Following an extensive review of its current compensation peer group and other possible comparators, in September 2019, the Committee determined that this year's compensation analysis would be based upon the same peer group used last year with the removal of Sears Holding Corp. due to its filing for Chapter 11 bankruptcy in 2018:

	Market Capitalization ($ Billions)*	Revenue ($ Billions)*
• Bed, Bath & Beyond Inc.	1.7	12.0
• The Gap, Inc.	7.1	16.6
• J.C Penney Company, Inc.	0.3	12.0
• L Brands, Inc.	6.2	13.2
• Macy's, Inc.	6.4	25.7
• Nordstrom, Inc.	4.8	15.8
• Ross Stores, Inc.	34.2	15.0
• The TJX Companies, Inc.	60.1	39.0
Median	6.3	15.4
Kohl's Corporation	8.0	20.2

*All market capitalization & revenue data is rounded. Revenues are fiscal 2018 revenues and market capitalization data was as of May 31, 2019.

As of the time it received this report, the Committee believed this peer group included retail companies with similar business concepts to ours and provided a relevant group of companies representing an appropriate range of revenue and market capitalization against which to compare our pay practices in the future. The Committee will continue to monitor the appropriateness of our comparators and make adjustments as necessary.

We also measure our performance against a more targeted set of peers for purposes of annual performance reviews, Annual Incentive Plan awards and the vesting of certain equity-based awards. We refer to this set of peers as our "core peer group," which the Committee determined in March 2019 should also be based upon the same core peer group as used in 2018 with one change. Based on the Chapter 11 bankruptcy filing of Sears Holding Corp. in 2018, it was decided that Sears Holding Corp. would be replaced by Nordstrom, Inc. As such, for 2019, this "core peer group" consisted of:

- J.C Penney Company, Inc.;
- Macy's, Inc.;
- Nordstrom, Inc.;
- Target Corporation;
- The Gap, Inc.;
- The TJX Companies, Inc.; and
- Ross Stores, Inc.

The Committee has determined that these companies compete with Kohl's for market share in various categories of business. We use the core peer group because the Committee believes in certain instances, elements of compensation should be contingent upon our performance relative to our closest competitors. Although Target Corporation was not a part of our executive compensation benchmarking peer group because of its comparatively large revenues and market capitalization, Target continued to be a part of our core peer group for comparing operating metrics. The Committee will continue to monitor the appropriateness of this core peer group and make adjustments as necessary.

Together with and aided by SH&P, the Committee reviews numerous data sources to ensure that the most relevant compensation information available is being used in the development and administration of our compensation programs. The primary sources of industry compensation information used are our peers' Commission filings and the Korn Ferry Retail Industry Survey. The Committee believes that these sources of competitive compensation information are the best available at this time. The market data reviewed by the Committee in 2019 consisted of newly available data from the Korn Ferry Retail Industry Survey and information prepared by SH&P from publicly available proxy statements, Forms 8-K, and Forms 4 of our peer group companies. Additional survey data sources including the Willis Towers Watson Retail & Wholesale Survey and sources from SH&P's survey library were also reviewed.

At a meeting in November 2019, the Committee reviewed a detailed benchmarking report prepared by SH&P. This report included detailed information on the following components of compensation for the NEOs:

- Base Salaries;
- Target Annual Incentives;
- Actual Annual Incentives paid in Fiscal 2019 based on Fiscal 2018 performance;
- Target Annual Compensation;
- Long-Term Incentives; and
- Target Total Compensation.

The Committee again took all of the above benchmarking data into consideration in evaluating each of the NEO's compensation for 2019. The benchmarking data indicated that all of the NEOs' compensation levels, including the amortized value of all outstanding equity compensation awards, were consistent with the Committee's philosophies and objectives.

