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

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended May 4, 2013**

OR

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

For the Transition period from ________ to _________

**Commission file number 1-11084**

# KOHL'S CORPORATION

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Wisconsin** | **39-1630919** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin** | **53051** |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code **(262) 703-7000**

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark 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 a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: June 1, 2013 Common Stock, Par Value $0.01 per Share, 221,470,296 shares outstanding.

**KOHL'S CORPORATION**
**INDEX**

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**KOHL'S CORPORATION**
**CONSOLIDATED BALANCE SHEETS**
**(In Millions)**

| | May 4, 2013 | February 2, 2013 | April 28, 2012 |
|---|---|---|---|
| **Assets** | (Unaudited) | (Audited) | (Unaudited) |
| Current assets: | | | |
| Cash and cash equivalents | **$ 518** | $ 537 | $ 1,029 |
| Merchandise inventories | **3,961** | 3,748 | 3,454 |
| Deferred income taxes | **138** | 122 | 119 |
| Other | **294** | 312 | 277 |
| Total current assets | **4,911** | 4,719 | 4,879 |
| Property and equipment, net | **8,822** | 8,872 | 8,961 |
| Long-term investments | **58** | 53 | 156 |
| Other assets | **259** | 261 | 266 |
| Total assets | **$ 14,050** | $ 13,905 | $ 14,262 |
| **Liabilities and Shareholders' Equity** | | | |
| Current liabilities: | | | |
| Accounts payable | **$ 1,452** | $ 1,307 | $ 1,609 |
| Accrued liabilities | **1,023** | 986 | 1,132 |
| Income taxes payable | **117** | 137 | 80 |
| Current portion of capital lease and financing obligations | **107** | 105 | 98 |
| Total current liabilities | **2,699** | 2,535 | 2,919 |
| Long-term debt | **2,492** | 2,492 | 2,141 |
| Capital lease and financing obligations | **1,938** | 1,956 | 2,008 |
| Deferred income taxes | **368** | 362 | 421 |
| Other long-term liabilities | **532** | 512 | 473 |
| Shareholders' equity: | | | |
| Common stock | **4** | 4 | 4 |
| Paid-in capital | **2,463** | 2,454 | 2,359 |
| Treasury stock, at cost | **(7,354)** | (7,243) | (6,284) |
| Accumulated other comprehensive loss | **(40)** | (45) | (50) |
| Retained earnings | **10,948** | 10,878 | 10,271 |
| Total shareholders' equity | **6,021** | 6,048 | 6,300 |
| Total liabilities and shareholders' equity | **$ 14,050** | $ 13,905 | $ 14,262 |

See accompanying Notes to Consolidated Financial Statements

**KOHL'S CORPORATION**
**CONSOLIDATED STATEMENTS OF INCOME**
**(Unaudited)**
**(In Millions, Except per Share Data)**

| | Three Months Ended | |
|---|---|---|
| | May 4, 2013 | April 28, 2012 |
| Net sales | $ 4,199 | $ 4,243 |
| Cost of merchandise sold (exclusive of depreciation shown separately below) | 2,671 | 2,719 |
| Gross margin | 1,528 | 1,524 |
| Operating expenses: | | |
| Selling, general, and administrative | 997 | 1,002 |
| Depreciation and amortization | 214 | 201 |
| Operating income | 317 | 321 |
| Interest expense, net | 83 | 82 |
| Income before income taxes | 234 | 239 |
| Provision for income taxes | 87 | 85 |
| Net income | $ 147 | $ 154 |
| Net income per share: | | |
| Basic | $ 0.66 | $ 0.63 |
| Diluted | $ 0.66 | $ 0.63 |
| Dividends declared and paid per share | $ 0.35 | $ 0.32 |

See accompanying Notes to Consolidated Financial Statements

**KOHL'S CORPORATION**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Unaudited)**
**(In Millions)**

| | Three Months Ended | |
|---|---|---|
| | May 4, 2013 | April 28, 2012 |
| Net income | $ 147 | $ 154 |
| Other comprehensive income, net of tax: | | |
| Unrealized gains on investments | 4 | 2 |
| Reclassification adjustment for interest expense on interest rate derivative included in net income | 1 | 1 |
| Other comprehensive income | 5 | 3 |
| Comprehensive income | $ 152 | $ 157 |

See accompanying Notes to Consolidated Financial Statements

**KOHL'S CORPORATION**
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**(Unaudited)**
**(In Millions, Except per Share Data)**

| | Common Stock | | Paid-In | Treasury Stock | | Accumulated Other | Retained | |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Capital | Shares | Amount | Comprehensive Loss | Earnings | Total |
| Balance at February 2, 2013 | 360 | $ 4 | $ 2,454 | (138) | $ (7,243) | $ (45) | $ 10,878 | $ 6,048 |
| Comprehensive income | — | — | — | — | — | 5 | 147 | 152 |
| Stock options and awards | 1 | — | 18 | — | — | — | — | 18 |
| Net income tax impact from stock-based compensation | — | — | (9) | — | — | — | — | (9) |
| Dividends paid ($0.35 per common share) | — | — | — | — | 1 | — | (77) | (76) |
| Treasury stock purchases | — | — | — | (2) | (112) | — | — | (112) |
| Balance at May 4, 2013 | 361 | $ 4 | $ 2,463 | (140) | $ (7,354) | $ (40) | $ 10,948 | $ 6,021 |

See accompanying Notes to Consolidated Financial Statements

# KOHL'S CORPORATION
## CONSOLIDATED STATEMENTS OF CASH FLOWS
## (Unaudited)
## (In Millions)

| | Three Months Ended | |
|---|---|---|
| | **May 4, 2013** | **April 28, 2012** |
| **Operating activities** | | |
| Net income | **$ 147** | $ 154 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | **214** | 201 |
| Share-based compensation | **9** | 12 |
| Excess tax benefits from share-based compensation | **(1)** | (1) |
| Deferred income taxes | **(13)** | (14) |
| Other non-cash revenues and expenses | **11** | (1) |
| Changes in operating assets and liabilities: | | |
| Merchandise inventories | **(210)** | (236) |
| Other current and long-term assets | **21** | 17 |
| Accounts payable | **145** | 376 |
| Accrued and other long-term liabilities | **11** | (37) |
| Income taxes | **(29)** | (54) |
| Net cash provided by operating activities | **305** | 417 |
| **Investing activities** | | |
| Acquisition of property and equipment | **(135)** | (177) |
| Sales of investments in auction rate securities | **1** | 1 |
| Other | **11** | — |
| Net cash used in investing activities | **(123)** | (176) |
| **Financing activities** | | |
| Treasury stock purchases | **(109)** | (325) |
| Dividends paid | **(77)** | (77) |
| Proceeds from financing obligations | **—** | 3 |
| Capital lease and financing obligation payments | **(24)** | (27) |
| Proceeds from stock option exercises | **8** | 8 |
| Excess tax benefits from share-based compensation | **1** | 1 |
| Net cash used in financing activities | **(201)** | (417) |
| Net decrease in cash and cash equivalents | **(19)** | (176) |
| Cash and cash equivalents at beginning of period | **537** | 1,205 |
| Cash and cash equivalents at end of period | **$ 518** | $ 1,029 |
| **Supplemental information:** | | |
| Interest paid, net of capitalized interest | **$ 61** | $ 52 |
| Income taxes paid | **128** | 155 |
| **Non-Cash Investing and Financing Activities** | | |
| Property and equipment acquired through additional liabilities | **$ 23** | $ 27 |

See accompanying Notes to Consolidated Financial Statements

## 1. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for fiscal year end financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the financial statements and related footnotes included in our Form 10-K for the fiscal year ended February 2, 2013 (Commission File No. 1-11084) as filed with the Securities and Exchange Commission on March 22, 2013.

Due to the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year. In addition, quarterly results of operations may be impacted by the timing and amount of sales and costs associated with the opening of new stores.

We operate as a single business unit.

To conform to the current year presentations, we have corrected the presentation of $30 million of deferred revenues that were previously recorded as a reduction to merchandise inventory as of April 28, 2012.

