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

FORM 10-Q

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

For the quarterly period ended May 1, 2021

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	KSS	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

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: May 28, 2021 Common Stock, Par Value $0.01 per Share, 156,233,049 shares outstanding.

KOHL'S CORPORATION
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KOHL'S CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Dollars in Millions)	May 1, 2021	January 30, 2021	May 2, 2020
Assets			
Current assets:			
Cash and cash equivalents	**$ 1,609**	$ 2,271	$ 2,039
Merchandise inventories	**2,667**	2,590	3,557
Other	**919**	974	574
Total current assets	**5,195**	5,835	6,170
Property and equipment, net	**6,653**	6,689	7,169
Operating leases	**2,392**	2,398	2,373
Other assets	**449**	415	157
Total assets	**$ 14,689**	$ 15,337	$ 15,869
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	**$ 1,378**	$ 1,476	$ 1,866
Accrued liabilities	**1,289**	1,270	1,138
Current portion of:			
Finance lease and financing obligations	**112**	115	124
Operating leases	**159**	161	159
Total current liabilities	**2,938**	3,022	3,287
Long-term debt	**1,909**	2,451	3,449
Finance lease and financing obligations	**1,473**	1,387	1,351
Operating leases	**2,620**	2,625	2,605
Deferred income taxes	**242**	302	165
Other long-term liabilities	**390**	354	222
Shareholders' equity:			
Common stock	**4**	4	4
Paid-in capital	**3,333**	3,319	3,289
Treasury stock, at cost	**(11,663)**	(11,595)	(11,593)
Retained earnings	**13,443**	13,468	13,090
Total shareholders' equity	**$ 5,117**	$ 5,196	$ 4,790
Total liabilities and shareholders' equity	**$ 14,689**	$ 15,337	$ 15,869

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(Dollars in Millions, Except per Share Data)	Quarter Ended	
	May 1, 2021	May 2, 2020
Net sales	$ **3,662**	$ 2,160
Other revenue	**225**	268
Total revenue	**3,887**	2,428
Cost of merchandise sold	**2,233**	1,787
Operating expenses:		
Selling, general, and administrative	**1,170**	1,066
Depreciation and amortization	**211**	227
Impairments, store closing, and other costs	**—**	66
Operating income (loss)	**273**	(718)
Interest expense, net	**67**	58
Loss on extinguishment of debt	**201**	—
Income (loss) before income taxes	**5**	(776)
(Benefit) from income taxes	**(9)**	(235)
Net income (loss)	$ **14**	$ (541)
Net income (loss) per share:		
Basic	$ **0.09**	$ (3.52)
Diluted	$ **0.09**	$ (3.52)

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(Dollars in Millions, Except per Share Data)	Quarter Ended May 1, 2021	Quarter Ended May 2, 2020
Common stock		
Balance, beginning of period	$ 4	$ 4
Stock-based awards	—	—
Balance, end of period	$ 4	$ 4
Paid-in capital		
Balance, beginning of period	$ 3,319	$ 3,272
Stock-based awards	14	17
Balance, end of period	$ 3,333	$ 3,289
Treasury stock, at cost		
Balance, beginning of period	$ (11,595)	(11,571)
Treasury stock purchases	(46)	(8)
Stock-based awards	(22)	(20)
Dividends paid	—	6
Balance, end of period	$ (11,663)	$ (11,593)
Retained earnings		
Balance, beginning of period	$ 13,468	$ 13,745
Net income (loss)	14	(541)
Dividends paid	(39)	(114)
Balance, end of period	$ 13,443	$ 13,090
Total shareholders' equity, end of period	$ 5,117	$ 4,790
Common stock		
Shares, beginning of period	377	375
Stock-based awards	—	2
Shares, end of period	377	377
Treasury stock		
Shares, beginning of period	(219)	(219)
Treasury stock purchases	(1)	—
Shares, end of period	(220)	(219)
Total shares outstanding, end of period	157	158
Dividends paid per common share	$ 0.25	$ 0.704

See accompanying Notes to Consolidated Financial Statements

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

(Dollars in Millions)	Quarter Ended May 1, 2021	Quarter Ended May 2, 2020
Operating activities		
Net income (loss)	**$ 14**	$ (541)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	**211**	227
Share-based compensation	**12**	15
Deferred income taxes	**(65)**	(91)
Impairments, store closing, and other costs	**—**	51
Loss on extinguishment of debt	**201**	—
Non-cash inventory costs	**—**	187
Non-cash lease expense	**38**	37
Other non-cash expense	**7**	5
Changes in operating assets and liabilities:		
Merchandise inventories	**(75)**	(205)
Other current and long-term assets	**31**	(180)
Accounts payable	**(99)**	660
Accrued and other long-term liabilities	**42**	(78)
Operating lease liabilities	**(39)**	(34)
Net cash provided by operating activities	**278**	53
Investing activities		
Acquisition of property and equipment	**(59)**	(162)
Proceeds from sale of real estate	**2**	—
Net cash used in investing activities	**(57)**	(162)
Financing activities		
Proceeds from issuance of debt	**500**	2,097
Deferred financing costs	**(5)**	(19)
Treasury stock purchases	**(46)**	(8)
Shares withheld for taxes on vested restricted shares	**(22)**	(20)
Dividends paid	**(39)**	(108)
Reduction of long-term borrowings	**(1,044)**	(497)
Premium paid on redemption of debt	**(192)**	—
Finance lease and financing obligation payments	**(33)**	(23)
Proceeds from stock option exercises	**1**	—
Proceeds from financing obligations	**—**	3
Other	**(3)**	—
Net cash (used in) provided by financing activities	**(883)**	1,425
Net (decrease) increase in cash and cash equivalents	**(662)**	1,316
Cash and cash equivalents at beginning of period	**2,271**	723
Cash and cash equivalents at end of period	**$ 1,609**	$ 2,039
Supplemental information		
Interest paid, net of capitalized interest	**$ 59**	$ 39
Income taxes paid	**5**	1
Property and equipment acquired through:		
Finance lease liabilities	**106**	8
Operating lease liabilities	**30**	20

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for fiscal year end Consolidated 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 Consolidated Financial Statements and related footnotes included in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021 (Commission File No. 1-11084) as filed with the Securities and Exchange Commission.

Due to the seasonality of the business of Kohl's Corporation (the "Company," "Kohl's," "we," "our," or "us") and the uncertainty surrounding the financial impact of the novel coronavirus ("COVID-19") pandemic, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

We operate as a single business unit.

Restructuring Reserve

The following table summarizes changes in the restructuring reserve during the quarter ended May 1, 2021:

(Dollars In Millions)	Severance
Balance - January 30, 2021	$ 13
Payments and reversals	(2)
Balance - May 1, 2021	$ 11

Charges related to corporate restructuring efforts are recorded in Impairments, store closing, and other costs.

Recent Accounting Pronouncements

During the quarter ended May 1, 2021, we adopted the new accounting standard on simplifying the accounting for income taxes (ASU 2019-12). The transition method (retrospective, modified retrospective, or prospective basis) related to the amendments depends on the applicable guidance, and all amendments for which there is no transition guidance specified are to be applied on a prospective basis. There was no material impact on our financial statements due to adoption of the new standard.

2. Revenue Recognition

The following table summarizes net sales by line of business:

	Quarter Ended	
(Dollars in Millions)	May 1, 2021	May 2, 2020
Women's	**$ 1,117**	$ 593
Men's	**687**	363
Home	**634**	483
Children's	**468**	269
Footwear	**388**	233
Accessories	**368**	219
Net Sales	**$ 3,662**	$ 2,160

Unredeemed gift cards and merchandise return card liabilities totaled $298 million as of May 1, 2021, $339 million as of January 30, 2021, and $301 million as of May 2, 2020. Revenue of $74 million was recognized during the current year from the January 30, 2021 ending balance.

3. Debt

Long-term debt, which includes draws on the revolving credit facility, consists of the following unsecured and secured senior debt:

Maturity (Dollars in Millions)	Effective Rate	Coupon Rate	Outstanding May 1, 2021	Outstanding January 30, 2021	Outstanding May 2, 2020
2023	3.25%	3.25%	**$ 164**	$ 350	$ 350
2023	4.78%	4.75%	**111**	184	184
2025	9.50%	9.50%	**113**	600	600
2025	4.25%	4.25%	**353**	650	650
2029	7.36%	7.25%	**42**	42	42
2031	3.40%	3.38%	**500**	—	—
2033	6.05%	6.00%	**112**	113	113
2037	6.89%	6.88%	**101**	101	101
2045	5.57%	5.55%	**427**	427	427
Outstanding unsecured senior debt			**1,923**	2,467	2,467
Unamortized debt discounts and deferred financing costs			**(14)**	(16)	(18)
Unsecured senior debt			**1,909**	2,451	2,449
Effective interest rate			**4.89 %**	5.90%	5.90%
Secured senior debt			**—**	—	1,000
Total long-term debt			**$ 1,909**	$ 2,451	$ 3,449

Our unsecured senior long-term debt is classified as Level 1, financial instruments with unadjusted, quoted prices listed on active market exchanges. The estimated fair value of our unsecured senior debt was $2.1 billion at May 1, 2021, $2.8 billion at January 30, 2021 and $2.2 billion at May 2, 2020.