Pay-for-Performance

Pay-for-performance is a critical part of Kohl's compensation programs. Each NEO's performance is measured in comparison to predetermined goals. These goals are intended to be difficult to achieve, and failure to achieve them has significant consequences short and long term while success is rewarded short and long term. The effectiveness of the Committee's goal setting has been demonstrated over the past several years as retailers such as Kohl's faced significant structural headwinds and performance volatility:

- Kohl's performance in both 2017 and 2018 was very strong. In 2018, comparable sales increased 1.7% for the year on a shifted basis, on top of the 1.5% increase in 2017. Our profit margins also grew. Kohl's sales growth compared well against that of its core peer group. As a result of this strong performance, our Annual Incentive Plan paid out at the maximum level. In 2017, our NEOs received performance ratings that entitled them to a base salary merit increase slightly above the company average. In 2018, our NEOs base salary merit increase was slightly below the company average.
- In contrast, in 2019, we did not achieve our financial goals. Our earnings did not meet the previously established threshold levels for a payout under our Annual Incentive Plan, and no performance-based payout was made to our NEOs. In addition, all NEOs recommended to the Committee that they not be awarded their annual merit increases that would have otherwise been awarded and the Committee accepted that recommendation.
- Viewing performance on a cumulative three year basis, fiscal 2019 performance will negatively impact the three-year financial results for the three-year performance periods of fiscal years 2018 through 2020 and fiscal years 2019 through 2021. However, on a three-year basis, driven by Kohl's strong performance in fiscal years 2017 and 2018, Kohl's sales were above the cumulative three-year sales target and net income significantly exceeded the cumulative net income targets set in early 2017 for the three-year performance period of fiscal year 2017 through 2019. As such, the PSUs granted to Mses. Gass and Chawla and Mr. Besanko in 2017 as part of our LTIP vested in 2020 at 200% of their targeted value. Given the Company's performance in 2019, however, the 25% modifier that could have further increased the value actually realized based on Kohl's total shareholder return relative to a group of approximately 25 peer companies over the three-year performance period was not triggered.

The Committee believes it is important that a significant portion of our NEOs' compensation is tied to our future performance — both on an absolute basis and relative to other companies in the retail industry — in order to maximize long-term shareholder value creation. Accordingly, the aggregate compensation paid to our NEOs is weighted towards annual and long-term incentive compensation that is based upon Kohl's absolute and relative performance.

The Committee sets difficult goals that must be met in order for the NEOs to maximize their compensation:

- Each year, the Committee sets individual performance criteria for each NEO. The Committee then considers each NEO's achievement of this criteria, along with overall market positioning, when considering base salary increases. In 2018 and 2019, these criteria again included corporate net income, total sales growth, business specific objectives and managerial criteria, such as leadership, vision and strategic planning.
- In establishing various levels of annual incentive payout opportunities, the Committee sets goals based on the Company's absolute performance as well as the Company's performance relative to the performance of our core peer group.
- Long-term equity awards are made pursuant to our LTIP. A significant portion of the awards made pursuant to the LTIP are PSUs, with vesting contingent upon attainment of company-wide cumulative financial performance goals over a three-year performance period. The number of shares earned upon vesting of the PSUs is dependent upon Kohl's financial performance, and the number of earned shares is subject to further positive or negative adjustment based on the comparative returns to our investors over this same three year period.
- Moreover, the value of any long-term incentive award is dependent upon the future performance of our stock price. We also maintain a clawback policy that enables the recapture of previously paid incentive compensation in certain circumstances involving a financial restatement.

The specifics of each of these performance criteria are discussed in greater detail below.

Individual roles and performance are also periodically taken into account in granting compensation increases or awards that are different than or in addition to those suggested by the guidelines. For example, annual salary increases may be adjusted based upon factors other than or in addition to an executive's performance ratings, including, among other things, promotions, new roles and responsibilities and previous compensation increases.

Performance Evaluation Process

The Committee's primary consideration when setting our NEOs' compensation is each individual's performance against pre-established performance objectives that are intended to increase long-term shareholder value. The Committee uses a disciplined process to assess performance. This detailed process attempts to ensure that we reward and retain top talent while aligning our executives' interests with those of our shareholders.

Each NEO's performance is assessed on a three-point scale. During the evaluation process, points are awarded to the NEOs for each of their pre-established performance objectives based upon actual corporate performance and their individual performance with respect to the individual objectives. The maximum number of points that can be awarded with respect to each performance objective is based on the pre-established weighting of that performance objective. The total points awarded to the NEO equals the sum of the points awarded based on actual performance relative to each of the individual's performance objectives. Depending on the total points awarded, the NEOs may receive one of three ratings: (1) inconsistently meets expectations, (2) fully meets expectations, or (3) consistently exceeds expectations.