## 2. Debt

Long-term debt consists of the following non-callable and unsecured senior debt:

| | May 4, 2013 and February 2, 2013 | | April 28, 2012 | |
|---|---|---|---|---|
| Maturing | Effective Rate | Outstanding | Effective Rate | Outstanding |
| | (Dollars in Millions) | | | |
| 2017 | **6.31%** | **$ 650** | 6.31% | $ 650 |
| 2021 | **4.81%** | **650** | 4.81% | 650 |
| 2023 | **3.25%** | **350** | — | — |
| 2029 | **7.36%** | **200** | 7.36% | 200 |
| 2033 | **6.05%** | **300** | 6.05% | 300 |
| 2037 | **6.89%** | **350** | 6.89% | 350 |
| Total senior debt | **5.63%** | **2,500** | 6.01% | 2,150 |
| Unamortized debt discount | | **(8)** | | (9) |
| Long-term debt | | **$ 2,492** | | $ 2,141 |

## 3. Fair Value Measurements

ASC No. 820, "Fair Value Measurements and Disclosures," requires fair value measurements be classified and disclosed in one of the following pricing categories:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

The following table summarizes our financial instruments:

| | Pricing Category | May 4, 2013 Cost | May 4, 2013 Fair Value | February 2, 2013 Cost | February 2, 2013 Fair Value | April 28, 2012 Cost | April 28, 2012 Fair Value |
|---|---|---|---|---|---|---|---|
| | | | | (In Millions) | | | |
| Cash and cash equivalents | Level 1 | **$ 518** | **$ 518** | $ 537 | $ 537 | $ 1,029 | $ 1,029 |
| Long-term investments | Level 3 | **83** | **58** | 84 | 53 | 192 | 156 |
| Debt | Level 1 | **2,492** | **2,802** | 2,492 | 2,702 | 2,141 | 2,435 |

Our long-term investments consist primarily of investments in auction rate securities ("ARS"). The fair value for our ARS were based on third-party pricing models which utilized a discounted cash flow model for each of the securities as there was no recent activity in the secondary markets in these types of securities. This model used a combination of observable inputs which were developed using publicly available market data obtained from independent sources and unobservable inputs that reflect our own estimates of the assumptions that market participants would use in pricing the investments. Observable inputs include interest rate currently being paid, maturity and credit ratings.

Unobservable inputs include expected redemption date and discount rate. We assumed a seven-year redemption period in valuing our ARS. We intend to hold our ARS until maturity or until we can liquidate them at par value. Based on our other sources of income, we do not believe we will be required to sell them before recovery of par value. In some cases, holding the security until recovery may mean until maturity, which ranges from 2037 to 2039. The discount rate was calculated using the closest match available for other insured asset backed securities. Discount rates ranged from 6.57% to 9.47%. The weighted-average discount rate was 7.64%. A market failure scenario was employed as recent successful auctions of these securities were very limited. Assuming a longer redemption period and a higher discount rate would result in a lower fair market value. Similarly, assuming a shorter redemption period and a lower discount rate would result in a higher fair market value.

The following table presents a rollforward of our long-term investments:

| | May 4, 2013 | April 28, 2012 |
|---|---|---|
| | (In Millions) | |
| Balance at beginning of year | **$ 53** | $ 153 |
| Sales | **(1)** | (1) |
| Unrealized gains | **6** | 4 |
| Balance at end of period | **$ 58** | $ 156 |

**4. Stock-Based Compensation**

The following table summarizes our stock-based compensation expense:

| | Three Months Ended May 4, 2013 | Three Months Ended April 28, 2012 |
|---|---|---|
| | (In Millions) | |
| Stock options | **$ 3** | $ 5 |
| Restricted shares | **6** | 7 |
| Total stock-based compensation expense | **$ 9** | $ 12 |

The following table summarizes stock-based compensation grants:

| | Three Months Ended | |
|---|---|---|
| | May 4, 2013 | April 28, 2012 |
| | (In Thousands) | |
| Stock options granted | **414** | 916 |
| Restricted shares, excluding shares earned in lieu of cash dividends, granted | **654** | 731 |
| Total stock-based compensation grants | **1,068** | 1,647 |
| Weighted average fair value at grant date: | | |
| Stock options | **$ 10.18** | $ 11.80 |
| Restricted shares | **$ 46.39** | $ 48.60 |

**5. Contingencies**

We are involved in various legal matters arising in the normal course of business. In the opinion of management, the outcome of such proceedings and litigation will not have a material adverse impact on our consolidated financial statements.

**6. Net Income Per Share**

The following table summarizes our basic and diluted net income per share calculations:

| | Three Months Ended | |
|---|---|---|
| | May 4, 2013 | April 28, 2012 |
| | (In Millions) | |
| Numerator—Net income | **$ 147** | $ 154 |
| Denominator—Weighted average shares: | | |
| Basic | **222** | 243 |
| Impact of dilutive employee stock options | **1** | 2 |
| Diluted | **223** | 245 |
| Antidilutive shares | **12** | 12 |

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For purposes of the following discussion, all references to "the quarter" and "the first quarter" are for the 13-week fiscal periods ended May 4, 2013 and April 28, 2012.

The following discussion should be read in conjunction with our Consolidated Financial Statements and the related notes included elsewhere in this report, as well as the financial and other information included in our 2012 Annual Report on Form 10-K (our "2012 Form 10-K"). The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could materially differ from those discussed in these forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those discussed elsewhere in this report and in our 2012 Form 10-K (particularly in "Risk Factors").

### Executive Summary

Total sales for the quarter decreased 1.0% and comparable store sales decreased 1.9% from the first quarter of 2012. The decrease in comparable store sales reflects lower selling prices per unit and fewer transactions, partially offset by higher units per transaction. E-Commerce revenues increased 31% and contributed 210 basis points to our comparable store sales.

Despite lower sales, our diluted earnings per share increased 5% to $0.66 in the first quarter of 2013. Net income was $147 million for the current year quarter and $154 million ($0.63 per diluted share) in the prior year quarter. Partially offsetting the lower sales were a 47 basis point increase in gross margin as a percent of sales and strong expense management.

We operated 1,155 stores as of May 4, 2013 and 1,134 stores as of April 28, 2012. We opened nine new stores during the first quarter of 2013 and plan to open three more stores in the Fall season. Additionally, we plan to remodel 30 stores in the Fall season.

### Results of Operations

*Net sales.*

Net sales decreased $44 million, or 1.0%, to $4.2 billion in the first quarter of 2013. On a comparable store basis, sales decreased 1.9% for the quarter. We define comparable store sales as sales from stores (including relocated and remodeled stores) open throughout the full current and prior fiscal periods and from E-Commerce.

The following table summarizes the changes in sales during the quarter:

| | $ | % |
|---|---|---|
| | (Dollars in Millions) | |
| Comparable store sales: | | |
| Stores | $ (160) | (4.0)% |
| E-Commerce | 78 | 31.2 |
| Total | (82) | (1.9) |
| New stores and other revenues | 38 | — |
| Decrease in net sales | $ (44) | (1.0)% |

Drivers of the changes in comparable store sales during the quarter were as follows:

| | |
|---|---|
| Selling price per unit | (1.1)% |
| Units per transaction | 2.4 |
| Average transaction value | 1.3 |
| Number of transactions | (3.2) |
| Comparable store sales | (1.9)% |

The decrease in selling price per unit was due to lower prices and higher penetration of clearance merchandise, partially offset by higher selling prices on regular-priced merchandise. Units per transaction increased during the quarter as customers purchased more items in response to the lower prices. The number of transactions declined, primarily as weather negatively impacted customer visits early in the quarter.

Sales in the Midwest, Mid-Atlantic and Northeast, which are our most weather-sensitive regions, were negatively impacted by colder than normal temperatures in the early months of the quarter. When the weather normalized, we saw notable sales improvements in these regions. The West was the strongest region and was the only region which reported a positive comparable sales increase during the quarter. The Midwest, Northeast, Southeast and South Central regions all reported mid-single digit decreases and the Mid-Atlantic region reported a high-single digit decrease in comparable store sales.

E-Commerce revenue increased 31% to $330 million for the quarter. The increase is primarily due to increased transactions. The increases are the result of our investments in this business including digital marketing to drive traffic to the site and the availability of additional merchandise offerings.

By line of business, all categories reported modest sales declines. Increased sales in basics and other non-seasonal merchandise were more than offset by lower sales in seasonal merchandise categories. Home, Accessories and Footwear reported sales declines that were better than the company average. Home reported strong sales in electrics and luggage. In the Footwear business, athletic shoes reported the largest sales increase. Bath & beauty, watches and sterling silver jewelry reported the largest sales increases in the Accessories business. Sales declines in the Women's business were consistent with the company average. In Women's, the active and fitness category reported the largest sales increase. Sales in the Men's and Children's businesses decreased more than the company average. In Men's, the tailored and dress category reported the strongest sales. Children's reported consistent sales decreases across all apparel categories.