No borrowing amounts were outstanding on the credit facility in place as of May 1, 2021 or January 30, 2021. At May 2, 2020, $1.0 billion was outstanding on the credit facility.

In March 2021, we issued $500 million in aggregate principal amount of 3.375% notes with semi-annual interest payments beginning in November 2021. The notes include coupon rate step ups if our long-term debt is downgraded to below a BBB- credit rating by S&P Global Ratings or Baa3 by Moody's Investors Service, Inc. The notes mature in May 2031. Proceeds of the issuance and cash on hand were used to pay the principal, premium, and accrued interest of the notes which were purchased as part of the cash tender offer in April 2021.

In April 2021, we completed a cash tender offer for $1.0 billion of senior unsecured debt. We recognized a $201 million loss on extinguishment of debt in the first quarter of 2021, which includes the $192 million tender premium paid to tendering note holders in accordance with the terms of the tender offer, a $6 million non-cash write-off of deferred financing costs and original issue discounts associated with the extinguished debt, and $3 million in other fees.

4. Stock-Based Awards

The following table summarizes our stock-based awards activity for the quarter ended May 1, 2021:

(Shares and Units in Thousands)	Stock Options		Nonvested Stock Awards		Performance Share Units	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance - January 30, 2021	36	$ 52.15	3,451	$ 32.09	1,037	$ 49.95
Granted	—	—	546	57.16	197	59.62
Exercised/vested	(11)	55.20	(838)	35.87	(211)	72.21
Forfeited/expired	(1)	51.27	(78)	30.95	(33)	30.42
Balance - May 1, 2021	**24**	**$ 50.86**	**3,081**	**$ 35.54**	**990**	**$ 47.78**

In 2019, we granted 1,747,441 of stock warrants. The total vested and unvested warrants as of May 1, 2021 were 698,977 and 1,048,464, respectively.

5. Contingencies

We are subject to certain legal proceedings and claims arising out of the conduct of our business. In the opinion of management, the outcome of these proceedings and litigation will not have a material adverse impact on our Consolidated Financial Statements.

6. Income Taxes

The first quarter of 2021 resulted in a net benefit for income taxes driven by the recognition of favorable tax items. The net benefit, when compared to a low GAAP income, results in a large negative tax rate. The effective income tax rate from the first quarter of 2020 was driven by the net loss in the first quarter of 2020 due to the temporary closure of our stores and the benefit of the net loss carryback to years with a federal statutory tax rate of 35%.

7. Net Income (Loss) Per Share

Basic Net income (loss) per share is Net income (loss) divided by the average number of common shares outstanding during the period. Diluted Net income (loss) per share includes incremental shares assumed for share-based awards and stock warrants. Potentially dilutive shares include stock options, unvested restricted stock units and awards, and warrants outstanding during the period, using the treasury stock method. Potentially dilutive shares are excluded from the computations of diluted earnings per share ("EPS") if their effect would be anti-dilutive.

The information required to compute basic and diluted Net income (loss) per share is as follows:

(Dollar and Shares in Millions, Except per Share Data)	Quarter Ended	
	May 1, 2021	May 2, 2020
Numerator—Net income (loss)	**$ 14**	$ (541)
Denominator—Weighted-average shares:		
Basic	**154**	154
Dilutive impact	**2**	—
Diluted	**156**	154
Net income (loss) per share:		
Basic	**$ 0.09**	$ (3.52)
Diluted	**$ 0.09**	$ (3.52)

The following potential shares of common stock were excluded from the diluted Net income (loss) per share calculation because their effect would have been anti-dilutive:

	Quarter Ended	
	May 1, 2021	May 2, 2020
Anti-dilutive shares	**3**	6

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

For purposes of the following discussion, unless noted, all references to "the quarter" and "the first quarter" are for the three fiscal months (13 weeks) ended May 1, 2021 or May 2, 2020.

This Form 10-Q contains "forward-looking statements" made within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believes," "anticipates," "plans," "may," "intends," "will," "should," "expects," and similar expressions are intended to identify forward-looking statements. Forward-looking statements include the information under "2021 Outlook," as well as statements about our future sales or financial performance and our plans, performance, and other objectives, expectations, or intentions, such as statements regarding our liquidity, debt service requirements, planned capital expenditures, future store initiatives, and adequacy of capital resources and reserves. Forward-looking statements are based on 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 Part I Item 1A of our 2020 Form 10-K or disclosed from time to time in our filings with the SEC, 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.

Executive Summary

As of May 1, 2021, we operated 1,162 Kohl's stores, a website (www.Kohls.com), and 12 FILA outlets. Our Kohl's stores and website sell moderately-priced private and national brand apparel, footwear, accessories, beauty, and home products. Our Kohl's stores generally carry a consistent merchandise assortment with some differences attributable to local preferences. Our website includes merchandise which is available in our stores, as well as merchandise that is available only online.

Key financial results for the quarter included:

- First quarter net sales and earnings exceeded company expectations
- Strengthened financial position during the quarter by reducing long-term debt by over $500 million and ending with $1.6 billion in cash
- 69.5% increase over the prior year period in net sales
- 2,173 basis point increase over the prior year period in gross margin as a percent of net sales
- 1,379 basis point decrease from the prior year period in SG&A as a percentage of total revenue
- 7.0% operating margin
- $0.09 diluted earnings per share
- $1.05 diluted earnings per share on a non-GAAP basis

COVID-19

As discussed in our 2020 Form 10-K, the COVID-19 pandemic has had significant adverse effects on our business. We are closely monitoring the effects of the ongoing COVID-19 pandemic and its continued impact on our business. We cannot estimate with certainty the length or severity of this pandemic, or the extent to which the disruption may materially impact our Consolidated Financial Statements. During the first quarter of 2021, we did see momentum in our business returning to pre-pandemic levels which allowed us to resume our capital allocation strategy including reinstating dividends, resuming our share repurchase program, and employing liability management strategies.

Our Vision and Strategy

In 2020, the Company announced a new strategic framework with a vision to be “the most trusted retailer of choice for the active and casual lifestyle.” This strategy is designed to create long-term shareholder value and has four key focus areas: driving top line growth, expanding operating margin, maintaining disciplined capital management, and sustaining an agile, accountable, and inclusive culture.

2021 Outlook

Our updated expectations for fiscal 2021 are as follows:

Net sales	Increase mid-to-high teens %
Operating margin	5.7% - 6.1%
Earnings per diluted share (a)	$3.80 - $4.20
Capital expenditures	$550 - $600 million
Share repurchases	$200 - $300 million

(a) Excluding non-recurring charges

Results of Operations

Total Revenue

	Quarter Ended		
(Dollars in Millions)	May 1, 2021	May 2, 2020	Change
Net sales	**$ 3,662**	$ 2,160	$ 1,502
Other revenue	**225**	268	(43)
Total revenue	**$ 3,887**	$ 2,428	$ 1,459

Net sales increased 69.5% for the first quarter of 2021 compared to the first quarter of 2020.

- The increase in net sales shows that our key strategic initiatives are gaining traction and resonating with our customers. Store sales more than doubled year over year lapping last year’s store closures.
- Digital sales increased 14% for the first quarter of 2021. Digital penetration represented 30% of net sales for the first quarter of 2021 compared to 45% of net sales for the first quarter of 2020.
- All lines of business reported increases in sales for the first quarter of 2021 with Men’s, Women’s, Children’s, and Accessories outperforming the Company average.
- Active continues to be a key strategic initiative and outperformed the rest of the Company growing to 23% of sales.

Comparable sales is a measure that highlights the performance of our stores and digital channel by measuring the change in sales for a period over the comparable, prior-year period of equivalent length. Comparable sales includes all store and digital sales, except sales from stores open less than 12 months, stores that have been closed, and stores where square footage has changed by more than 10%. We measure the change in digital sales by including all sales initiated online or through mobile applications, including omnichannel transactions which are fulfilled through our stores.

As our stores were closed for a period during the first quarter of 2020, we have not included a discussion of comparable sales as we do not believe it is a meaningful metric over this period of time.

We measure digital penetration as digital sales over net sales. These amounts do not take into consideration fulfillment node, digital returns processed in stores, and coupon behaviors.

Digital penetration calculations vary across the retail industry. As a result, our digital penetration calculation may not be consistent with the similarly titled measures reported by other companies.

The decrease in Other revenue of $43 million for the first quarter of 2021 was driven by a decline in credit revenue due to lower accounts receivable balances associated with a decrease in sales in 2020 as well as a higher payment rate resulting in less interest, late fees, and write-off activity.

Cost of Merchandise Sold and Gross Margin

	Quarter Ended						
(Dollars in Millions)	**May 1, 2021**		**May 2, 2020**		**Change**		
Net sales	$	**3,662**	$	2,160	$	1,502	
Cost of merchandise sold		**2,233**		1,787		446	
Gross margin	$	**1,429**	$	373	$	1,056	
Gross margin as a percent of net sales		**39.0%**		17.3%		2,173	bps

Cost of merchandise sold 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 expenses for digital sales; terms cash discount; and depreciation of product development facilities and equipment. Our cost of merchandise sold may not be comparable with that of other retailers because we include distribution center and buying costs in selling, general, and administrative expenses while other retailers may include these expenses in cost of merchandise sold.