In the first quarter of each fiscal year, the Committee establishes specific performance objectives for the NEOs for that year. The objectives established by the Committee to evaluate the performance of the NEOs for fiscal years 2018 and 2019 were:

Performance Objective	CEO	NEOs
Net Income Goals	40%	30%
Total Sales Goals	40%	30%
Managerial Criteria, including leadership and vision, long-term strategic planning, succession planning, keeping the Board of Directors informed, enhancing Company diversity, and social responsibility	20%	
Business Specific Objectives & Leadership		40%

As such, 80% of our CEO's evaluation and 60% of our other NEOs' evaluations have been tied directly to our corporate performance, subject to adjustment where the Committee deems appropriate.

Specific levels of sales and net income, calculated in accordance with our Annual Incentive Plan, are established for the NEOs to achieve evaluation ratings of inconsistently meets expectations, fully meets expectations, and consistently exceeds expectations.

For the CEO's managerial criteria, no numerical targets are established and the CEO's actual performance is assessed with respect to the criteria as a whole. The level of the CEO's actual performance with respect to the criteria is based on the Committee's subjective review of the CEO's performance. This subjective review is based on the deliberations of the Board of Directors with respect to the CEO's performance throughout the prior year. The Committee does not necessarily attempt to identify specific contributions or achievements in making this assessment, but instead makes its determination based on the totality of these deliberations based on all available information. The judgment of individual members of the Committee may at times be influenced to a greater or lesser degree by different aspects of these deliberations.

The Committee delegates to the CEO the authority to assess the performance of the other NEOs in accordance with a pre-approved methodology. In the first quarter of each year, the Committee approves the general performance criteria and the weighting of each of the criteria that will be applied during the course of the year-end evaluations. Specific target levels for corporate performance objectives such as sales and net income are identical to those of the CEO, although the weighting of these objectives for the other NEOs differs from those of the CEO. The CEO then establishes business-specific performance objectives for each of the other NEOs. At the end of each fiscal year, the CEO assesses each executive's performance against the pre-established objectives and recommends final performance ratings to the Committee.

CEO Performance Evaluation

In February 2020, the Committee assessed Ms. Gass' performance against the following objectives, which had been established by the Committee in the first quarter of 2019:

Performance Objective	Inconsistently Meets Expectations	Fully Meets Expectations	Consistently Exceeds Expectations	Objective Weighting
Net Income (in millions)	<$ 776	$ 776 to 1,000	>$ 1,000	40%
Total Sales (in billions)	<$18.1	$ 18.1 to 19.5	>$19.5	40%
Managerial Criteria	—	—		20%

Excluding non-recurring charges, the Company's net income in 2019 was $769 million resulting in an "Inconsistently Meets Expectations" rating. Total Sales in 2019 were $18.89 billion, which fell within the "Fully Meets Expectations" range. The Committee assessed Ms. Gass' performance on the managerial criteria as "Fully Meets Expectations." Overall, Ms. Gass earned a rating of "Fully Meets Expectations" for fiscal 2019.

Other NEOs

In February 2020, Ms. Gass recommended, and the Committee approved, "Fully Meets Expectations" ratings for Ms. Timm and Messrs. Howe, Gaffney and Chini. As with Ms. Gass, each of these other NEOs received "Inconsistently Meets Expectations" ratings for the net income goals, "Fully Meets Expectations" ratings for their total sales goals and "Fully Meets Expectations" ratings for their business specific objectives and leadership goals. Collectively, this resulted in "Fully Meets Expectations" ratings.

Elements of Executive Compensation

As described above, the aggregate compensation paid to our senior officers is comprised of three primary components, each of which is directly linked to Company performance: annual incentive compensation, long-term incentive compensation and base salary (the adjustments to which are merit based). The amount of each of these compensation components is determined based largely upon corporate performance against pre-established performance goals. Additionally, individual performance factors are included in the analysis to ensure we take into account and recognize individual contributions, efforts and areas of responsibility.

The Committee believes it is important that a significant portion of our NEOs' compensation be tied to our corporate performance in order to align the interests of our NEOs with those of our shareholders and to emphasize the importance of maximizing long-term shareholder value. Accordingly, aggregate compensation paid to our NEOs is weighted towards annual incentive and long-term incentive compensation, both of which are "at risk" if we do not achieve our financial and strategic objectives. Additionally, our NEOs' annual salary increases are determined based in large part on Company performance. This strategy reflects the Committee's pay-for-performance philosophy.