*Gross margin*.

Gross margin includes the total cost of products sold, including product development costs, net of vendor payments other than reimbursement of specific, incremental and identifiable costs; inventory shrink; markdowns; freight expenses associated with moving merchandise from our vendors to our distribution centers; shipping and handling expenses of E-Commerce sales; and terms cash discount. Our gross margin may not be comparable with that of other retailers because we include distribution center costs in selling, general and administrative expenses while other retailers may include these expenses in cost of merchandise sold.

Gross margin increased $4 million to $1.5 billion for the quarter. The following table summarizes gross margin as a percent of sales by channel:

| | Stores | E-Commerce | Total |
|---|---|---|---|
| **2013** | | | |
| Merchandise margin | **37.1%** | **36.6%** | **37.0%** |
| Shipping impact | **—** | **(8.1)** | **(0.6)** |
| Gross margin | **37.1%** | **28.5%** | **36.4%** |
| | | | |
| **2012** | | | |
| Merchandise margin | 36.5% | 35.8% | 36.5% |
| Shipping impact | — | (9.2) | (0.6) |
| Gross margin | 36.5% | 26.6% | 35.9% |
| | | | |
| **Increase (Decrease)** | | | |
| Merchandise margin | 57 bp | 76 bp | 57 bp |
| Shipping impact | — | 108 | (10) |
| Gross margin | 57 bp | 184 bp | 47 bp |

The following table summarizes the drivers of the changes in gross margin as a percent of sales:

| | |
|---|---|
| Merchandise margin: | |
| Stores | 52 bp |
| E-Commerce | 5 |
| E-Commerce shipping | (10) |
| Total increase | 47 bp |

The increases in merchandise margin reflect lower costs and reduced inventory shortage. The decrease in gross margin attributable to E-Commerce shipping is due to growth in this business, partially offset by lower shipping losses. E-Commerce decreased our gross margin rate by approximately 70 basis points for the quarter. Our E-Commerce business currently has a lower gross margin than our stores due to the mix of products sold on-line and free or related shipping promotions. As our E-Commerce business grows, it also has a more significant impact on our overall gross margin results.

*Selling, general and administrative expenses.*

| | | | Decrease | |
|---|---|---|---|---|
| | **2013** | **2012** | $ | % |
| | (Dollars in Millions) | | | |
| Selling, general, and administrative expenses | **$ 997** | $ 1,002 | $ (5) | (1)% |
| As a percent of net sales | **23.7%** | 23.6% | | |

Selling, general and administrative expenses (“SG&A”) include compensation and benefit costs (including stores, headquarters, buying and merchandising and distribution centers); occupancy and operating costs of our retail, distribution and corporate facilities; freight expenses associated with moving merchandise from our distribution centers to our retail stores and among distribution and retail facilities; advertising expenses, offset by vendor payments for reimbursement of specific, incremental and identifiable costs; net revenues from our Kohl’s credit card operations; and other administrative revenues and expenses. SG&A also includes the costs incurred prior to new store openings, such as advertising, hiring and training costs for new employees, processing and transporting initial merchandise, and rent expense. We do not include depreciation and amortization in SG&A. The classification of these expenses varies across the retail industry.

SG&A decreased $5 million, or 1%, for the quarter. The decrease in SG&A reflects lower store payroll, remodel costs and marketing expenses and higher net revenues from our credit card operations. These decreases were partially offset by higher distribution center, information technology ("IT") and fixed store costs. SG&A as a percent of sales increased, or "deleveraged," by approximately 10 basis points for the quarter.

Store payroll costs continued to be well-managed despite volatility in our sales during the quarter. Remodel costs declined as all 2013 remodels will occur in the Fall. Rent-related and other fixed store costs deleveraged due to the lower than planned sales.

Advertising reported significant leverage during the quarter, primarily due to temporary reductions in spending as we refocus our spending to increase the impact of our marketing investments.

Distribution centers did not leverage during the period due to growth in our E-Commerce business. IT costs also did not leverage due to continued investments in our technology infrastructure. We continue to improve our efficiency in E-Commerce fulfillment which reported significant leverage as a percent of E-Commerce sales.

Net revenues from our credit card operations increased approximately $10 million for the quarter. The increase was the result of higher finance charge revenues due to higher average receivables and higher late fees due to growth in the portfolio. Offsetting these increases were higher costs associated with a new credit card servicing platform.

*Other Expenses.*

| | 2013 | 2012 | Increase $ | Increase % |
|---|---|---|---|---|
| | (Dollars in Millions) | | | |
| Depreciation and amortization | **$ 214** | $ 201 | $ 13 | 6% |
| Interest expense, net | **83** | 82 | 1 | 1% |
| Provision for income taxes | **87** | 85 | 2 | 2% |
| Effective tax rate | **37.0%** | 35.5% | | |

The increase in depreciation and amortization is primarily due to technology investments across the company. The increase in interest expense is primarily due to the September 2012 debt issuance. The increase in the effective tax rate for the quarter was primarily due to favorable settlements of state tax audits during the first quarter of 2012.

**Seasonality and Inflation**

Our business, like that of most retailers, is subject to seasonal influences, with the major portion of sales and income typically realized during the second half of each fiscal year, which includes the back-to-school and holiday seasons. Approximately 15% of annual sales typically occur during the back-to-school season and 30% during the holiday season. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year. In addition, quarterly results of operations are impacted by the timing and amount of sales and costs associated with the opening of new stores.

Although we expect that our operations will be influenced by general economic conditions, including rising food, fuel and energy prices, we do not believe that inflation has had a material effect on our results of operations. However, there can be no assurance that our business will not be affected by such factors in the future. In 2012, we saw modest increases in apparel costs in the first six months and mid-single-digit decreases in the last six months of the year. In 2013, we expect to see modest decreases in apparel costs.

**Financial Condition and Liquidity**

Our primary ongoing cash requirements are for capital expenditures for new stores, remodels and IT spending and for seasonal and new store inventory purchases. Share repurchases and dividend payments to shareholders are currently other significant usages of cash. These payments are discretionary and can be discontinued at any time should we require cash for other uses. Our primary sources of funds are cash flows provided by operations, short-term trade credit and our lines of credit. Short-term trade credit, in the form of extended payment terms for inventory purchases, often represents a significant source of financing for merchandise inventories. Seasonal cash needs may be met by cash on hand and/or the line of credit available under our revolving credit facility. Our working capital and inventory levels typically build throughout the fall, peaking during the November and December holiday selling season.

| | 2013 | 2012 | Increase (Decrease) in Cash $ | Increase (Decrease) in Cash % |
|---|---|---|---|---|
| **Net cash provided by (used in):** | (Dollars in Millions) | | | |
| Operating activities | **$ 305** | $ 417 | $ (112) | (27)% |
| Investing activities | **(123)** | (176) | 53 | 30 % |
| Financing activities | **(201)** | (417) | 216 | 52 % |

*Operating Activities.* Operating activities generated $305 million of cash in 2013, compared to $417 million in 2012.

Merchandise inventory, excluding E-Commerce, increased 10% over April 28, 2012 to $3.2 million per store as we increased inventory during 2013 to more normalized levels. Accounts payable as a percent of inventory was 36.7% at May 4, 2013, compared to 46.6% at April 28, 2012. The decrease is primarily due to inventory turn deterioration and lower accounts payable balances, as we reduced our receipts at the end of the quarter in reaction to slower seasonal sales at the beginning of the quarter.

*Investing Activities.* Net cash used in investing activities reflects a $42 million decrease in capital spending primarily due to fewer remodels and new stores, partially offset by higher technology spending.

*Financing Activities.* Financing activities used cash of $201 million in 2013 and $417 million in 2012.

We paid cash for treasury stock purchases of $109 million in 2013 and $325 million in 2012.

We paid cash dividends of $77 million in both 2013 and 2012. On May 15, 2013, our board of directors declared a quarterly cash dividend of $0.35 per common share. The dividend is payable June 26, 2013 to shareholders of record at the close of business on June 12, 2013.

*Free Cash Flow.* We generated free cash flow of $146 million in 2013 compared to $216 million in 2012. The decrease is primarily due to lower cash from operating activities, partially offset by lower capital expenditures, as discussed in more detail above. Free cash flow is a non-GAAP financial measure which we define as net cash provided by operating activities and proceeds from financing obligations (which generally represent landlord reimbursements of construction costs) less capital expenditures and capital lease and financing obligations. Free cash flow should be evaluated in addition to, and not considered a substitute for, other financial measures such as net income and cash flow provided by operations. We believe that free cash flow represents our ability to generate additional cash flow from our business operations.