Gross margin as a percent of sales was 39%, increasing 2,173 bps from the COVID-19 impacted gross margin as a percent of sales of 17.3% in the first quarter of 2020. The increase was driven by pricing and promotion optimization, strong inventory management resulting in less permanent markdowns, and decreased shipping costs due to the decrease in digital sales penetration. Gross margin in the first quarter of 2020 was negatively impacted by $187 million of inventory related charges, including a $163 million reserve required to address excess seasonal inventory as our stores were closed.

Gross margin benefited from a favorable industry backdrop which provided for a greater percentage of full price selling. While we expect some of the industry tailwinds to ease as inventory rebuilds, we remain confident in our ability to further enhance our margin structure through our strategic initiatives. We are monitoring cost headwinds related to industry-wide supply chain disruptions. We have navigated the challenges to date, but acknowledge there still remains a lot of uncertainty as we look to the balance of the year.

Selling, General, and Administrative Expense ("SG&A")

	Quarter Ended						
(Dollars in Millions)	**May 1, 2021**		**May 2, 2020**		**Change**		
SG&A	$	**1,170**	$	1,066	$	104	
As a percent of total revenue		**30.1%**		43.9%		(1,379)	bps

SG&A includes compensation and benefit costs (including stores, corporate, buying, 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 other than expenses to fulfill digital sales; marketing expenses, offset by vendor payments for reimbursement of specific, incremental, and identifiable costs; expenses related to our credit card operations; and other administrative revenues and expenses. We do not include depreciation and amortization in SG&A. The classification of these expenses varies across the retail industry.

Many of our expenses, including store payroll and distribution costs, are variable in nature. These costs generally increase as sales increase and decrease as sales decrease. We measure both the change in these variable expenses and the expense as a percent of revenue. If the expense as a percent of revenue decreased from the prior year, the expense "leveraged". If the expense as a percent of revenue increased over the prior year, the expense "deleveraged".

The following table summarizes the increases (decreases) in SG&A by expense type:

(Dollars In Millions)	Quarter Ended May 1, 2021
Corporate and other	**$ 51**
Store expenses	**48**
Distribution	**20**
Technology	**(15)**
Total increase	**$ 104**

SG&A expenses increased $104 million, or 9.8%, to $1.2 billion in the first quarter of 2021. As a percentage of revenue, SG&A leveraged by 1,379 bps. The increase in SG&A was primarily driven by increases in store expenses due to an increase in sales as our stores were closed for part of the period last year due to COVID-19, an increase in Corporate expenses due to the retention credit benefit we were eligible for under The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") in 2020, and an increase in distribution expenses driven by higher transportation and payroll costs to support the increased sales volume. Partially offsetting the increase in SG&A expense was a decrease in technology expense driven by a more balanced staffing model.

Other Expenses

(Dollars in Millions)	Quarter Ended May 1, 2021	May 2, 2020	Change
Depreciation and amortization	**$ 211**	$ 227	$ (16)
Impairments, store closing, and other costs	**—**	66	(66)
Interest expense, net	**67**	58	9
Loss on extinguishment of debt	**201**	—	201

Depreciation and amortization decreases were driven by reduced capital spending in 2020 due to COVID-19.

In the first quarter of 2020, we incurred $66 million of Impairments, store closing, and other costs. We incurred $51 million in asset write-offs and $2 million in other costs related to capital reductions and strategy changes due to COVID-19 and $13 million in brand exit costs.

Net interest expense increased in the first quarter of 2021 as a result of higher interest expense due to the $600 million notes issued in April 2020 partially offset by liability management strategies employed during the first quarter of 2021.

In the first quarter of 2021, we completed a cash tender offer and recognized a loss of $201 million from the extinguishment of debt.

Income Taxes

(Dollars in Millions)	Quarter Ended May 1, 2021	May 2, 2020	Change
(Benefit) for income taxes	**$ (9)**	$ (235)	$ 226
Effective tax rate	**(184.5%)**	30.3%	

The first quarter of 2021 resulted in a net benefit for income taxes driven by the recognition of favorable tax items. The net benefit, when compared to a low GAAP income, results in a large negative tax rate. The effective income tax rate from the first quarter of 2020 was driven by the net loss in the first quarter of 2020 due to the temporary closure of our stores and the benefit of the net loss carryback to years with a federal statutory tax rate of 35%.

GAAP to Non-GAAP Reconciliation

(Dollars in Millions, Except per Share Data)	Operating Income (Loss)	Income (Loss) before Income Taxes	Net Income (Loss)	Earnings (Loss) Per Diluted Share
Quarter Ended May 1, 2021				
GAAP	**$ 273**	**$ 5**	**$ 14**	**$ 0.09**
Loss on extinguishment of debt	**—**	**201**	**201**	**1.29**
Impairments, store closing, and other costs	**—**	**—**	**—**	**—**
Income tax impact of items noted above	**—**	**—**	**(50)**	**(0.33)**
Adjusted (non-GAAP)	**$ 273**	**$ 206**	**$ 165**	**$ 1.05**
Quarter Ended May 2, 2020				
GAAP	$ (718)	$ (776)	$ (541)	$ (3.52)
Loss on extinguishment of debt	—	—	—	—
Impairments, store closing, and other costs	66	66	66	0.43
Income tax impact of items noted above	—	—	(20)	(0.13)
Adjusted (non-GAAP)	$ (652)	$ (710)	$ (495)	$ (3.22)

We believe the adjusted results in the table above are useful because they provide enhanced visibility into our results for the periods excluding the impact of certain items such as those included in the table above. However, these non-GAAP financial measures are not intended to replace the comparable GAAP measures.

Seasonality and Inflation

Our business, like that of other retailers, is subject to seasonal influences. Sales and income are typically higher during the back-to-school and holiday seasons. 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. Due to the impact of COVID-19, typical sales patterns may not occur this year.

In addition to COVID-19, we expect that our operations will continue to be influenced by general economic conditions, including food, fuel, and energy prices, higher unemployment, wage inflation, and costs to source our merchandise, including tariffs. There can be no assurances that such factors will not impact our business in the future.

Liquidity and Capital Resources

The following table presents our primary uses and sources of cash:

Cash Uses	Cash Sources
•Operational needs, including salaries, rent, taxes, and other operating costs •Capital expenditures •Inventory •Share repurchases •Dividend payments •Debt reduction	•Cash flow from operations •Short-term trade credit, in the form of extended payment terms •Line of credit under our revolving credit facility •Issuance of debt

Our working capital and inventory levels typically build throughout the fall, peaking during the November and December holiday selling season.

	Quarter Ended		
(Dollars in Millions)	May 1, 2021	May 2, 2020	Change
Net cash provided by (used in):			
Operating activities	**$ 278**	$ 53	$ 225
Investing activities	**(57)**	(162)	105
Financing activities	**(883)**	1,425	(2,308)

Operating Activities

Operating activities generated $278 million in the first quarter of 2021 compared to $53 million in the first quarter of 2020. The increase was primarily due to an increase in net income resulting from increased sales due to the impact of COVID-19 last year and changes in other current and long-term assets partially offset by extending payment terms with our vendors last year.

Investing Activities

Investing activities used $57 million in the first quarter of 2021 and $162 million in the first quarter of 2020. The decrease was due to reductions in capital expenditures in 2021 driven by the timing of the construction of our Sephora shops beginning in the second quarter of 2021.

Financing Activities

Financing activities used $883 million in the first quarter of 2021 and generated $1.4 billion in the first quarter of 2020.

In March 2021, we issued $500 million in aggregate principal amount of 3.375% notes with semi-annual interest payments beginning in November 2021. The notes mature in May 2031.

In April 2021, we completed a cash tender offer for $1.0 billion of senior unsecured debt. We recognized a $201 million loss on extinguishment of debt in the first quarter of 2021 which includes the $192 million tender premium paid to tendering note holders in accordance with the terms of the tender offer, a $6 million non-cash write-off of deferred financing costs and original issue discounts associated with the extinguished debt, and $3 million in other fees.

In March 2020, we fully drew down our $1.0 billion senior unsecured revolver. In April 2020, we replaced and upsized the unsecured credit facility with a $1.5 billion senior secured, asset based revolving credit facility maturing in July 2024. At May 2, 2020, $1.0 billion was outstanding on the credit facility bearing an effective interest rate of 3.41%.

In April 2020, we issued $600 million in aggregate principal amount of 9.50% notes with semi-annual interest payments beginning in November 2020. The notes mature in May 2025. We used part of the net proceeds from this offering to repay $500 million of the borrowings under our senior secured, asset based revolving credit facility with the remainder for general corporate purposes.

We paid cash for treasury stock purchases of $46 million in the first quarter of 2021 and $8 million in the first quarter of 2020. During the first quarter of 2021, we reinstated our share repurchase program which had been suspended in the first quarter of 2020 in response to COVID-19. Share repurchases are discretionary in nature. The timing and amount of repurchases are based upon available cash balances, our stock price, and other factors.

Cash dividend payments were $39 million ($0.25 per share) in the first quarter of 2021 and $108 million ($0.704 per share) in the first quarter of 2020. During the first quarter of 2021, we reinstated our dividend program which had been suspended beginning in the second quarter of 2020 in response to COVID-19. On May 12, 2021, our Board of Directors declared a quarterly cash dividend on our common stock of $0.25 per share. The dividend is payable June 23, 2021 to shareholders of record at the close of business on June 9, 2021.

