who are successful in business, whether personally known to a member of the Board or not. We may contact such persons from time to time to ask whether they would be willing to serve. If they are willing, then the Nominating and Corporate Governance Committee conducts significant amounts of due diligence to ensure that a nominee possesses the qualifications, qualities and skills outlined above. The Nominating and Corporate Governance Committee also from time to time engages search firms to assist the committee in identifying potential Board nominees, and we pay such firms a fee for conducting such searches. As mentioned above, our Nominating and Corporate Governance Committee will consider recommendations from shareholders on the same basis as other candidates.

Shareholder Nominations for Election of Directors

Shareholders generally can nominate persons to be directors by following the procedures set forth in our bylaws. In short, these procedures require the shareholder to deliver a written notice containing certain required information in a timely manner to our Corporate Secretary at the address on page 1. To be timely, the notice must be sent either by personal delivery or by United States certified mail, postage prepaid, and received no later than 120 days in advance of the anniversary date of the proxy statement for the previous year's annual meeting. If no annual meeting was held in the previous year, or the date of the applicable annual meeting has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, notice must be sent not less than 90 days before the date of the applicable annual meeting. The notice must contain the information required by our bylaws about the shareholder proposing the nominee and about the nominee. A copy of our bylaws can be found online at <http://www.dollartreeinfo.com/investors/corporate/>.

Each shareholder's notice to the Corporate Secretary must include:

- the name and address of record of the shareholder who intends to make the nomination;
- a representation that the shareholder is a shareholder of record of our company's capital stock and intends to appear in person or by proxy at such meeting to nominate the person or persons specified in the notice;
- the class and number of shares of our capital stock beneficially owned by the shareholder; and
- a description of all arrangements or understandings between such shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such shareholder.

For each person nominated, the notice to the Corporate Secretary must also include:

- the name, age, business address and, if known, residence address, of the nominee;
- his or her principal occupation or employment;

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- the class and number of shares of our capital stock beneficially owned by such person;
- any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors or is otherwise required by the rules and regulations of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended; and
- the written consent of such person to be named in the proxy statement as a nominee and to serve as a director if elected.

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INFORMATION ABOUT THE BOARD OF DIRECTORS

Director Compensation

Director compensation is established by the Board of Directors and periodically reviewed. Beginning with the June 2008 Annual Shareholder Meeting, the Board determined that each non-employee director that is, every director other than Macon Brock and Bob Sasser - will receive an annual retainer of \$100,000, payable quarterly in advance. In addition, the Audit Committee chair will receive \$15,000 and Audit Committee members will receive \$10,000; the other committee chairs and committee members will receive \$7,500 and \$5,000, respectively. The Lead Director will receive an additional \$10,000. The Board may also authorize additional fees for ad hoc committees, if any. Fees are paid quarterly in advance. We do not offer non-equity incentives or pension plans to non-employee directors.

Under our shareholder-approved 2003 Director Deferred Compensation Plan (DDCP), directors may elect to defer receipt of all or a portion of their board and committee fees to be paid at a future date in either cash or shares of common stock, or to defer all or a portion of their fees into non-statutory stock options. Deferral elections must be made by December 31 for the deferral of fees in the next calendar year and must state the amount or portion of fees to be deferred; whether and to what extent fees are to be deferred in cash or shares or paid in the form of options; in the case of deferral into cash or shares, whether the pay out shall be in installments or lump sum; and the date on which such pay out will commence. In the case of deferrals into options, the number of options to be credited is calculated by dividing the deferred fees by 33% of the closing price on the first day of each calendar quarter, which is the date of grant. The options bear an exercise price equal to the closing price on the date of grant and are immediately exercisable. Deferrals into cash or stock are recorded in unfunded and unsecured book-entry accounts. Deferred shares to be credited are calculated by dividing the deferred fees by the closing price on the first day of each calendar quarter. If cash dividends are declared, deferred share accounts are credited with a corresponding number of deferred shares, based on the market price on the dividend date. In the case of deferrals into a deferred cash account, interest is credited to the account at the beginning of each quarter based on the 30-year Treasury Bond rate then in effect (an average of 4.11% in 2009). See the Director's Compensation Table below for a description of deferrals in the current fiscal year.

In 2007, the Board instituted a guideline requiring directors to hold Dollar Tree stock, not including stock options, equal to at least \$100,000 in value, measured as of the date the stock was acquired, within four years of election by the shareholders. As of April 16, 2010, all of our directors owned shares in excess of this amount.

In 2005, we entered into a consulting agreement with Mr. Perry that provides for annual fees of \$30,000 to be paid to him and ensure his eligibility in our group health plans at his cost. The agreement generally allows for termination by either of the parties upon thirty days' written notice, except that if an agreement is terminated in connection with a change of control, the company is obligated to pay fees for the remainder of the consultant's life.

Mr. Compton, who retired as a part-time employee in 2004 and as a full-time employee in 2002, has a post-retirement benefit agreement that provides for \$30,000 to be paid to him annually and allows him to participate in our group health plans at his cost. Mr. Compton does not provide advisory services to the Company.

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The following table shows compensation paid to each person who served as a director during fiscal year 2009. (Bob Sasser's compensation information can be found on page 25 of this document).

Name	Fees Earned or Paid in Cash (\$)(1)	All Other Compensation (\$)(2)	Total (\$)
Arnold S. Barron	\$ 105,000	\$ 0	\$ 105,000
Macon F. Brock, Jr.	0	588,123	588,123
Mary Anne Citrino	108,750	0	108,750
H. Ray Compton	108,750	30,000	138,750
Conrad M. Hall (3)	0	0	0
Richard G. Lesser	112,500	0	112,500
Lemuel E. Lewis	110,000	0	110,000
J. Douglas Perry	100,000	30,000	130,000
Thomas A. Saunders III	116,875	0	116,875
Eileen R. Scott (3)	27,500	0	27,500
Thomas E. Whiddon	115,000	0	115,000
Alan L. Wurtzel (3)	29,375	0	29,375
Carl P. Zeithaml	105,000	0	105,000

(1) This column shows amounts earned for retainers and fees, including fees paid for service on standing and ad hoc committees, not reduced for deferrals.

(2) This column includes a post-retirement benefit paid to Mr. Compton and consulting fees paid to Mr. Perry, as more fully described in the narrative accompanying this table. In addition, see "Certain Relationships and Related Transactions" on page 35 of this proxy. This column also includes compensation paid to Mr. Brock, Chairman of the Board, for his services as an executive rather than a director. His overall compensation includes: base salary in the amount of \$200,000; grant date fair market value in the amount of \$348,480 for 8,000 performance-based restricted stock units granted on April 1, 2009; perquisites in the amount of \$23,279; and profit sharing in the amount of \$16,364.

(3) Mr. Hall joined our Board of Directors in January 2010 and therefore did not receive fees for fiscal 2009. Mr. Wurtzel retired from the Board in June 2009 and Ms. Scott did not stand for re-election in June 2009.