The following table reconciles net cash provided by operating activities (a GAAP measure) to free cash flow (a non-GAAP measure).

| | 2013 | 2012 |
|---|---|---|
| | (In Millions) | |
| Net cash provided by operating activities | **$ 305** | $ 417 |
| Acquisition of property & equipment | **(135)** | (177) |
| Capital lease & financing obligation payments | **(24)** | (27) |
| Proceeds from financing obligations | — | 3 |
| Free cash flow | **$ 146** | $ 216 |

*Key financial ratios.* Key financial ratios that provide certain measures of our liquidity are as follows:

| | May 4, 2013 | April 28, 2012 |
|---|---|---|
| **Liquidity Ratios:** | | |
| Working capital (In Millions) | **$ 2,212** | $ 1,960 |
| Current ratio | **1.82** | 1.67 |
| Debt/capitalization | **43.0%** | 40.3% |

The increases in working capital and the current ratio as of May 4, 2013 compared to April 28, 2012 are due to higher inventory levels and lower accounts payable and accrued liabilities, partially offset by lower cash balances. The increase in the debt/capitalization ratio reflects the issuance of $350 million of debt in September 2012 and lower capitalization, primarily due to share repurchases.

*Debt Covenant Compliance.* As of May 4, 2013, we were in compliance with all debt covenants and expect to remain in compliance during fiscal 2013.

| | (Dollars in Millions) |
|---|---|
| Total Debt | $ 4,545 |
| Permitted Exclusions | (8) |
| Subtotal | 4,537 |
| Rent x 8 | 2,162 |
| Included Indebtedness | $ 6,699 |
| Net Worth | $ 6,021 |
| Investments (accounted for under equity method) | — |
| Subtotal | 6,021 |
| Included Indebtedness | 6,699 |
| Capitalization | $ 12,720 |
| Leverage Ratio (a) | 0.53 |
| Maximum permitted Leverage Ratio | 0.70 |

(a) Included Indebtedness divided by Capitalization

**Contractual Obligations**

There have been no significant changes in the contractual obligations disclosed in our 2012 Form 10-K.

**Off-Balance Sheet Arrangements**

We have not provided any financial guarantees as of May 4, 2013. We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business. We do not have any arrangements or relationships with entities that are not consolidated into our financial statements that are reasonably likely to materially affect our liquidity or the availability of capital resources.

**Critical Accounting Policies and Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect reported amounts. Management has discussed the development, selection and disclosure of its estimates and assumptions with the Audit Committee of our Board of Directors. There have been no significant changes in the critical accounting policies and estimates discussed in our 2012 Form 10-K.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no significant changes in the market risks described in our 2012 Form 10-K.

**Item 4. Controls and Procedures**

*(a) Evaluation of Disclosure Controls and Procedures*

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (the “Evaluation”) at a reasonable assurance level as of the last day of the period covered by this Report.

Based upon the Evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective at the reasonable assurance level. Disclosure controls and procedures are defined by Rules 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act") as controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions, regardless of how remote.

*(b) Changes in Internal Control Over Financial Reporting*

There were no changes in our internal control over financial reporting during the quarter ended May 4, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1A. Risk Factors

There have been no significant changes in our risk factors from those described in our 2012 Form 10-K.

*Forward-looking Statements*

This report contains statements that may constitute forward-looking statements within the meaning of the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Those statements relate to developments, results, conditions or other events we expect or anticipate will occur in the future. Words such as “believes,” “anticipates,” “plans,” “expects” and similar expressions are intended to identify forward-looking statements. Without limiting the foregoing, these statements may relate to future outlook, revenues, earnings, store openings, planned capital expenditures, market conditions, new strategies and the competitive environment. Forward-looking statements are based on our management’s then current views and assumptions and, as a result, are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Any such forward-looking statements are qualified by the important risk factors, described in Item 1A of our 2012 Form 10-K, that could cause actual results to differ materially from those predicted by the forward-looking statements. Forward-looking statements relate to the date initially made, and we undertake no obligation to update them. An investment in our common stock or other securities carries certain risks. Investors should carefully consider the risks as stated in our 2012 Form 10-K and other risks which may be disclosed from time to time in our filings with the SEC before investing in our securities.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell any securities during the quarter ended May 4, 2013 which were not registered under the Securities Act.

The following table contains information for shares repurchased and shares acquired from employees in lieu of amounts required to satisfy minimum tax withholding requirements upon the vesting of the employees’ restricted stock during the three fiscal months ended May 4, 2013:

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| | | | | (In Millions) |
| February 3 – March 2, 2013 | 24,966 | $ 46.31 | — | $ 3,121 |
| March 3 – April 6, 2013 | 1,928,686 | 46.94 | 1,778,039 | 3,037 |
| April 7 – May 4, 2013 | 421,542 | 47.41 | 420,132 | 3,017 |
| Total | 2,375,194 | $ 47.01 | 2,198,171 | $ 3,017 |

| Exhibit Number | Description |
|---|---|
| 10.1 | Offer letter dated as of May 17, 2013 by and between Michelle Gass and Kohl's Department Stores, Inc. |
| 10.2 | Agreement dated as of May 20, 2013 by and between John Worthington and Kohl's Department Stores, Inc. |
| 31.1 | Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase |

## SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Kohl’s Corporation
(Registrant)

Date: June 7, 2013

/s/ Wesley S. McDonald

Wesley S. McDonald
On behalf of the Registrant and as Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

**EXHIBIT 10.1**

May 17, 2013

Michelle Gass
2 Alma Terrace
London W8 6QY
United Kingdom

Dear Michelle:

It is my pleasure to invite you to join the team at Kohl's Department Stores.

**Your Position**: You are being offered the position of Chief Customer Officer. You will report directly to me and will be a “principal officer” of Kohl's.

**Your Start Date**: Your first day of employment with Kohl's will be mutually determined.

**Your Salary**: Your annualized salary will be $927,200. You will be paid semi-monthly, on the 15th and 30th of each month. Your job performance and base compensation will next be reviewed in Spring of 2014 with any change in your compensation effective April 1, 2014.

**Signing Incentive:** In addition to your salary, we are offering you a signing incentive of $1,000,000. This incentive payment will be made within ten (10) days of your start date, and is intended to fully or partially offset any obligations you may incur as a result of your resignation from your current employment and relocation expenses that are not covered by the Kohl's Relocation Policy.

**Equity Awards:** In recognition of the equity awards you will forfeit to your current employer, you will receive an award of Kohl's restricted stock valued at $8,000,000. In accordance with Kohl's Equity Compensation Award Guidelines, the grant date for this award will be the last NYSE trading day on or before the 15th of the month following the month of your start date at Kohl's. The number of restricted shares awarded will be based on the closing share price on the grant date. Your restricted shares will vest in four equal installments on the first through fourth anniversaries of the grant date, provided you continue to be employed by Kohl's on each vesting date. You will be eligible to participate in Kohl's annual equity award process in the Spring of 2014, and any grant based upon 2013 performance for which you would otherwise be eligible shall be prorated based upon your start date.

**Team Performance Bonus:** An important part of Kohl's overall executive compensation program is our Annual Incentive Plan. This plan provides for annual incentive payments to key officers upon the achievement of specific annual corporate objectives. As Chief Customer Officer, you will be eligible to participate in Kohl's Annual Incentive Plan, which will provide an opportunity for an annual cash incentive payment equal to 0% to 200% of your base salary, with the actual amount based upon Kohl's annual performance relative to specific objectives that are established by Kohl's Board of Directors' Compensation Committee at the beginning of each year. You will be eligible for a prorated Annual Incentive Plan award based upon our 2013 performance. This award will be paid in March, 2014.

**Relocation:** The Kohl's Relocation Policy provides assistance with expenses for house or apartment hunting, temporary residency, meals, final move related travel, and the movement of your household goods. In addition, if you are a current homeowner, Kohl's will assist with the cost, at Kohl's discretion, of your home sell/home purchase expenses and dual mortgage. If you are currently leasing your residence Kohl's will provide you with lease break and dual rental payment assistance. Kohl's will also assist, in Kohl's discretion, with the tax liability on your non-deductible moving expenses at the end of the calendar year. A copy of the Relocation Policy is available upon request, and Kohl's relocation representatives are standing by to assist you with this process.