Salary

Salaries provide our NEOs with a regular source of income to compensate them for their day-to-day efforts in managing our Company. Salaries vary depending on the executive's experience, responsibilities, the importance of the position to the Company, and/or changes in the competitive marketplace. The Committee reviews salaries at least annually at the beginning of the fiscal year. Any increases in salary for our NEOs are based primarily upon individual performance ratings that consider the overall business targets for the Company coupled with their business specific and leadership results. To foster internal equity, base salary adjustments for the NEOs in any given year are closely aligned with adjustments given to the remainder of our management team. The Committee has the right, however, to deviate from those practices in order to address other factors, including the officer's responsibilities and experience, competitive market data for that officer's position and retention concerns.

Annual salary adjustments are closely tied to Kohl's performance, as each NEO's individual performance rating is heavily influenced by Kohl's performance metrics. As detailed above, 80% of Ms. Gass' performance rating is based upon Kohl's net income and total sales growth. Likewise, net income and total sales growth comprise 60% of the other NEOs' performance objectives.

In the first quarter of 2019, the Committee established a merit increase opportunity grid for the NEOs. This grid tied merit increase opportunities to each executive's individual performance as determined through the performance evaluation process and the budgeted percentage merit increase for Kohl's entire management team as follows:

	Inconsistently Meets Expectations	**Fully Meets Expectations**	**Consistently Exceeds Expectations**
Base Salary Increase as a Percent of Budgeted Increase for All Exempt Associates	0%	75%	133%
Example: Increase Assuming 3% Budgeted for All Exempt Associates	0%	2.25%	3.99%

For this year, based on Kohl's fiscal 2019 financial performance and individual performance review scores assigned in the performance evaluation process, the NEOs could have been eligible for a 2.25% increase in base salary. However, as noted above, all NEOs recommended that the Committee not award them annual merit increases that would have otherwise been awarded this year based on the Company's performance.

Annual Incentive Compensation

The purpose of our Annual Incentive Plan is to provide eligible executives, including the NEOs, with a financial incentive that encourages them to perform in a manner which will enable Kohl's to meet or exceed its financial plans each fiscal year. In order for bonuses to be granted at threshold levels or higher under the Annual Incentive Plan, Kohl's performance for a fiscal year must equal or exceed financial goals established by the Committee at the beginning of the year. The Committee directly ties the amount of such awards to various financial performance levels, providing incentives to our executives to maximize long-term shareholder value. These annual bonus targets reflect our financial goals and strategic plan for the fiscal year. For example, for 2019, bonus tiers were again established based upon Kohl's achievement of various levels of net income for the year. The threshold tier required we achieve an acceptable but reasonably attainable level of net income, based on our business plans. The Committee considers the top tier a significant and meaningful challenge to the management team to increase our earnings.

For purposes of determining whether net income targets have been achieved, the Committee may, in the Committee's reasonable discretion, adjust Kohl's reported net income to exclude the effects of:

- discontinued operations;
- restructurings;
- acquisitions or divestitures of any division, business segment, subsidiary or affiliate;
- acquisitions or divestitures of assets that are significant otherwise than in the ordinary course of business;
- other unusual or non-recurring items;
- impairment charges; and
- the cumulative effect of tax or accounting changes as determined in the Committee's reasonable discretion.

For both 2018 and 2019, the Committee had also determined at the time it set the financial targets that if Kohl's did not achieve the pre-established threshold performance levels in those years, a bonus at the lowest end of the range for annual incentive opportunities would still be payable to NEOs and other Kohl's managers if Kohl's sales performance for the year exceeds that of a "peer performance index." In both years, the group of "peer" retailers used for comparison purposes was the core peer group described above. The index was the blended performance of this core peer group, calculated as a weighted average of each peer group member's growth in total domestic revenue.

Following the Committee's certification of the Company's year-end results, Annual Incentive Plan participants are granted a bonus, if earned, based on a percentage of their base pay. The earned percentage is based upon Kohl's financial performance and each participant's level within the organization.