As of May 1, 2021, our credit ratings were as follows:

	Moody's	Standard & Poor's	Fitch
Long-term debt	Baa2	BBB-	BBB-
Outlook	Negative	Stable	Stable

Key Financial Ratios

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

(Dollars in Millions)	May 1, 2021	May 2, 2020
Working capital	**$ 2,257**	$ 2,883
Current ratio	**1.77**	1.88

The decrease in our working capital and current ratio are primarily due to lower cash balances as a result of the debt liability management actions we employed to reduce our long-term borrowings as well as lower inventory balances offset by a decrease in accounts payable as we extended payment terms with our vendors in 2020 due to COVID-19.

Debt Covenant Compliance

As of May 1, 2021, we were in compliance with all covenants in our debt instruments and expect to remain in compliance during the remainder of fiscal 2021.

Contractual Obligations

During the first quarter of 2021, we issued $500 million in aggregate principal amount of 3.375% notes due in 2031. We also completed a cash tender offer for $1.0 billion of our senior unsecured debt. See "Liquidity and Capital Resources" for additional details about these financing activities. See Note 3 of the Consolidated Financial Statements for additional details about outstanding debt. There have been no other significant changes in the contractual obligations disclosed in our 2020 Form 10-K.

Off-Balance Sheet Arrangements

We have not provided any financial guarantees as of May 1, 2021.

We have not created and are not a 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 financial condition, liquidity, results of operations, or capital resources.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 2020 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our operating results are subject to interest rate risk as the $500 million of notes issued in March 2021 include coupon rate step ups if our long-term debt is downgraded to below a BBB- credit rating by S&P Global Ratings or Baa3 by Moody's Investors Service, Inc. There have been no other significant changes in the Quantitative and Qualitative Disclosures About Market Risk described in our 2020 Form 10-K.

Item 4. Controls and Procedures

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 Rule 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.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended May 1, 2021 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 the Risk Factors described in our 2020 Form 10-K.

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

In April 2021, our Board of Directors increased the remaining share repurchase authorization under our existing share repurchase program to $2.0 billion. Purchases under the repurchase program may be made in the open market, through block trades, and other negotiated transactions. We expect to execute the share repurchase program primarily in open market transactions, subject to market conditions. There is no fixed termination date for the repurchase program, and the program may be suspended, discontinued, or accelerated at any time.

The following table contains information for shares of common stock repurchased and shares acquired from employees in lieu of amounts required to satisfy minimum tax withholding requirements upon the vesting of the employees' stock-based compensation during the three fiscal months ended May 1, 2021:

(Dollars in Millions, Except per Share Data)	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
January 31 - February 27, 2021	4,293	$ 49.98	—	$ 726
February 28 - April 3, 2021	779,680	58.33	407,842	702
April 4 - May 1, 2021	382,996	59.63	376,180	1,984
Total	1,166,969	$ 58.72	784,022	$ 1,984

Item 6. Exhibits

Exhibit	Description
10.1	Settlement Agreement, dated as of April 13, 2021, by and among Kohl's Corporation, Macellum Badger Fund, LP and the other persons and entities listed on Schedule A thereto, Legion Partners Holdings, LLC and the other persons and entities listed on Schedule B thereto, 4010 Partners, LP and the other persons and entities listed on Schedule C thereto, and Ancora Advisors, LLC and the other persons and entities listed on Schedule D thereto, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated April 13, 2021.
10.2	Form of Restricted Stock Unit Agreement for persons party to an Employment Agreement
10.3	Form of Restricted Stock Unit Agreement for persons party to an Executive Compensation Agreement
10.4	Form of Performance Stock Unit Agreement
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	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibits 101)

SIGNATURES

Pursuant to the requirements 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 3, 2021

/s/ Jill Timm
Jill Timm
On behalf of the Registrant and as Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.2

RESTRICTED STOCK UNIT AGREEMENT

Executive	Grant Date	Number of Restricted Stock Units

RECITALS:

The Company and Executive have previously entered into an Employment Agreement (the "Employment Agreement") setting forth some of the terms of Executive's employment and post-employment relationships with Company.

The Compensation Committee of the Board of Directors (the "Committee") has determined to award to the Executive Restricted Stock Units, subject to the restrictions contained herein, pursuant to the Company's 2017 Long-Term Compensation Plan (the "Plan"). All terms used herein and not otherwise defined shall have the same meaning as set forth in the Plan.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises set forth in this agreement and the benefits that the Company expects to derive in connection with the services to be hereafter rendered to it or its subsidiaries by the Executive, the Company and the Executive hereby agree as follows:

ARTICLE I

Defined Terms

1.1 Cause. Cause shall have the meaning set forth in the Employment Agreement.

1.2 Disability. Disability shall have the meaning set forth in the Employment Agreement. Notwithstanding the foregoing, in the event this Award is subject to Section 409A of the Code, no event or set of circumstances will constitute a "Disability" for purposes of this Award unless the Executive is also "disabled" as defined in Treasury Regulation Section 1.409A-3(i)(4).

1.3 Good Reason. Good Reason shall have the meaning set forth in the Employment Agreement.

1.4 Payment Date. The Payment Date with respect to Restricted Stock Units shall be the earliest of (i) the applicable Anniversary Date on which such Restricted Stock Units become vested in accordance with this Restricted Stock Unit Agreement, (ii) Executive's death, (iii) Executive's Disability, or (iv) the date of Executive's termination of employment if and only if such termination accelerates vesting of the Restricted Stock Units pursuant to Section 2.2(c) below.

1.5 Restricted Stock Unit. Restricted Stock Unit shall mean a nonvoting unit of measurement which is deemed for bookkeeping purposes to be the equivalent to one outstanding share of Common Stock (a "Share") solely for purposes of the Plan and this Agreement. The Restricted Stock Units shall be used solely as a device for the determination of the payment to be made to Executive if such Restricted Stock Units become vested and payable pursuant to Article II below. The Restricted Stock Units shall not be treated as property or as a trust fund of any kind. Each Restricted Stock Unit granted hereunder is intended to qualify as a Stock Award expressed in terms of Common Stock, as authorized under Section 10 of the Plan.

1.6 Retirement. Retirement shall mean the termination of Executive's employment for any reason other than by the Company for Cause or due to death or Disability, but only to the extent such termination occurs after the Executive is Retirement Eligible.

1.7 Retirement Eligible. Retirement Eligible shall mean the Executive has reached age sixty (60) and has been employed with the Company for a continuous period of at least five (5) years.

ARTICLE II

Restricted Stock Units

2.1 Award of Restricted Stock Unit. The Company hereby awards to the Executive the number of Restricted Stock Units listed above under the heading "Number of Restricted Stock Units," subject to the restrictions contained herein and the provisions of the Plan.

2.2 Vesting of Restricted Stock Units. Subject to the terms of this Agreement, the Restricted Stock Units shall vest in accordance with the following schedule:

Anniversary Date	**Shares Vesting**
[1stAnniversary Date]	[25%]
[2nd Anniversary Date]	[25%]
[3rd Anniversary Date]	[25%]
[4th Anniversary Date]	[25%]

(a) Termination By Company for Cause or By Executive Other Than for Good Reason. If Executive's employment is terminated in accordance with the Employment Agreement by the Company for Cause at any time or by Executive other than for Good Reason prior to the date the Executive is Retirement Eligible, the vesting of the Restricted Stock Units shall, on the date of such termination, cease and any unvested Restricted Stock Units shall be forfeited by Executive and revert to the Company.

(b) Executive's Death or Disability. In the event of Executive's death or Disability while employed by the Company, the Restricted Stock Units shall, upon such death or Disability, vest immediately.

(c) Termination By Company Without Cause or By Executive for Good Reason. If Executive's employment is terminated in accordance with the Employment Agreement by the Company without Cause or by the Executive for Good Reason prior to the date the Executive is Retirement Eligible, subject to Section 2.4 below, any Restricted Stock Units that are scheduled to vest during the period through the end of the Initial Term or the then current Renewal Term, as applicable, of the Employment Agreement (but in no event longer than the three-year period following the date of Executive's termination of employment) (such applicable period, the "Severance Period") shall, upon such termination, vest immediately.

(d) Retirement. If Executive's employment is terminated due to Retirement, Executive shall continue to vest in the Restricted Stock Units granted pursuant to this Restricted Stock Unit Agreement following the date of Retirement as if the Executive were still employed with the Company as of each Anniversary Date set forth in the vesting schedule above; provided, however, the foregoing shall not apply to any Retirement that occurs prior to the first Anniversary Date set forth in the vesting schedule above. Notwithstanding the foregoing, if Executive's employment is terminated due to Retirement prior to the first Anniversary Date set forth in the vesting schedule above and is also a termination by the Company without Cause or by the Executive for Good Reason in accordance with the Employment Agreement, Executive shall continue to vest in the Restricted Stock Units granted pursuant to this Restricted Stock Unit Agreement for the Severance Period following the date of Retirement as if the Executive were still employed with the Company.

(e) Change of Control. In the event of a Change of Control, any outstanding Restricted Stock Units shall be subject to the provisions set forth in Paragraph 19 of the Plan, provided, however, any references to "cause" and "good reason" used in Paragraph 19 of the Plan shall be interpreted by applying the definitions of "cause" and "good reason" set forth in the Employment Agreement.

2.3 Prohibition Against Transfer. The Restricted Stock Units may not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) by Executive, or be subject to execution, attachment or similar process. Any transfer in violation of this Section 2.3 shall be void and of no further effect.