**Your Benefits**: Kohl's Department Stores offers a competitive benefit package. These benefits are designed to promote health, assist in your financial future and manage the demands of work and your personal life.

> **Benefits Basics**: Immediately upon your date of hire you may enroll in Life Insurance, Accidental Death & Dismemberment Plan and Flexible Spending Accounts for medical or dependent care expenses.
>
> You will be eligible for Medical, Dental, and Vision coverage on the first day of the month following 60 days of employment. For the period between your start date and your eligibility date, Kohl's will provide you with full monthly COBRA assistance minus the applicable Kohl's monthly premium.

You will automatically be eligible for Kohl's Medical Leave and enrolled in the long-term disability plan at no cost to you.

**Executive Medical Supplement Program**: In addition to Kohl's standard medical plans, you will be eligible for the Kohl's Executive Medical Supplement Program. The Executive Medical Supplement Program provides up to an additional $50,000 annually to reimburse out of pocket expenses for customary medical and dental services as well as co-payments and deductibles. Eligible expenses must be authorized by your physician and be medically necessary for the treatment of illness or injury.

**Kohl's Department Stores 401 (k) Savings Plan**: Immediately upon your date of hire you can begin contributions to the 401(k) savings plan. Our plan will also accept a rollover from your prior employer's plan. After one year of service you will be eligible to receive a 100% match on your personal savings up to 5% of each paycheck, subject to regulatory limits pertaining to highly compensated employees.

**Non-Qualified Deferred Compensation Plan**: This Plan provides an avenue to save pre-tax dollars in a tax-deferred investment program for your personal financial goals. Each year, you may elect to contribute all or a portion of money from your compensation into the Plan and enjoy tax deferral on your contributions and their investment earnings until they are paid to you as you elect to receive them. Eligibility is based on plan requirements and IRS guidelines.

**Vacation Benefits**: 5 weeks per year.

**Company Car:** As Chief Customer Officer, you will receive a company car of your choosing.

**Financial Planning and Tax Advising:** As Chief Customer Officer, the company will reimburse you for financial advisory services up to $3,500 annually, and tax advisory services with no fixed limit.

**Employee Discount:** You will receive a 15% discount on merchandise you purchase from Kohl's as gifts, or for yourself and your eligible dependents.

**Miscellaneous:**

**Reimbursement of Certain Payments Upon Termination of Employment:** If you voluntarily end your employment with Kohl's or are terminated for cause within the first twelve (12) months from the effective date of your relocation, you will be required to repay 100% of any payments made by Kohl's for your relocation expenses. If you voluntarily end your employment or are terminated for cause from twelve (12) to within twenty-four (24) months from the effective date of your relocation, you will be required to repay 50% of any payments made by Kohl's for your relocation expenses. Kohl's may deduct this amount from any final compensation owed to you.

If you voluntarily end your employment with Kohl's or are terminated for cause within the first twelve (12) months of employment, you will be required to repay the full amount of the above-referenced signing incentive upon your termination date. Kohl's may deduct this amount from any final compensation owed to you.

**No Prior Commitments:** Kohl's is making this offer based upon the understanding that you do not have any agreements with your current employer or any other party that would prohibit you from being able to perform your duties at Kohl's.

**Employment Agreement:** On or before your start date, you and Kohl's will enter into an Employment Agreement. The terms and conditions of that agreement will be substantially the same as those of the Employment Agreement of our Chief Merchandising Officer.

**Proprietary or Confidential Information:** As we advise all future employees, Kohl's has no interest in obtaining any proprietary or confidential information from your current or former employer(s). You should not bring any forms of such information with you to Kohl's and Kohl's will not accept such information from you for its use. If you have any questions with respect to what may constitute “trade secrets” or otherwise confidential information, I would urge you to contact your employer's legal department for clarification.

This covers the key aspects of our employment offer to you. Please note that this letter serves as a confirmation of an employment offer and it is neither intended nor implied as a contract of employment.

Michelle, it is my pleasure to welcome you to Kohl's. We look forward to working with you in supporting the success and growth of our company.

Sincerely,

/s/Kevin Mansell

Kevin Mansell
Chairman, President & Chief Executive Officer

**Accepted and Agreed to this 17th day of May, 2013.**

By: /s/Michelle Gass
Michelle Gass

**EXHIBIT 10.2**

# AGREEMENT

This Agreement ("Agreement") is made as of the last date set forth opposite any signature hereto between **JOHN WORTHINGTON**, 13850 Hawks Landing, Mequon, WI 53097 ("Executive"), and **KOHL'S DEPARTMENT STORES, INC.**, N56 W17000 Ridgewood Dr., Menomonee Falls, WI 53051, (the "Company").

## BACKGROUND

Executive and Company entered into an Amended and Restated Employment Agreement dated as of April 1, 2012 (the "Employment Agreement") whereby Company and Executive agreed to certain aspects of their relationship during and after the period in which Employee is employed by the Company; and

Executive and Company have mutually agreed to sever all aspects of Executive's employment relationship with Company and terminate the Employment Agreement on the terms and conditions set forth herein;

**NOW, THEREFORE,** in consideration of the mutual promises hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

## AGREEMENT

**1. TERMINATION OF EMPLOYMENT.** Notwithstanding any provision in the Employment Agreement, Company and Executive shall voluntarily sever Executive's employment with Company effective June 30, 2013 (the "Separation Date"). Executive hereby resigns from all offices, positions, titles and capacities Executive held with Company and its affiliates, effective on the Separation Date. Company hereby accepts this resignation.

Subject to and conditional upon Executive executing this Agreement and not revoking his acceptance hereof within the timeframes specified below, the rights, duties and obligations of the parties shall be governed by this Agreement, and the Employment Agreement shall be terminated, except as specifically provided therein.

**2. BENEFITS TO EXECUTIVE.** Subject to and conditional upon Executive executing this Agreement and not revoking his acceptance hereof within the timeframes specified below, Company agrees to provide Executive with the following benefits:

A. Final Pay, Final Expenses. In accordance with the Company's current payroll practices, Executive shall receive his regular salary through the Separation Date, at which time Executive shall be removed from the Company's payroll system and subsequent payments shall be made only as set forth below in 2(B). Executive shall be reimbursed for all documented business expenses that have been incurred by Executive during the course of the performance of his duties while employed by the Company, to the extent such expenses are reimbursable in accordance with the Company's current business expense reimbursement programs.

B. Severance Payments. Company shall pay Executive severance as follows:

(i) On January 10, 2014, Company shall make a one-time, lump-sum payment to Executive in the amount of One Million Four Hundred Forty Nine Thousand Six Hundred Twenty Five Dollars ($1,449,625), which is the sum of the following:
   a. Four Hundred Sixty Three Thousand Six Hundred Dollars ($463,600), which is one half of Executive's current annual salary ($927,200), and represents six months of salary; plus
   b. Nine Hundred Eighty Six Thousand Twenty Five Dollars ($986,025), which the average of the three (3) most recent annual incentive compensation plan payments paid to Executive prior to the Separation Date ($276,075, $1,035,00, and $1,647,000).

(ii) Beginning on the date after January 10, 2014 on which Company first issues payroll checks to its associates, Company shall pay to Executive a series of sixty (60) consecutive semi-monthly payments (the "Periodic Severance Payments"), each in the gross amount of:

a. Thirty Seven Thousand Eighty Eight and 00/100 Dollars ($37,088.00); plus

b. Interest on each Periodic Severance Payment calculated from the Separation Date to the date the Periodic Severance Payment is made at the rate of 1.05% per annum.

The gross aggregate amount of the Periodic Severance Payments shall be Two Million Two Hundred Twenty Five Thousand Two Hundred Eighty and no/100 Dollars ($2,225,280.00) plus interest as calculated in accordance with Section 2(B)(ii)(b). Such Periodic Severance Payments shall be payable semi-monthly in accordance with Company's current payroll practices. Periodic Severance Payments shall be paid directly into Executive's designated bank account in accordance with Company's standard direct deposit procedures; and

(iii) On or before March 15, 2014, Company shall pay Executive a bonus based on Company's fiscal 2013 financial performance, in the amount which is equal to forty one percent (41%) of the bonus, if any, that would have otherwise been payable to Executive pursuant to Company's Annual Incentive Plan had Executive been employed in his current position and in good standing at the end of Company's fiscal year 2013.