Committee Decisions and Analysis

Fiscal 2019 Actions

In February 2019, the Committee assessed Kohl's performance against the 2018 Annual Incentive Plan targets previously disclosed. The Committee certified that Kohl's fiscal 2018 net income, excluding the impacts of the non-recurring charges, would be in excess of the $919 million required for the NEOs to earn a top tier incentive payment. Accordingly, as previously disclosed, the Committee approved Annual Incentive Plan payouts to the NEOs in the following amounts:

	Annual Incentive Plan Payout as a Percentage of Base Salary	**Annual Incentive Plan Payout**
Ms. Gass	250%	$3,500,000
Ms. Chawla	225%	$2,700,000
Mr. Howe[(1)]	200%	$1,900,000
Mr. Besanko	200%	$1,827,000

(1) On May 14, 2018, Mr. Howe became Kohl's Chief Merchandising Officer. Pursuant to the terms of his offer of employment, Mr. Howe was entitled to a non-prorated Annual Incentive Plan payout in 2019, based on Kohl's 2018 performance.

In the first quarter of fiscal 2019, the Committee established the following performance goals and award opportunities for fiscal 2019 under the Annual Incentive Plan:

	Peer Performance Index Tier(1)	Threshold Tier	Top Tier
Net Income Goal (in millions)	Below $880	$880	$1,000
Sales Goal	Total Sales Beat Peer Performance Index	N/A	N/A
Award Opportunity (as a percent of base salary)			
Ms. Gass	40%	65%	250%
Ms. Chawla	35%	60%	225%
Mr. Besanko	30%	55%	200%
Mr. Howe	30%	55%	200%
Mr. Chini	25%	40%	150%
Ms. Timm(2)	25%	40%	150%

(1) Assumes Kohl's reported total sales performance exceeded that of the peer performance index.

(2) In connection with her promotion effective November 1, 2019, Ms. Timm was eligible to participate in the Kohl's Annual Incentive Plan at a pro-rated Senior Executive Vice President level based on a combination of the payout levels for her previous Executive Vice President role and new Senior Executive Vice President role, based on the number of days in each role.

Fiscal 2020 Actions

In February 2020, the Committee assessed Kohl's performance against the 2019 Annual Incentive Plan targets set forth above. Kohl's 2019 net income fell below the $880 million required for the NEOs to earn a threshold tier incentive payment and Kohl's sales performance for the year did not exceed that of the "peer performance index." Accordingly, the Committee did not approve any Annual Incentive Plan payouts to the NEOs with the exception of the $880,000 bonus that was previously guaranteed to Mr. Gaffney in connection with his recruitment to Kohl's.

Long-Term Compensation

The Committee grants long-term compensation awards to our NEOs under our 2017 Long-Term Compensation Plan to reward past performance, create an incentive for future performance, and create a retention incentive. The Committee has the flexibility to choose among a number of forms of long-term equity incentive awards available pursuant to the Long-Term Compensation Plans, including stock options, stock appreciation rights, stock awards, performance units, performance shares, and other incentive awards.

Long-term equity incentive awards to our NEOs are typically set and considered on an annual basis. In 2014, the Committee adopted the Company's LTIP for its most senior executives. The LTIP is intended to achieve the Committee's goals of, among other things, improving the efficiency of long-term equity incentive awards and driving our senior leaders to deliver increased sales and profitability. Under the LTIP, annual long-term equity incentive awards are intended typically to be a blend of PSUs which will vest in an amount contingent upon the achievement of multi-year financial performance goals and time-vested restricted stock which will vest over a multi-year period. As described below, PSU awards are also subject to a modifier that can increase or decrease the value actually realized by the recipient based on Kohl's total shareholder return relative to a group of peer companies over the performance period. In accordance with our "pay for performance" philosophy described above, the blend of awards under the LTIP is intended typically to be weighted more heavily to PSUs.

Other long-term equity incentive awards are granted to our NEOs from time to time, such as in conjunction with their initial hiring as we did for Mr. Gaffney; upon their promotions or assumption of additional responsibilities as we did with Ms. Timm; to recognize exemplary performance; or to encourage retention.

On a quarterly basis, the Committee reviews our share overhang (the grants outstanding, plus remaining equity that may be granted, as a percentage of our total outstanding shares) and our run rate (the number of award shares granted each year as a percentage of our total outstanding shares) to monitor how our pool of shareholder-approved equity award shares is being utilized.