2.4 Release. As a condition to the accelerated vesting of certain Restricted Stock Units in Section 2.2(c) above, in the event of Executive's termination of employment in accordance with the Employment Agreement by the Company without Cause or by Executive for Good Reason, Executive (i) shall be required to execute a written release agreement in a form satisfactory to the Company containing, among other items, a general release of claims against the Company, and (ii) must not exercise any right to revoke such release agreement during any applicable rescission period ((i) and (ii), the "Release Conditions)." If Executive fails to satisfy the Release Conditions within sixty (60) days of the Executive's termination of employment, all outstanding Restricted Stock Units shall be forfeited.

2.5 Share Delivery. On the Payment Date, or within sixty (60) days following the Payment Date for any Payment Date that is not the applicable Anniversary Date, the Company shall deliver to Executive a number of Shares (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Company in its sole discretion) equal to the number of Restricted Stock Units subject to this Award that have become vested pursuant to Section 2.2 above.

ARTICLE III

Miscellaneous

3.1 Provisions of the Plan Control. This Agreement shall be governed by the provisions of the Plan, the terms and conditions of which are incorporated herein by reference. The Plan empowers the Committee to make interpretations, rules and regulations thereunder, and, in general, provides that determinations of such Committee with respect to the Plan shall be binding upon the Executive. A copy of the Plan will be delivered to the Executive upon reasonable request.

3.2 References to Employment Agreement. All references to the Employment Agreement herein shall refer to the Employment Agreement in effect on the date of grant of Restricted Stock Units. Notwithstanding that, at the time of a termination of Executive's employment, the Executive and Company may no longer be parties to such Employment Agreement or may have amended such Employment Agreement, this Agreement shall be interpreted as if such Employment Agreement were still in place (including any requirements to give notice, etc.). Further, to the extent that the Employment Agreement has been terminated prior to the Executive's termination of employment, the measurement period for additional vesting of Restricted Stock Units under Sections 2.2(c) and 2.2(d) of this Agreement, as applicable, shall be the three-year period following the date of Executive's termination of employment.

3.3 No Rights as Shareholder. Executive shall not have any right to exercise the rights or privileges of a shareholder with respect to any Restricted Stock Units or Shares distributable with respect to any Restricted Stock Units until such Shares are distributed.

3.4 Dividend Equivalents. On the Payment Date, in addition to the Shares deliverable under Section 2.5 above, the Company shall issue the Executive or Executive's beneficiary that number of Shares equal to the "Dividend Equivalent Amount." The Dividend Equivalent Amount shall be calculated as of the Payment Date, pursuant to this Section 3.4. In calculating the Dividend Equivalent Amount, the Company shall determine the number of Shares that would have been payable to the Executive if the total number of Restricted Stock Units vested under Section 2.2 had been outstanding as Shares from the Grant Date until the Payment Date and in lieu of any regular cash dividends, on the declared payment date of each regular cash dividend otherwise payable on such Shares ("Dividend Date"), the Company had issued Executive a number of additional Shares with a "Dividend Date Market Value" equal to: (i) the per-share dollar amount of the declared dividend multiplied by (ii) the number of Restricted Stock Units vested under Section 2.2 above plus the number of Shares deemed issued hereunder as dividend equivalents as of the declared record date for the dividend. For purposes of calculating the "Dividend Date Market Value" in the preceding sentence, the Company shall use the closing price of a share of the Company's Common Stock on the New York Stock Exchange on the Dividend Date. Shares issued hereunder shall be issued in fractional shares.

3.5 Taxes. The Company may require payment of or withhold any income or employment tax from any amount payable under this Restricted Stock Unit Agreement or from any other compensation payable to Executive as is required under law with respect to this Restricted Stock Unit Agreement, including, as necessary, the right to withhold from other wages payable to Executive to satisfy the Company's Federal Insurance Contributions Act ("FICA") tax withholding obligation in the taxable year that any portion of this Award is no longer subject to a substantial risk of forfeiture as such term is defined under the FICA regulations, and the Company may defer making delivery with respect to Shares until arrangements satisfactory to the Company have been made with regard to any such withholding obligation. In accordance with the Plan, the Company may withhold shares of Common Stock to satisfy such withholding obligations.

3.6 Section 409A. To the extent this Award is or becomes subject to Section 409A, this Restricted Stock Unit Agreement shall be interpreted and administered in compliance with the requirements of Section 409A of the Code and any guidance promulgated thereunder, including the final regulations.

3.7 No Employment Rights. The award of the Restricted Stock Units pursuant to this Agreement shall not give the Executive any right to remain employed by the Company or any affiliate thereof.

3.8 Notices. Any notice to be given to the Company under the terms of this Agreement shall be given in writing to the Company in care of its General Counsel at Kohl's, Inc., N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin, 53051. Any notice to be given to the Executive may be addressed to him/her at the address as it appears on the payroll records of the Company or any subsidiary thereof. Any such notice shall be deemed to have been duly given if and when actually received by the party to whom it is addressed, as evidenced by a written receipt to that effect.

3.9 Governing Law. This Restricted Stock Unit Agreement and all questions arising hereunder or in connection herewith shall be determined in accordance with the laws of the State of Wisconsin without giving effect to its conflicts of law provisions.

3.10 Suspension or Termination of Award; Clawback. Executive acknowledges that this Restricted Stock Unit Agreement is subject to Section 23 of the Plan, including, but not limited to, the forfeiture of the Award in the event that Executive makes an unauthorized disclosure of any Company trade secret or confidential information or breaches any non-competition agreement.

3.11 Award Acceptance. This Award shall not be effective unless the Executive electronically consents to this Restricted Stock Unit Agreement via an online platform, access to which will be provided by the Company, indicating the Executive's acceptance of the terms and conditions of this Restricted Stock Unit Agreement. By electronically consenting to this Restricted Stock Unit Agreement via the online platform, the Executive acknowledges and agrees to the terms and conditions of this Restricted Stock Unit Agreement and the Plan.

Exhibit 10.3

RESTRICTED STOCK UNIT AGREEMENT

Executive	Grant Date	Number of Restricted Stock Units

RECITALS:

The Company and Executive have previously entered into an Executive Compensation Agreement (the "Executive Compensation Agreement") setting forth some of the terms of Executive's employment and post-employment relationships with Company.

The Compensation Committee of the Board of Directors (the "Committee") has determined to award to the Executive Restricted Stock Units, subject to the restrictions contained herein, pursuant to the Company's 2017 Long-Term Compensation Plan (the "Plan"). All terms used herein and not otherwise defined shall have the same meaning as set forth in the Plan.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises set forth in this agreement and the benefits that the Company expects to derive in connection with the services to be hereafter rendered to it or its subsidiaries by the Executive, the Company and the Executive hereby agree as follows:

ARTICLE I

Defined Terms

1.1 Cause. Cause shall have the meaning set forth in the Executive Compensation Agreement.

1.2 Disability. Disability shall have the meaning set forth in the Executive Compensation Agreement. Notwithstanding the foregoing, in the event this Award is subject to Section 409A of the Code, no event or set of circumstances will constitute a "Disability" for purposes of this Award unless the Executive is also "disabled" as defined in Treasury Regulation Section 1.409A-3(i)(4).

1.3 Good Reason. Good Reason shall have the meaning set forth in the Executive Compensation Agreement.

1.4 Payment Date. The Payment Date with respect to Restricted Stock Units shall be the earliest of (i) the applicable Anniversary Date on which such Restricted Stock Units become vested in accordance with this Restricted Stock Unit Agreement, (ii) Executive's death, (iii) Executive's Disability, or (iv) the date of Executive's termination of employment if and only if such termination accelerates vesting of the Restricted Stock Units pursuant to Section 2.2(c) below.

1.5 Restricted Stock Unit. Restricted Stock Unit shall mean a nonvoting unit of measurement which is deemed for bookkeeping purposes to be the equivalent to one outstanding share of Common Stock (a "Share") solely for purposes of the Plan and this Agreement. The Restricted Stock Units shall be used solely as a device for the determination of the payment to be made to Executive if such Restricted Stock Units become vested and payable pursuant to Article II below. The Restricted Stock Units shall not be treated as property or as a trust fund of any kind. Each Restricted Stock Unit granted hereunder is intended to qualify as a Stock Award expressed in terms of Common Stock, as authorized under Section 10 of the Plan.

1.6 Retirement. Retirement shall mean the termination of Executive's employment for any reason other than by the Company for Cause or due to death or Disability, but only to the extent such termination occurs after the Executive is Retirement Eligible.

1.7 Retirement Eligible. Retirement Eligible shall mean the Executive has reached age sixty (60) and has been employed with the Company for a continuous period of at least five (5) years.

ARTICLE II

Restricted Stock Units

2.1 Award of Restricted Stock Unit. The Company hereby awards to the Executive the number of Restricted Stock Units listed above under the heading "Number of Restricted Stock Units," subject to the restrictions contained herein and the provisions of the Plan.