The above-referenced severance payments are collectively referred to in this Agreement as the “Severance Payments.” The Severance Payments shall be subject to applicable federal, state and local withholding or other charges under applicable law, but regardless of the amount of withholding, Executive shall be solely responsible for payment of all personal income taxes, excise taxes, assessments, charges and penalties associated with the receipt and timing of the Severance Payments. Executive has been encouraged to seek the advice of his own tax and legal professionals to determine the extent of any such taxes, assessments or charges.

Executive shall be entitled to no additional compensation or payments of any other sort under the Employment Agreement or otherwise except as specifically set forth in this Agreement.

C. Prior Equity Compensation Awards.

(i) Executive's outstanding stock option awards shall continue to vest in accordance with their original vesting schedules through June 30, 2016. All of Executive's unvested stock options shall, as of June 30, 2016, be immediately cancelled, null and void.

(ii) Executive shall have until September 28, 2016 to exercise all stock options that are vested as of June 30, 2016. As of 3:00 pm Central Time on September 28, 2016, all of Executive's vested but unexercised stock options shall be cancelled, null and void.

(iii) Those shares of restricted stock referenced on EXHIBIT A attached hereto (the “Accelerated Restricted Stock”) shall vest in full on the Termination Date. On the Termination Date or as soon as practicable thereafter, Company shall release the Accelerated Restricted Stock to Executive, net of the shares required to satisfy Executive's tax withholding obligations. All of Executive's other unvested restricted stock shall, as of the Termination Date, be immediately cancelled, null and void.

(iv) Company shall award no additional stock options or restricted stock to Executive from or after the date of this Agreement.

D. Savings Plan. Company maintains the Kohl's Savings Plan (the 401(k) Plan) for the benefit of eligible employees. The 401(k) Plan is composed of two (2) accounts for each eligible employee: (i) a savings account to which eligible employees are permitted to make voluntary contributions which are matched by Company as provided in the 401(k) Plan; and (ii) a retirement account to which Company makes contributions to eligible employees. In the event Executive has an interest in Company's 401(k) Plan, Executive's interest is subject to the terms and conditions of the 401(k) Plan in effect from time to time. Executive authorizes Company to discontinue Executive's voluntary contributions to Executive's savings account in the 401(k) Plan, effective as of the Separation Date and Company shall make no additional matching contributions to Executive's savings account in the 401(k) Plan effective on or after Separation Date. Executive understands that Company shall make no distribution from Executive's 401(k) Plan savings account on or prior to the Separation Date. For purposes of Executive's 401(k) Plan retirement account and matching contributions to Executive's savings account, Company shall credit Executive with employment service commencing on the date Executive was hired by Company and ending on the Separation Date in accordance with the 401(k) Plan terms and conditions.

E. Deferred Compensation. In the event Executive has an interest in Company's Deferred Compensation Plan ("Deferred Compensation Plan"), Executive's interest is subject to the terms of redemption contained in the Deferred Compensation Plan.

F. Medical Insurance. Executive may, at his option, continue to participate in Company's executive health insurance program, as provided to Company's executives from time to time (the "Health Insurance Benefits"). In the event of Executive's death, the Health Insurance Benefits shall continue to be provided to Executive's eligible dependents, in each case for as long as each individual would have continued to qualify as an eligible dependent under the terms of the applicable insurance and medical plans had Executive been living.

Company's responsibility to provide the Health Insurance Benefits described in the preceding paragraph shall at all times be contingent upon:

(1) the Health Insurance Benefits being reasonably available to the Company with respect to Executive and Executive's Eligible Dependents, as the case may be; and

(2) Executive or Executive's eligible dependants, as the case may be, shall reimburse the Company for all premiums paid for Executive's Health Insurance Benefits, as determined by the Company in good faith from time to time. The Company shall provide Executive a quarterly invoice for such reimbursement, and amounts due hereunder may be withheld from other amounts payable to Executive. The current premium for Executive's Health Insurance Benefits is $1,871.00 per month.

Company's responsibility to provide the Health Insurance Benefits described in this Section will cease forever on the date on which Executive becomes eligible for health insurance coverage under another employer's group health insurance plan, and, within five (5) calendar days of Executive becoming eligible for health insurance coverage under another employer's group health insurance plan, Executive agrees to inform the Company of such fact in writing.

In no event will the health insurance continuation to be provided by the Company pursuant to this Agreement in one taxable year affect the amount of health insurance continuation to be provided in any other taxable year, nor will Executive's right to this health insurance continuation be subject to liquidation or exchange for another benefit.

Company and Executive acknowledge that following the Separation Date, Executive has the right to elect to continue certain health insurance benefits, with premiums to be paid by Executive, as provided under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). Company shall provide Executive with written notice explaining Executive's COBRA rights which arise from Executive's separation of employment with Company. It is expressly agreed that Executive's COBRA rights shall include the right to continue his Supplemental Executive Medical Coverage. Executive acknowledges and agrees that the Company may deduct amounts that Executive is responsible to pay for health insurance continuation under this Section 2(F) from any Severance Payment payable to Executive pursuant to Section 2(B), above.

G. ESOP. In the event Executive has an interest in Company's Executive Stock Ownership Plan ("ESOP"), Executive's interest is subject to the terms of redemption contained in the ESOP. Executive shall have the right to redeem all stock and receive prompt and full payment from the Company for the shares, pursuant to the terms of the ESOP.

H. Outplacement. Executive shall be entitled to outplacement services from an outplacement service company of the Company's choosing at a cost not to exceed Twenty Thousand and no/100 Dollars ($20,000.00), payable directly to such outplacement service company. Such outplacement services must be performed prior to June 30, 2014.

Except as otherwise provided in this Agreement, all other employee benefits shall cease as of the Separation Date.

**3. EXECUTIVE'S OBLIGATIONS.**

A. Waiver and General Release by Executive. In exchange for the benefits and payments to Executive described in this Agreement and to the extent permitted by law, Executive hereby waives and irrevocably and unconditionally releases, acquits, and fully and forever discharges Company, its related corporations and other businesses and each of their past, current and future agents, servants, officers, directors, stockholders, Executives, and attorneys and their respective successors and assigns (the "Released Parties") from and against any and all claims, liabilities, debts, suits, demands, causes of action or controversies of any nature whatsoever, for all injuries, losses and damages (including, but not limited to, punitive damages) whether in law or in equity, contract or tort or whether judicial or administrative in nature, which arose prior to the time Executive signs this Agreement. This release covers claims, whether brought by or on behalf of Executive and whether asserted or unasserted, whether known or unknown or anticipated or unanticipated by Executive. Executive further covenants and agrees not to sue Company for any claims referred to in this paragraph. This release includes, but is not necessarily limited to:

i. Any and all liability of Company resulting from, arising out of, or connected with the employment relationship existing between Executive and Company or the termination of that relationship, including, but not necessarily limited to, any and all liability based on non-vested salary, vacation, or any other form of compensation or any and all liability related to the termination of the Employment Agreement.

ii. To the extent any of the following statutes are applicable to Company, any and all liability of Company based on rights or claims arising under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Rehabilitation Act of 1973, the Executive Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Labor Management Relations Act, the Federal Family and Medical Leave Act, the employment laws of the state in which Executive is employed by Company, and any other applicable federal, state, or local laws, regulations, and ordinances of any kind; and

iii. Any and all liability of Company arising under any common law claims of wrongful discharge, breach of any express or implied contract, misrepresentation, defamation, interference with contract, intentional or negligent infliction of emotional distress, and any other tort and tort-type claims based on allegations of injury to Executive's reputation and any other tort and tort-type personal injuries.

This release includes any and all matters in connection with or based wholly or partially upon, without limitation by enumeration, acts of age or other discrimination, libel, slander, interference with prospective business relationships, invasion of privacy, or failure to interview, hire or appoint, allegedly committed against Executive by Company, up to and including the date on which Executive signs this Agreement, whether such claims are known or unknown at the time Executive signs this Agreement.

This waiver, release and covenant not to sue does not apply to (i) any benefits under any Company retirement plan which vested as of the Separation Date; (ii) any worker's compensation claim Executive may have against Company; or (iii) any benefits to be provided under this Agreement. This release shall not relieve Executive from any obligations Executive may have now or may incur in the future on Executive's Kohl's retail charge account.

B. Waiver of Reinstatement. Executive waives any and all rights to reinstatement to employment, and hereby agrees not to reapply for employment with Company, its successors or related and/or affiliated companies.

C. Forfeiture of Litigation Benefits. Executive agrees to waive any monetary or other benefits which may be conferred on Executive in any litigation brought against Company or any of the Released Parties respecting any claims waived or released hereunder.