Committee Decisions and Analysis

Awards Granted Based on 2017-2019 Performance

The Committee granted long-term equity incentive awards to the NEOs pursuant to the LTIP. These awards were comprised of a blend of:

- 60% PSUs, vesting in an amount contingent on the Company's cumulative net income and cumulative sales, equally weighted, over a three-year performance period from fiscal 2017 through fiscal 2019, with target-level payouts only occurring if we achieved the levels set forth in our 3-Year Financial Plan; and
- 40% time-vested restricted stock that vests in four equal installments on the first through fourth anniversaries of the date of grant.

For the 2017-2019 LTIP grant, the Committee approved the following grant date dollar value of awards for our NEOs (assuming achievement of "target" levels of performance under the PSUs for the 2017-2019 performance period):

Grant Date Target Dollar Value of LTIP Awards[(1)]	
Ms. Gass and Ms. Chawla (annual grant)	$1,750,000
Ms. Gass (promotional grant)[(2)]	$6,000,000
Mr. Besanko (new hire grant)[(3)]	$1,750,000

(1) The ultimate value of these awards is dependent upon Kohl's actual performance for the 2017-2019 performance period and the market value of Kohl's stock at the time of vesting.

(2) In conjunction with her promotion to Chief Executive Officer-elect, on September 25, 2017, Ms. Gass received an additional 2017-2019 LTIP award with a grant date value of $6,000,000.

(3) Pursuant to the terms of his offer of employment, on August 15, 2017, Mr. Besanko received a 2017-2019 LTIP award with a grant date value of $1,750,000

Sixty percent of the aggregate grant date dollar value of the 2017-2019 LTIP grants was in the form of PSUs. The number of units actually earned was dependent upon Kohl's actual performance over the three year fiscal 2017-2019 performance period. Upon achievement of the predetermined "target" level of performance, the executive officers would receive 100% of the PSUs awarded. At the "threshold" level of performance, 50% of the PSUs would be earned and at the "maximum" level, 200% of the PSUs would be earned. In the event performance did not meet threshold levels, then none of the PSUs would have been earned. The specific performance objectives for the 2017-2019 LTIP were established with target-level payouts only occurring if Kohl's achieved the sales and net income levels set forth in our 3-Year Financial Plan for 2017-2019 as follows:

	Weighting	Threshold Level	Target Level	Maximum Level
Cumulative 3-Year Sales Goal (in billions)	50%	$51.68	$54.98	$56.63
Percent of PSUs Earned Upon Attainment of Indicated Level[(1)]		50%	100%	200%
Cumulative 3-Year Net Income Goal (in millions)	50%	$1,250	$ 1,560	$ 1,780
Percent of PSUs Earned Upon Attainment of Indicated Level[(1)]		50%	100%	200%

(1) Straight-line interpolation applies to performance levels between those shown.

In addition to amount-specific sales and earnings targets, the Committee added a "Peer Performance Index" feature to the 2017-2019 LTIP. If Threshold levels of either Sales or Net Income are not achieved, a Threshold (minimum) level Peer Performance Index payout will be made with respect to the Sales and/or Net Income performance objectives if Kohl's beats the respective Peer Performance Index comparing the Company's performance to that of a weighted average of the Company's core peer group. The core peer group and respective weightings are the same as those used to determine payouts below threshold performance under the Annual Incentive Plan for that year.

The number of shares that could have been earned upon vesting of the PSUs was also subject to a modifier that could increase or decrease the value actually realized by the recipient based on Kohl's total shareholder return relative to a group of approximately 25 peer companies over the three-year performance period. These peer companies were used as a comparator group because they were also used for benchmarking compensation as a part of the Korn Ferry custom data. If Kohl's relative total shareholder return was in the top quartile of the peer group, then the PSUs earned in accordance with the preceding paragraph would have increased by 25%. Conversely, if Kohl's relative total shareholder return was in the bottom quartile, then the PSUs earned would have been reduced by 25%. There would have been no adjustment if our total shareholder return was in the second or third quartile.

In February 2020, the Committee determined and certified that Kohl's cumulative sales over the 3-year 2017-2019 performance period were $57,088 million and that our cumulative adjusted net income over the 3-year performance period was $2,462 million, exclusive of certain non-recurring charges. This resulted in the NEOs earning 200% of their respective target 2017-2019 LTIP PSUs as follows:

	Number of PSUs Earned for 2017-2019 Performance Period(1)	Certification Date Value of PSUs Earned For 2017-2019 Performance Period
Ms. Gass	208,045	$7,997,250
Ms. Chawla	59,247	$2,277,455
Mr. Besanko	52,750	$2,027,710

(1) The number of PSUs earned includes shares credited as dividend equivalents on the final award.