2.2 Vesting of Restricted Stock Units. Subject to the terms of this Agreement, the Restricted Stock Units shall vest in accordance with the following schedule:

Anniversary Date	**Shares-Vesting**
[1stAnniversary Date]	[25%]
[2nd Anniversary Date]	[25%]
[3rd Anniversary Date]	[25%]
[4th Anniversary Date]	[25%]

(a) Termination By Company for Cause or By Executive Other Than for Good Reason. If Executive's employment is terminated in accordance with the Executive Compensation Agreement by the Company for Cause at any time or by Executive other than for Good Reason prior to the date the Executive is Retirement Eligible, the vesting of the Restricted Stock Units shall, on the date of such termination, cease and any unvested Restricted Stock Units shall be forfeited by Executive and revert to the Company.

(b) Executive's Death or Disability. In the event of Executive's death or Disability while employed by the Company, the Restricted Stock Units shall, upon such death or Disability, vest immediately.

(c) Termination By Company Without Cause or By Executive for Good Reason. If Executive's employment is terminated in accordance with the Executive Compensation Agreement by the Company without Cause or by the Executive for Good Reason prior to the date the Executive is Retirement Eligible, subject to Section 2.4 below, any Restricted Stock Units that are scheduled to vest in the period following the date of Executive's termination of employment equal to the period of base salary used to calculate Executive's Severance Payment (defined in the Executive Compensation Agreement) under the Executive Compensation Agreement (such period, the "Severance Period") shall, upon such termination, vest immediately.

(d) Retirement. If Executive's employment is terminated due to Retirement, Executive shall continue to vest in the Restricted Stock Units granted pursuant to this Restricted Stock Unit Agreement following the date of Retirement as if the Executive were still employed with the Company as of each Anniversary Date set forth in the vesting schedule above; provided, however, the foregoing shall not apply to any Retirement that occurs prior to the first Anniversary Date set forth in the vesting schedule above. Notwithstanding the foregoing, if Executive's employment is terminated due to Retirement prior to the first Anniversary Date set forth in the vesting schedule above and is also a termination by the Company without Cause or by the Executive for Good Reason in accordance with the Executive Compensation Agreement, Executive shall continue to vest in the Restricted Stock Units granted pursuant to this Restricted Stock Unit Agreement for the Severance Period following the date of Retirement as if the Executive were still employed with the Company.

(e) Change of Control. In the event of a Change of Control, any outstanding Restricted Stock Units shall be subject to the provisions set forth in Paragraph 19 of the Plan, provided, however, any references to "cause" and "good reason" used in Paragraph 19 of the Plan shall be interpreted by applying the definitions of "cause" and "good reason" set forth in the Executive Compensation Agreement.

2.3 Prohibition Against Transfer. The Restricted Stock Units may not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) by Executive, or be subject to execution, attachment or similar process. Any transfer in violation of this Section 2.3 shall be void and of no further effect.

2.4 Release. As a condition to the accelerated vesting of certain Restricted Stock Units in Section 2.2(c) above, in the event of Executive's termination of employment in accordance with the Executive Compensation Agreement by the Company without Cause or by Executive for Good Reason, Executive (i) shall be required to execute a written release agreement in a form satisfactory to the Company containing, among other items, a general release of claims against the Company, and (ii) must not exercise any right to revoke such release agreement during any applicable rescission period ((i) and (ii), the "Release Conditions)." If Executive fails to satisfy the Release Conditions within sixty (60) days of the Executive's termination of employment, all outstanding Restricted Stock Units shall be forfeited.

2.5 Share Delivery. On the Payment Date, or within sixty (60) days following the Payment Date for any Payment Date that is not the applicable Anniversary Date, the Company shall deliver to Executive a number of Shares (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Company in its sole discretion) equal to the number of Restricted Stock Units subject to this Award that have become vested pursuant to Section 2.2 above.

ARTICLE III

Miscellaneous

3.1 Provisions of the Plan Control. This Agreement shall be governed by the provisions of the Plan, the terms and conditions of which are incorporated herein by reference. The Plan empowers the Committee to make interpretations, rules and regulations thereunder, and, in general, provides that determinations of such Committee with respect to the Plan shall be binding upon the Executive. A copy of the Plan will be delivered to the Executive upon reasonable request.

3.2 References to Executive Compensation Agreement. All references to the Executive Compensation Agreement herein shall refer to the Executive Compensation Agreement in effect on the date of grant of Restricted Stock Units. Notwithstanding that, at the time of a termination of Executive's employment, the Executive and Company may no longer be parties to such Executive Compensation Agreement or may have amended such Executive Compensation Agreement, this Agreement shall be interpreted as if such Executive Compensation Agreement were still in place (including any requirements to give notice, etc.).

3.3 No Rights as Shareholder. Executive shall not have any right to exercise the rights or privileges of a shareholder with respect to any Restricted Stock Units or Shares distributable with respect to any Restricted Stock Units until such Shares are distributed.

3.4 Dividend Equivalents. On the Payment Date, in addition to the Shares deliverable under Section 2.5 above, the Company shall issue the Executive or Executive's beneficiary that number of Shares equal to the "Dividend Equivalent Amount." The Dividend Equivalent Amount shall be calculated as of the Payment Date, pursuant to this Section 3.4. In calculating the Dividend Equivalent Amount, the Company shall determine the number of Shares that would have been payable to the Executive if the total number of Restricted Stock Units vested under Section 2.2 had been outstanding as Shares from the Grant Date until the Payment Date and in lieu of any regular cash dividends, on the declared payment date of each regular cash dividend otherwise payable on such Shares ("Dividend Date"), the Company had issued Executive a number of additional Shares with a "Dividend Date Market Value" equal to: (i) the per-share dollar amount of the declared dividend multiplied by (ii) the number of Restricted Stock Units vested under Section 2.2 above plus the number of Shares deemed issued hereunder as dividend equivalents as of the declared record date for the dividend. For purposes of calculating the "Dividend Date Market Value" in the preceding sentence, the Company shall use the closing price of a share of the Company's Common Stock on the New York Stock Exchange on the Dividend Date. Shares issued hereunder shall be issued in fractional shares.

3.5 Taxes. The Company may require payment of or withhold any income or employment tax from any amount payable under this Restricted Stock Unit Agreement or from any other compensation payable to Executive as is required under law with respect to this Restricted Stock Unit Agreement, including, as necessary, the right to withhold from other wages payable to Executive to satisfy the Company's Federal Insurance Contributions Act ("FICA") tax withholding obligation in the taxable year that any portion of this Award is no longer subject to a substantial risk of forfeiture as such term is defined under the FICA regulations, and the Company may defer making delivery with respect to Shares until arrangements satisfactory to the Company have been made with regard to any such withholding obligation. In accordance with the Plan, the Company may withhold shares of Common Stock to satisfy such withholding obligations.

3.6 Section 409A. To the extent this Award is or becomes subject to Section 409A, this Restricted Stock Unit Agreement shall be interpreted and administered in compliance with the requirements of Section 409A of the Code and any guidance promulgated thereunder, including the final regulations.

3.7 No Employment Rights. The award of the Restricted Stock Units pursuant to this Agreement shall not give the Executive any right to remain employed by the Company or any affiliate thereof.

3.8 Notices. Any notice to be given to the Company under the terms of this Agreement shall be given in writing to the Company in care of its General Counsel at Kohl's, Inc., N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin, 53051. Any notice to be given to the Executive may be addressed to him/her at the address as it appears on the payroll records of the Company or any subsidiary thereof. Any such notice shall be deemed to have been duly given if and when actually received by the party to whom it is addressed, as evidenced by a written receipt to that effect.

3.9 Governing Law. This Restricted Stock Unit Agreement and all questions arising hereunder or in connection herewith shall be determined in accordance with the laws of the State of Wisconsin without giving effect to its conflicts of law provisions.

3.10 Suspension or Termination of Award; Clawback. Executive acknowledges that this Restricted Stock Unit Agreement is subject to Section 23 of the Plan, including, but not limited to, the forfeiture of the Award in the event that Executive makes an unauthorized disclosure of any Company trade secret or confidential information or breaches any non-competition agreement.

3.11 Award Acceptance. This Award shall not be effective unless the Executive electronically consents to this Restricted Stock Unit Agreement via an online platform, access to which will be provided by the Company, indicating the Executive's acceptance of the terms and conditions of this Restricted Stock Unit Agreement. By electronically consenting to this Restricted Stock Unit Agreement via the online platform, the Executive acknowledges and agrees to the terms and conditions of this Restricted Stock Unit Agreement and the Plan.

Exhibit 10.4

PERFORMANCE SHARE UNIT AGREEMENT

Executive	Employee ID	Grant Date	Target Number of Performance Share Units

RECITALS:

The Compensation Committee of the Board of Directors (the "Committee") has determined to award to the Executive Performance Share Units, subject to the restrictions contained herein, pursuant to the Company's 2017 Long-Term Compensation Plan (the "Plan"). All terms used herein and not otherwise defined shall have the same meaning as set forth in the Plan.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises set forth in this agreement and the benefits that the Company expects to derive in connection with the services to be hereafter rendered to it or its subsidiaries by the Executive, the Company and the Executive hereby agree as follows:

ARTICLE I

Defined Terms

1.1 Determination Date. The Determination Date shall mean the date on which the Committee determines and certifies, following the applicable Performance Period, whether and to what extent the Performance Goals set forth on Exhibit A have been attained; provided, however, that the Determination Date with respect to the applicable Performance Period shall be no later than April 15 of the calendar year following the end of such Performance Period.

1.2 Payment Date. The Payment Date shall mean the date the Committee determines that the shares payable upon achievement of the Performance Goals set forth in Exhibit A shall be paid, which date shall be within thirty (30) business days following the Determination Date.