D. Non-Disparagement. Executive agrees not to engage at any time in any form of conduct or make any statements or representations, or direct any other person or entity to engage in any conduct or make any statements or representations, that disparage, criticize or otherwise impair the reputation of the Company, its affiliates, parents and subsidiaries and their respective past and present officers, directors, stockholders, partners, members, agents and employees. Nothing contained in this Section 3 (D) shall preclude Executive from providing truthful testimony or statements pursuant to subpoena or other legal process or in response to inquiries from any government agency or entity.

E. Return of Property. Executive agrees to immediately return all Company property under Executive's possession or control, including but not limited to any Company-owned vehicle, computer equipment, corporate credit cards, keys, cellular telephones, and smartphones. Executive shall immediately return to the Company all documents, records, and materials belonging and/or relating to the Company, and all copies of all such materials. Executive further agrees to destroy such records maintained by Executive on Executive's own computer equipment.

F. Voicemail, Email. Company shall discontinue Executive's voice mail and e-mail privileges, effective on the Separation Date. Executive shall not have access to non-public portions of any of Company's facilities after the Separation Date. At all times between the Separation Date and the date of the last scheduled Severance Payment, Executive shall provide Company's Chairman and Human Resources Department with current contact information including home address, email address and home and mobile telephone numbers.

G. Covenant Not to Recruit. Executive hereby covenants and agrees that Executive will not at any time prior to the Separation Date, and for a period of one (1) year thereafter, directly or indirectly, whether as an owner, stockholder, director, officer, partner, employee, agent, provider, consultant, independent contractor or otherwise; (i) solicit or recruit, or attempt to solicit or recruit, or assist others in soliciting or recruiting individuals employed by Company as of the date hereof to accept employment elsewhere; provided, however, that this clause shall not prohibit Executive from soliciting or recruiting individuals who, at the time of solicitation or recruiting, no longer work for Company and whose departure from Company was not attributable directly or indirectly to Executive; or (ii) provide employment references with respect to current executives or Executives of Company.

H. Non-Compete. See Section 10 below.

**4. ACCEPTANCE AND REVOCATION RIGHTS.** Company desires to ensure that Executive voluntarily agrees to the terms contained in this Agreement and does so only after Executive fully understands them. Accordingly, the following procedures shall apply:

A. Executive agrees and acknowledges that Executive has read this Agreement, understands its contents, and may agree to the terms of this Agreement by signing and dating it and returning the signed and dated document, via mail, hand delivery, or overnight delivery, so that it is received by Richard D. Schepp, Senior Executive Vice President, General Counsel, within 21 days from the date of Executive's receipt;

B. Executive agrees and acknowledges that Executive has been advised by Company to consult with an attorney and tax consultants prior to signing this Agreement;

C. Executive agrees and acknowledges that this Agreement provides Executive with benefits from Company which, in their totality, are greater than those to which Executive otherwise would be entitled;

D. Executive understands that this Agreement, at Section 3, above, includes a final General Release, including a release of all claims under the Age Discrimination in Employment Act;

E. Executive understands that Executive has seven (7) days after signing this Agreement to revoke his acceptance of it. This seven (7) day period is called the "Revocation Period". Such revocation will not be effective unless written notice of the revocation is actually delivered via mail, hand delivery, or overnight delivery, to Richard D. Schepp on or before the end of the Revocation Period. If Executive gives timely notice of Executive's intention to revoke Executive's acceptance of the terms set forth in this Agreement, this Agreement shall become null and void, and all rights and claims of the parties which would have existed, but for the acceptance of this Agreement's terms, shall be restored;

F. This document will not be binding or enforceable unless Executive has signed and delivered it as provided herein, and has not chosen to exercise Executive's revocation rights, as described herein; and

G. Executive represents and warrants to Company that, in the event Executive chooses to accept the terms of this Agreement by signing below, the date appearing alongside Executive's name on the last page of this document shall be the actual date and time on which Executive has signed the agreement. Notwithstanding Executive's failure to execute this Agreement or Executive's revocation of this Agreement in accordance with this paragraph, the terms of this paragraph will continue to apply.

H. An executed original of this Agreement shall be returned to Richard D. Schepp, Senior Executive Vice President, General Counsel, Kohl's Department Stores, Inc., N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin 53051.

**5. REPRESENTATIONS OF EXECUTIVE.** Executive represents and warrants to Company that:

A. Execution Date. Executive has executed this Agreement on the date set forth opposite Executive's name on the signature page hereof; and

B. Voluntary and Knowing. This Agreement has been carefully read by Executive following consultation with his legal counsel, and its contents are known and understood by Executive. Executive has signed this Agreement freely and voluntarily and intends to be bound by it.

**6. NON-ADMISSION.** Neither the negotiations concerning this Agreement, nor the actual provision of consideration set forth in this document, nor Company's drafting or execution of this document shall be construed as an acknowledgment or admission by Company of any liability to Executive or any other individual or entity or of any wrongdoing under federal, state or local law.

**7. CONFIDENTIALITY**

A. Acknowledgments. Executive acknowledges and agrees that, as an integral part of its business, the Company has expended a great deal of time, money and effort to develop and maintain confidential, proprietary and trade secret information to compete against similar businesses and that this information, if misused or disclosed, would be harmful to the Company's business and competitive position in the marketplace. Executive further acknowledges and agrees that in Executive's position with the Company, the Company provided Executive with access to its confidential, proprietary and trade secret information, strategies and other confidential business information that would be of considerable value to competitive businesses. As a result, Executive acknowledges and agrees that the restrictions contained in this Section 7 are reasonable, appropriate and necessary for the protection of the Company's confidential, proprietary and trade secret information. For purposes of this Section 7, the term “Company” means Kohl's Department Stores, Inc. and its parent companies, subsidiaries and other affiliates.

B. Confidentiality Obligations. Executive will not directly or indirectly use or disclose any Trade Secrets unless such information ceases to be deemed a Trade Secret by means of one of the exceptions set forth in Section 7(C)(3), below. For a period of two (2) years following the Separation Date, Executive will not directly or indirectly use or disclose any Confidential Information, unless such information ceases to be deemed Confidential Information by means of one of the exceptions set forth in Section 7(C)(3), below.

C. Definitions.

(i) Trade Secret. The term “Trade Secret” shall have that meaning set forth under applicable law. This term is deemed by the Company to specifically include all of Company's computer source, object or other code and any confidential information received from a third party with whom the Company has a binding agreement restricting disclosure of such confidential information.

(ii) Confidential Information. The term “Confidential Information” shall mean all non-Trade Secret or proprietary information of the Company which has value to the Company and which is not known to the public or the Company's competitors, generally, including, but not limited to, strategic growth plans, pricing policies and strategies, employment records and policies, operational methods, marketing plans and strategies, advertising plans and strategies, product development techniques and plans, business acquisition and divestiture plans, resources, sources of supply, suppliers and supplier contractual relationships and terms, technical processes, designs, inventions, research programs and results, source code, short-term and long-range planning, projections, information systems, sales objectives and performance, profits and profit margins, and seasonal plans, goals and objectives.

(iii) Exclusions. Notwithstanding the foregoing, the terms “Trade Secret” and “Confidential

Information" shall not include, and the obligations set forth in this Section 7 shall not apply to, any information which: (i) can be demonstrated by Executive to have been known by Executive prior to Executive's employment by the Company; (ii) is or becomes generally available to the public through no act or omission of Executive; (iii) is obtained by Executive in good faith from a third party who discloses such information to Executive on a non-confidential basis without violating any obligation of confidentiality or secrecy relating to the information disclosed; or (iv) is independently developed by Executive outside the scope of Executive's employment without use of Confidential Information or Trade Secrets.

C. Confidentiality of this Agreement. Executive agrees that Executive will not disclose, directly or indirectly, any non-public terms of this Agreement to any third party; provided, however, that following Executive's obtaining a promise of confidentiality for the benefit of the Company from Executive's tax preparer, accountant, attorney and spouse, Executive may disclose such terms to such of these individuals who have made such a promise of confidentiality. This provision shall not prevent Executive from disclosing such matters in testifying in any hearing, trial or other legal proceeding where Executive is required to do so.

**8. ENTIRE AGREEMENT.** This Agreement constitutes the complete understanding between the parties concerning all matters affecting Executive's employment with Company and the termination thereof and supersedes all prior agreements, understandings and practices concerning such matters, including, without limitation, any prior Employment or Severance Agreement Executive may have had with Company, the provisions of any Company personnel documents, handbooks or policies and any prior customs or practices of Company with respect to bonuses, severance pay, fringe benefits or otherwise. Notwithstanding the foregoing, it is expressly agreed that Executive shall remain bound by those provisions of Articles IV and VI of the Employment Agreement subsequent to the termination of Executive's employment.