Awards Granted Based on 2019-2021 Performance

In the first quarter of fiscal 2019, the Committee again granted long-term equity incentive awards to the NEOs pursuant to the LTIP. The features of these awards were substantially the same as those described above with respect to the 2017-2019 LTIP, but the performance period was fiscal years 2019 through 2021, and the specific sales and earnings targets were based upon our 3-Year Plan for those years, which will be disclosed after the performance period has completed and we disclose what the NEOs earned under the awards.

For the 2019-2021 LTIP grant, the Committee approved the following grant date dollar value of awards (assuming achievement of "target" levels of performance under the PSUs for the 2019-2021 performance period):

Grant Date Target Dollar Value of LTIP Awards(1)	
Ms. Gass	$7,250,000
Ms. Chawla	$3,000,000
Mr. Besanko	$1,750,000
Mr. Howe	$1,750,000
Mr. Chini	$1,250,000
Ms. Timm(2)	$ 660,000
Mr. Gaffney(3)	$ 625,000

(1) The ultimate value of these awards is dependent upon Kohl's actual performance for the 2019-20201 performance period and the market value of Kohl's stock at the time of vesting.

(2) These awards were granted to Ms. Timm prior to her becoming a NEO, but are subject to the same terms as applicable to the other NEOs.

(3) Pursuant to the terms of his offer of employment, on October 15, 2019, Mr. Gaffney received a pro-rated 2019-2021 LTIP grant with a grant date dollar value of $625,000.

Other Long-Term Equity Awards Granted to the NEOs in Fiscal 2019

Pursuant to the terms of his offer of employment, on October 15, 2019, Mr. Gaffney received an award of restricted shares with a grant date value of $3,000,000. These restricted shares will vest in 3 installments – 60% on the first anniversary of the grant date, 20% on the second anniversary of the grant date and 20% on the third anniversary of the grant date, all contingent on his continued employment by Kohl's on each vesting date.

In conjunction with her promotion to Senior Executive Vice President, Chief Financial Officer, on December 13, 2019, Ms. Timm received an award of restricted shares with a grant date value of $3,000,000, vesting in five equal annual installments on the first through fifth anniversaries of the grant date, all contingent on her continued employment by Kohl's on each vesting date.

Perquisites

We provide our NEOs with certain perquisites in order to provide a competitive total rewards package that supports recruitment and retention of key talent. These include automobile expense reimbursement, with no fixed limit for Ms. Gass and Mr. Howe and $18,000 per year for Senior Executive Vice Presidents; personal financial advisory services having an annual value of up to $3,500 for Ms. Gass and Mr. Howe and tax-related advisory services with no fixed limit for Ms. Gass and Mr. Howe and $1,000 for per year for Senior Executive Vice Presidents; a supplemental health care plan, covering up to $50,000 for Ms. Gass and Mr. Howe and $25,000 for Senior Executive Vice Presidents for medical expenses not covered by insurance; and supplemental Company-paid life and disability insurance coverage. As Chief Executive Officer, Ms. Gass is permitted to use the Company's aircraft for personal flights as well as business flights. This benefit increases the safety and efficiency of Ms. Gass' travel. We believe these perquisites are reasonable based upon the relatively small expense in relation to both executive pay and our total benefit expenditures. Details regarding these benefits are disclosed in the Summary Compensation Table and the accompanying schedule elsewhere in this proxy statement.

Deferred Compensation

We maintain non-qualified deferred compensation plans for approximately 425 eligible executives, including our NEOs. Details regarding the contributions and benefits of these non-qualified plans are disclosed in the Non-Qualified Deferred Compensation table and the accompanying narrative contained elsewhere in this proxy statement.

Stock Ownership Guidelines

The Committee believes that executive stock ownership is important to align the interests of our executives with those of our shareholders. Our executive stock ownership guidelines require our CEO to maintain ownership equal to five times her base salary. The other NEOs and all Senior Executive Vice Presidents are required to maintain Kohl's stock ownership that is equal to three times their base salary. Executive Vice Presidents are required to maintain stock ownership that is equal to their base salary. Each executive has five years from the time the executive becomes subject to the particular requirement to comply. For the purposes of calculating stock ownership, the Committee will not consider vested or unvested stock options, but will consider shares of Kohl's common stock owned outright, unvested time-based restricted stock and PSUs. All of the NEOs, as well as each of our Executive Vice Presidents, were in compliance with these guidelines as of the end of fiscal 2019.