1.3 Performance Share Unit. Performance Share Unit shall mean a nonvoting unit of measurement which is deemed for bookkeeping purposes to be the equivalent to one outstanding share of Common Stock (a “Share”) solely for purposes of the Plan and this Agreement. The Performance Share Units shall be used solely as a device for the determination of the payment to be made to Executive if such Performance Share Units become payable pursuant to section 2.2 below. The Performance Share Units shall not be treated as property or as a trust fund of any kind. Each Performance Share Unit granted hereunder is intended to qualify as a Performance Share expressed in terms of Common Stock, as authorized under Section 12 of the Plan.

1.4 Retirement. Retirement shall mean the termination of Executive’s employment for any reason other than by the Company for Cause or due to death or Disability, but only to the extent such termination occurs after the Executive is Retirement Eligible and only to the extent such termination occurs on or following the one-year anniversary of the Grant Date.

1.5 Retirement Eligible. Retirement Eligible shall mean the Executive has reached age sixty (60) and has been employed with the Company for a continuous period of at least five (5) years.

ARTICLE II

Performance Share Units

2.1 Award of Performance Share Units. The Company hereby grants to the Executive an award of Performance Share Units listed above under the heading "Target Number of Performance Share Units" (the "Performance Share Units"), subject to the restrictions contained herein and the provisions of the Plan.

2.2 Performance-Based Right to Payment.

(a) The number of Shares that shall be issued pursuant to the Performance Share Units shall be determined based on the Company's achievement of Performance Goals as set forth on Exhibit A. On the Determination Date, the Committee in its sole discretion shall determine and certify whether and to what extent the Performance Goals as set forth on Exhibit A have been attained. The payment of Shares with respect to Executive's Performance Share Units is contingent on the attainment of the Performance Goals as set forth on Exhibit A. Accordingly, Executive will not become entitled to payment with respect to the Performance Share Units subject to this Agreement unless and until the Committee determines that the Performance Goals set forth on Exhibit A have been attained. Upon such determination by the Committee and subject to the provisions of the Plan and this Agreement, Executive shall be entitled to payment of that portion of the Performance Share Units as corresponds to the Performance Goals attained (as determined by the Committee in its sole discretion) as set forth on Exhibit A. Furthermore, except as otherwise set forth in Section 2.3, in order to be entitled to payment with respect to any Performance Share Units, Executive must be employed by the Company through the end of the Performance Period.

(b) On the Payment Date, the Company shall deliver to Executive a number of Shares (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Company in its sole discretion) equal to the number of Performance Share Units subject to this award that are payable pursuant to the achievement of the Performance Goals set forth on Exhibit A.

2.3 Forfeiture of Performance Share Units Upon Termination of Employment. Notwithstanding any provision in any employment agreement or executive compensation agreement between the Executive and the Company to the contrary, upon Executive's termination of employment prior to the end of the Performance Period, all rights with respect to any unpaid Performance Share Units awarded pursuant to this Agreement shall immediately terminate, and Executive will not be entitled to any payments or benefits with respect thereto; *provided, however*, that in the event of Executive’s termination of employment by reason of Retirement or Disability prior to the end of the Performance Period, Executive or Executive’s personal representative, as the case may be, shall be entitled to receive, on the Payment Date, Performance Share Units awarded pursuant to this Agreement that would have been paid had Executive remained employed until the end of the Performance Period. In the event of Executive’s termination of employment by reason of Retirement or Disability prior to the end of the Performance Period, if delivery of the Shares to the Executive on the Payment Date would cause the Executive to be subject to a penalty under Section 409A of the Internal Revenue Code because Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i), the delivery of the Shares will be delayed until a date which is the first business day after the six (6) months after Executive’s termination of employment. Notwithstanding the foregoing to the contrary, in the event of Executive’s termination of employment by reason of death prior to the end of the Performance Period, Executive’s beneficiary shall be entitled to receive, as soon as administratively possible, the number of Performance Share Units listed at the top of this Agreement under the “Target Number of Performance Share Units.”

2.4 Change of Control. In the event of a Change of Control, the Performance Share Units shall be subject to the provisions set forth in Paragraph 19 of the Plan, provided, however, any references to "cause" and "good reason" used in Paragraph 19 of the Plan shall be interpreted by applying the definitions of "cause" and "good reason" contained in an employment agreement or executive compensation agreement between the Executive and the Company in effect as of the Grant Date, if any. For the avoidance of doubt, for purposes of Paragraph 19 of the Plan only, the time-based vesting criteria to which this Award is subject to is a requirement for the Executive to continue employment until the end of the Performance Period.

2.5 Prohibition Against Transfer. The Performance Share Units may not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) by the Executive, or be subject to execution, attachment or similar process. Any transfer in violation of this Section 2.5 shall be void and of no further effect.

ARTICLE III

Miscellaneous

3.1 Provisions of the Plan Control. This Agreement shall be governed by the provisions of the Plan, the terms and conditions of which are incorporated herein by reference. The Plan empowers the Committee to make interpretations, rules and regulations thereunder, and, in general, provides that determinations of such Committee with respect to the Plan shall be binding upon the Executive. A copy of the Plan will be delivered to the Executive upon reasonable request.

3.2 No Rights as Shareholder. Executive shall not have any right to exercise the rights or privileges of a shareholder with respect to any Performance Share Units or Shares distributable with respect to any Performance Share Units until such Shares are distributed.

3.3 Dividend Equivalents. On the Payment Date (or earlier date of payment in the event of the Executive’s termination of employment by reason of death prior to the end of the Performance Period), in addition to the Shares deliverable under Section 2.2 above, the Company shall issue the Executive or Executive’s beneficiary that number of Shares equal to the Dividend Equivalent Amount. The Dividend Equivalent Amount shall be calculated as of the Payment Date, pursuant to this Section 3.3. In calculating the Dividend Equivalent Amount, the Company shall determine the number of Shares that would have been payable to the Executive if the total number of Performance Share Units earned under Section 2.2 had been outstanding as Shares from the Grant Date until the Payment Date (or earlier date of payment in the event of the Executive’s termination of employment by reason of death prior to the end of the Performance Period) and in lieu of any regular cash dividends, on the declared payment date of each regular cash dividend otherwise payable on such Shares (“Dividend Date”), the Company had issued Executive a number of additional Shares with a Dividend Date Market Value equal to: (i) the per-share dollar amount of the declared dividend multiplied by (ii) the number of Performance Share Units earned under Section 2.2 above plus the number of Shares deemed issued hereunder as dividend equivalents as of the declared record date for the dividend. For purposes of calculating the “Dividend Date Market Value” in the preceding sentence, the Company shall use the closing price of a share of the Company’s Common Stock on the New York Stock Exchange on the Dividend Date. Shares issued hereunder shall be issued in fractional shares.

3.4 Taxes. The Company may require payment of or withhold any income or employment tax which it believes is payable as a result of the grant or vesting of the Performance Share Units or the payment of Shares in connection therewith, and the Company may defer making delivery with respect to the Shares until arrangements satisfactory to the Company have been made with regard to any such withholding obligation. In accordance with the Plan, the Company may withhold shares of Common Stock to satisfy such withholding obligations.

3.5 No Employment Rights. The award of the Performance Share Units pursuant to this Agreement shall not give the Executive any right to remain employed by the Company or any affiliate thereof.

3.6 Notices. Any notice to be given to the Company under the terms of this Agreement shall be given in writing to the Company in care of its General Counsel at Kohl's Department Stores, Inc., N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin, 53051. Any notice to be given to the Executive may be addressed to him/her at the address as it appears on the payroll records of the Company or any subsidiary thereof. Any such notice shall be deemed to have been duly given if and when actually received by the party to whom it is addressed, as evidenced by a written receipt to that effect.

3.7 Governing Law. This Agreement and all questions arising hereunder or in connection herewith shall be determined in accordance with the laws of the State of Wisconsin without giving effect to its conflicts of law provisions.

3.8 Suspension or Termination of Award; Clawback. Executive acknowledges that this Agreement is subject to Section 23 of the Plan, including, but not limited to, the forfeiture of the Award in the event that Executive makes an unauthorized disclosure of any Company trade secret or confidential information or breaches any non-competition agreement.

3.9 Award Acceptance. This Award shall not be effective unless the Executive electronically consents to this Agreement via an online platform, access to which will be provided by the Company, indicating the Executive's acceptance of the terms and conditions of this Agreement. By electronically consenting to this Agreement via the online platform, the Executive acknowledges and agrees to the terms and conditions of this Agreement and the Plan.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be effective as of the date first written above.

KOHL's CORPORATION

By: ______________________________
Michelle Gass
Chief Executive Officer

____
Executive

EXHIBIT A

TO PERFORMANCE SHARE AGREEMENT

PERFORMANCE GOALS

[To be updated by Kohl's for fiscal 2021 awards]

Payment of Shares with respect to the Target number of Performance Share Units granted in the Performance Share Agreement is contingent on the attainment of the Performance Goals listed below for the Performance Period. The Committee shall retain the right to determine the calculation of the Performance Goals in the Committee's reasonable discretion, and subject further to the discretion of the Committee to reduce the number of Performance Share Units actually earned.