**9. NO PREVAILING PARTY DESIGNATION.** The parties agree that this Agreement shall not be construed to render Executive or Company a "prevailing party" within the meaning of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Fair Labor Standards Act, as amended, the laws of the State within which Executive resides or performs services for Company, Employee Retirement Income Security Act of 1974 (ERISA), as amended, or under any law, statute or ordinance allowing attorneys' fees and/or costs to a party who "prevails" in any manner or sense, nor shall this Agreement be deemed to constitute a factor supporting an award of attorneys' fees and/or costs under any law, statute or ordinance. Except as expressly provided herein, all parties are responsible for their own attorney's fees in connection with the presentation and resolution of their disputes.

**10. RESTRICTED SERVICES OBLIGATION**

A. Acknowledgments. Executive acknowledges and agrees that the Company is one of the leading retail companies in the United States, with department stores throughout the United States, and that the Company compensates executives like Executive to, among other things, develop and maintain valuable goodwill and relationships on the Company's behalf (including relationships with customers, suppliers, vendors, employees and other associates) and to maintain business information for the Company's exclusive ownership and use. As a result, Executive acknowledges and agrees that the restrictions contained in this Section 10 are reasonable, appropriate and necessary for the protection of the Company's goodwill, customer, supplier, vendor, employee and other associate relationships and Confidential Information and Trade Secrets. Executive further acknowledges and agrees that the restrictions contained in this Section 10 will not pose an undue hardship on Executive or Executive's ability to find gainful employment. For purposes of this Section 10, the term "Company" means Kohl's Department Stores, Inc. and its parent companies, subsidiaries and other affiliates.

B. Restricted Services Obligation. During the Initial Term and the Renewal Term and for the one (1) year period following termination, for whatever reason, of Executive's employment with the Company, Executive will not, directly or indirectly, provide Restricted Services (defined below) for or on behalf of any Competitive Business (defined below) or directly or indirectly, provide any Competitive Business with any advice or counsel in the nature of the Restricted Services.

C. Definitions. For purposes of this Section 10, the following are defined terms:

(i) Restricted Services. "Restricted Services" shall mean services of any kind or character comparable to those Executive provided to the Company during the eighteen (18) month period immediately preceding Executive's last date of employment with the Company.

(ii) Competitive Business. "Competitive Business" shall mean each of the following entities: J.C. Penney Company, Inc., Macy's, Inc., The Gap, Inc., Target Corporation, Sears Holdings Corporation, and any successors, subsidiaries or affiliates of these entities engaged in the operation of national retail department stores.

**11. COOPERATION**. Following the Separation Date, Executive agrees to take all reasonable steps to make himself/herself available to and to cooperate with the Company, at its request, in connection with any legal proceedings or other matters in which it is or may become involved. Company agrees to pay reasonable compensation to Executive and to pay all reasonable expenses incurred by Executive in connection with Executive's obligations under this Section 11.

**12. NO MODIFICATION**. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and such officer as may be specifically designated by Company.

**13. FEES AND EXPENSES.** Each party hereto shall be solely responsible for its own legal, accounting and other professional fees and other expenses incurred in connection with the negotiation, preparation and exercising of this Agreement and the consummation of the transactions contemplated hereby.

**14. GOVERNING LAW, SUCCESSORS AND ASSIGNS.** This Agreement shall be governed and construed in accordance with the laws of Wisconsin without reference to the rules of conflict of law and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns. Any action brought hereunder shall be prosecuted in the United States District Court for the Eastern District of Wisconsin or the Circuit Court of Waukesha County, Wisconsin.

**15. SEVERABILITY.** If any provision of this Agreement shall under any circumstances be deemed invalid or inoperative, this Agreement shall be construed with the invalid or inoperative provisions deleted, and the rights and obligations of the parties shall be construed and enforced accordingly, provided that this provision shall not be construed to contemplate or permit restructuring of any restrictive covenant contained herein.

**16. REMEDIES.** Executive expressly acknowledges and agrees that a violation of any of the covenants set forth in this Agreement will cause immediate and irreparable harm to the Company, and that if Executive shall engage in any acts in violation of this Agreement, Company shall be entitled, in addition to such other remedies and monetary damages as may be available to it, to an injunction prohibiting Executive from engaging in any such acts. Nothing in this paragraph shall be construed to prohibit Company from availing itself of any other remedy and the parties agree that all remedies available to Company are cumulative.

**17. NOTICES.** Any and all notices, consents, documents or communications provided for in this Agreement shall be given in writing and shall be personally delivered, mailed by registered or certified mail (return receipt requested) or sent by courier, confirmed by receipt, and addressed as follows (or to such other address as the addressed party may have substituted by notice pursuant to this Section 17):

If to the Company:

Kohl's Department Stores, Inc.
N56 W17000 Ridgewood Drive
Menomonee Falls, WI 53051
Attn: Richard D. Schepp, Sr. Executive Vice President, General Counsel

If to Executive:
Any notice to be given to the Executive may be addressed to his at the address as it appears on the payroll records of the Company or any subsidiary thereof.

Such notice, consent, document or communication shall be deemed given upon personal delivery or receipt at the address of the party stated above or at any other address specified by such party to the other party in writing, except that if delivery is refused or cannot be made for any reason, then such notice shall be deemed given on the third day after it is sent.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the 20th day of May, 2013.

**KOHL'S DEPARTMENT STORES, INC.**

By: /s/ Richard D. Schepp
Richard D. Schepp
Senior Executive Vice President, General Counsel

**EXECUTIVE**

/s/ John Worthington
John Worthington

**EXHIBIT A**
**ACCELERATED RESTRICTED STOCK***

| Grant # | Grant Date | Originally Scheduled Vest Date | # of Shares Subject to Accelerated Vesting | |
|---|---|---|---|---|
| | | | | |
| 00020759 | 3/30/2009 | 3/30/2014 | 4,083 | |
| | | | | |
| 1133 | 3/1/2011 | 3/1/2014 | 22,522 | |
| | | 3/1/2015 | 22,523 | |
| | | 3/1/2016 | 22,523 | |
| | | | | |
| 1550 | 3/28/2011 | 3/28/2014 | 4,971 | |
| | | 3/28/2015 | 4,972 | |
| | | 3/28/2016 | 4,972 | |
| | | | | |
| 1960 | 3/26/2012 | 3/26/2014 | 3,610 | |
| | | 3/26/2015 | 3,610 | |
| | | 3/26/2016 | 3,610 | |
| | | | | |
| Subtotal | | | 97,396 | |
| Dividend Shares Attributable to Accelerated Shares | | | 5,118 | |
| | | | | |
| **Total** | | | **102,514** | |

* In accordance with Section 2(C)(iii) of this Agreement, vesting of these shares will occur on the Separation Date. On that date or as soon as practicable thereafter, Company shall release the Accelerated Restricted Stock to Executive, net of the shares required to satisfy Executive's tax withholding obligations. All of Executive's other unvested restricted stock shall, as of the Separation Date, be immediately cancelled, null and void. With the exception of this accelerated vesting, all restricted stock is subject to the terms and conditions of the applicable Long-Term Incentive Plan and the Award Agreement pursuant to which the award was made.

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**
**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kevin Mansell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kohl's Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 7, 2013

/s/ Kevin Mansell
Kevin Mansell
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**
**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Wesley S. McDonald, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kohl's Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 7, 2013

/s/ Wesley S. McDonald
Wesley S. McDonald

Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

**Exhibit 32.1**

**CERTIFICATION OF PERIODIC REPORT**
**BY CHIEF EXECUTIVE OFFICER**
**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kevin Mansell, Chief Executive Officer of Kohl's Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the undersigned's knowledge, on the date of this Certification:

1. This Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 4, 2013 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. That the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 7, 2013

/s/ Kevin Mansell

Kevin Mansell
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

**Exhibit 32.2**

**CERTIFICATION OF PERIODIC REPORT**
**BY CHIEF FINANCIAL OFFICER**
**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Wes S. McDonald, Chief Financial Officer of Kohl's Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the undersigned's knowledge, on the date of this Certification:

1. This Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 4, 2013 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. That the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 7, 2013

/s/ Wesley S. McDonald

Wesley S. McDonald

Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)