Performance Period: January 31, 2021 through February 3, 2024

Performance Metrics:

(a) 40% of the Shares are earned based on Cumulative Net Sales during the Performance Period

Cumulative Net Sales for Performance Period	**Percentage of Target Number of Performance Share Units Earned**
Less than 94% of Financial Plan for Cumulative Net Sales	0%
94% of Financial Plan for Cumulative Net Sales	50%
Financial Plan for Cumulative Net Sales	100%
103% of Financial Plan for Cumulative Net Sales	200%

(b) 30% of the Shares are earned based on Cumulative Operating Margin Percent during the Performance Period

Cumulative Operating Margin Percent for Performance Period	**Percentage of Target Number of Performance Share Units Earned**
Less than 80% of Financial Plan for Cumulative Operating Margin Percent	0%
80% of Financial Plan for Cumulative Operating Margin Percent	50%
Financial Plan for Cumulative Operating Margin Percent	100%
115% of Financial Plan for Cumulative Operating Margin Percent	200%

(c) 30% of the Shares are earned based on Cumulative Operating Cash Flow during the Performance Period

Cumulative Operating Cash Flow for Performance Period	**Percentage of Target Number of Performance Share Units Earned**
Less than 80% of Financial Plan for Cumulative Operating Cash Flow	0%
80% of Financial Plan for Cumulative Operating Cash Flow	50%
Financial Plan for Cumulative Operating Cash Flow	100%
115% of Financial Plan for Cumulative Operating Cash Flow	200%

(d) If the Company's Net Sales, Operating Margin Percent, or Operating Cash Flow performance results fall between any of the specified levels in subparagraphs (a), (b), or (c) above, (e.g., between 94% and Financial Plan for Net Sales), the actual number of Performance Share Units which shall be earned shall be determined based on a straight-line, mathematical interpolation between the applicable percentages set forth above, rounded up to the nearest whole share.

(e) If Threshold levels of Net Sales, Operating Margin Percent or Operating Cash Flow are not achieved during the Performance Period, a Threshold (minimum) level Peer Performance Index payout will be made if the Company beats the respective Peer Performance Index comparing the Company's performance with respect to net sales and/or net income to that of a weighted average of the Company's Core Peer Group during the Performance Period. Calculations with respect to the Company's performance relative to the Core Peer Group shall be made by the Company and certified by the Company's Board of Directors' Compensation Committee, in the Compensation Committee's sole discretion.

Performance Period Relative Total Shareholder Return Modifier

If any Performance Share Units are earned based on the above criteria, the number of Performance Share Units earned will be modified up or down as follows based on Kohl's Relative Total Shareholder Return against the TSR Peer Group during the Performance Period:

Kohl's TSR as a Percentile of Total Shareholder Return for Peer Group	Award Modified
< 25th Percentile	Down 25%
25th Percentile to 75th Percentile	No Modification
> 75th Percentile	Up 25%

For purposes of the charts above:

"Financial Plan" shall mean the Company's 2021 – 2023 Financial Plan, as reviewed by the Compensation Committee in the first quarter of fiscal 2021.

"Cumulative Net Sales" shall mean the three-year total of the net sales of the Company as reported in the Company's 10-K for the applicable fiscal years, adjusted in the Committee's reasonable discretion to exclude the effects of: extraordinary items, discontinued operations, restructurings, acquisitions or divestitures of any division, business segment, subsidiary or affiliate, acquisition or divestiture of assets that are significant otherwise than in the ordinary course of business, other unusual or non-recurring items, and the cumulative effect of accounting changes, as determined in the Committee's reasonable discretion.

"Cumulative Operating Margin Percent" shall mean the three-year total of the "operating income" divided by the "total revenue" of the company for the applicable fiscal years, expressed as a percentage. For purposes of this calculation "operating income" and "total revenue" are defined as the operating income and total revenue, respectively, of the Company as reported in the Company's 10-K for the applicable fiscal years, adjusted in the Committee's reasonable discretion to exclude the effects of: extraordinary items, discontinued operations, restructurings, acquisitions or divestitures of any division, business segment, subsidiary or affiliate, acquisition or divestiture of assets that are significant otherwise than in the ordinary course of business, other unusual or non-recurring items, and the cumulative effect of accounting changes, as determined in the Committee's reasonable discretion.

"Cumulative Operating Cash Flow" shall mean the three-year total of the net cash provided by operating activities of the Company as reported in the Company's 10-K for the applicable fiscal years, adjusted in the Committee's reasonable discretion to exclude the effects of: extraordinary items, discontinued operations, restructurings, acquisitions or divestitures of any division, business segment, subsidiary or affiliate, acquisition or divestiture of assets that are significant otherwise than in the ordinary course of business, other unusual or non-recurring items, and the cumulative effect of accounting changes, as determined in the Committee’s reasonable discretion.

“TSR” shall mean the “total shareholder return” to the company’s shareholders over the applicable Performance Period, calculated by a third party expert using the following formula:

$$TSR = \frac{Stock\ Price_{end} - Stock\ Price_{start} + Dividends}{Stock\ Price_{start}}$$

“***Stock Price***$_{start}$” shall mean the average closing price of a share of the respective company's common stock for the 20 trading days prior to the start of the Performance Period on which shares of such company's common stock were traded, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable.

“***Stock Price***$_{end}$” shall mean the average closing price of a share of the respective company's common stock for the 20 trading days prior to the end of the Performance Period on which shares of such company's common stock were traded, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable.

“***Dividends***” shall mean the sum of (a) all dividends paid with respect to one share of the respective company's common stock during the Performance Period, as reported in the company's public filings with the SEC, and (b) the yield on such dividends, assuming reinvestment of each dividend in the company's common stock on the applicable ex-dividend date, using the closing price of a share of the company's common stock on such ex-dividend date, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable.

“TSR Peer Group” shall include the following companies:

Abercrombie & Fitch (ANF)
American Eagle Outfitters (AEO)
Bed Bath & Beyond (BBBY)
Best Buy (BBY)
Carter’s (CRI)
Chico’s FAS (CHS)
Children’s Place (PLCE)
Dick’s Sporting Goods (DKS)
Dillard’s (DDS)
Designer Brands (DBI)
Express (EXPR)
Foot Locker (FL)
Gap (GPS)
Home Depot (HD)
L Brands (LB)
Macy’s (M)
Nordstrom (JWN)
PVH Corp (PVH)
Ross Stores (ROST)
Target (TGT)
TJX Companies (TJX)

The Peer Companies shall be modified in the following events:

1) In the event of a merger, acquisition or business combination transaction of a Peer Company with or by another Peer Company, the surviving entity shall remain a Peer Company.

2) In the event of a merger of a Peer Company with an entity that is not a Peer Company, or the acquisition or business combination transaction by or with a Peer Company, or with an entity that is not a Peer Company, in each case where the Peer Company is the surviving entity and remains publicly traded, the surviving entity shall remain a Peer Company.

3) In the event of a merger or acquisition or business combination transaction of a Peer Company by or with an entity that is not a Peer Company, a "going private" transaction involving a Peer Company or the liquidation of a Peer Company, where the Peer Company is not the surviving entity or is otherwise no longer publicly traded, the company shall no longer be a Peer Company.

4) In the event of a bankruptcy of a Peer Company, such company shall remain a Peer Company.

5) In any other circumstance that the Committee determines such modification to be appropriate, in the Committee's reasonable discretion.

"Relative TSR" shall mean Kohl's TSR compared to the total shareholder returns of the TSR Peer Group companies. Relative TSR will be determined by ranking the company and the peer companies from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of the Company relative to the peer companies will be determined as follows:

$P = 1 – [(R - 1) / (N – 1)]$

Where: "P" represents the percentile performance which will be rounded up, if necessary, to the nearest whole percentile.

"N" represents the remaining number of peer companies, plus the Company.

"R" represents Company's ranking among the peer companies.

Example: If there are 29 remaining companies, and the Company is ranked 10th, the performance would be at the 68th percentile: $.68 = 1 – ((10 - 1)/(29 – 1))$.

“Core Peer Group” shall mean the following companies, each of whose performance shall be weighted in calculating the Peer Performance Index for sales and net income according to the percentage below:

Macy’s, (M)	20%
Gap. (GPS)	15%
Bed Bath & Beyond (BBBY)	10%
Dick’s Sporting Goods (DKS)	10%
L Brands (LB)	10%
Nordstrom (JWN)	10%
Ross Stores (ROST)	10%
TJX Companies (TJX)	10%
Foot Locker (FL)	5%

To the extent that either (a) any of the member companies of the Core Peer Group do not publicly report financial metrics for the Performance Period, or (b) any of the member companies of the Core Peer Group merges or combines with any other person or entity with revenues in excess of 10% of such member company’s revenues, then such member company shall be removed from the Core Peer Group and the weighting of the performance of the remaining companies in the Core Peer Group shall be adjusted proportionately in order to calculate the Peer Performance Index.

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

I, Michelle Gass, 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 3, 2021

/s/ Michelle Gass
Michelle Gass
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, Jill Timm, 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 3, 2021

/s/ Jill Timm
Jill Timm
Senior Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

I, Michelle Gass, 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 1, 2021 (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 3, 2021

/s/ Michelle Gass
Michelle Gass
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, Jill Timm, Senior Executive Vice President, 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 1, 2021 (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 3, 2021

/s/ Jill Timm
Jill Timm
Senior Executive Vice President, Chief Financial Officer
(Principal Financial Officer)