From time to time, our NEOs will engage in sales of Kohl's common stock in accordance with our executive stock ownership guidelines. These sales may be accomplished pursuant to SEC Rule 144 during our scheduled insider trading window periods or pursuant to pre-arranged trading plans adopted in accordance with Rule 10b5-1 of the Exchange Act. Compliance with our executive stock sale guidelines is monitored by our General Counsel and the Committee and exceptions are granted by the Committee only in extraordinary circumstances.

All Kohl's associates, including our executives, and Directors are also prohibited from entering into transactions designed to result in a financial benefit if our stock price declines, or any hedging transaction involving our securities, including but not limited to the use of financial derivatives such as puts and calls, short sales or any similar transactions.

Other Material Tax and Accounting Implications of the Program

Section 162(m) of the Internal Revenue Code disallows a tax deduction to public corporations for compensation over $1 million paid to "covered employees," in any fiscal year. By definition, our "covered employees" previously included our CEO and the three other most highly compensated NEOs employed at the end of the year (other than our Chief Financial Officer). However, Section 162(m) previously provided that qualifying performance-based compensation would not be subject to the deduction limit if certain requirements were met.

While the Committee did not have a policy requiring aggregate compensation to meet the requirements for deductibility under Section 162(m), the Committee considered the impact of Section 162(m) in setting and determining executive compensation because it was focused on the net cost of executive compensation to Kohl's. Kohl's compensation program was generally designed with the intention that compensation paid in various forms may be eligible to qualify for deductibility under Section 162(m), but in order to maintain flexibility in rewarding individual performance and contributions, the Committee would not limit all the amounts paid under all of our compensation programs to just those that qualify for tax deductibility. Where compensation was awarded in excess of the limits established by Section 162(m), the Committee encouraged, but did not require, deferral of such excess amounts by the officer.

Under the Tax Act, effective for our fiscal 2018, the exception under Section 162(m) for performance-based compensation is no longer available, subject to transition relief for certain grandfathered arrangements in effect as of November 2, 2017. In addition, "covered employees" has been expanded to include our Chief Financial Officer, and once one of our NEOs is considered a covered employee, the NEO will remain a covered employee so long as he or she receives any compensation from us.

SUMMARY COMPENSATION TABLE

The table below summarizes information concerning compensation for fiscal 2019 of those persons who were at February 1, 2020: (i) our Chief Executive Officer, (ii) our Chief Financial Officer and (iii) our three other most highly compensated executive officers. For the reasons stated above, this table also includes Mr. Besanko, our former Chief Financial Officer, and Ms. Chawla, our former President.

Name and Principal Position	Year	Salary	Bonus	Stock Awards[1]	Option Awards[1]	Non-Equity Incentive Plan Compensation[2]	Change in Pension Value and Non-qualified Deferred Compensation Earnings[3]	All Other Compensation[9]	Total
Michelle Gass *Chief Executive Officer*	2019	$1,426,250	—	$7,250,009[4]	—	$ 0	—	$ 307,133	$ 8,983,392
	2018	1,400,000	—	7,249,982	—	3,500,000	—	190,463	12,340,445
	2017	1,224,932	—	7,750,028	—	3,500,000	—	108,608	12,583,568
Jill Timm[5] *Chief Financial Officer*	2019	$ 627,083	—	$3,660,006[4]	—	$ 0	—	$ 67,932	$ 4,355,021
Doug Howe *Chief Merchandising Officer*	2019	$ 974,969	—	$1,750,029[4]	—	$ 0	—	$ 330,731	$ 3,055,729
	2018	672,917	$ 250,000	5,749,963	—	1,900,000	—	122,747	8,695,627
Paul Gaffney[6] *Chief Technology Officer*	2019	$ 300,000	$ 750,000	$3,624,974[4]	—	$ 880,000	—	$ 70,469	$ 5,625,443
Marc Chini *Chief People Officer*	2019	$ 750,000	—	$1,250,032[4]	—	$ 0	—	$ 604,302	$ 2,604,334
Bruce Besanko[7] *Former Chief Financial Officer*	2019	$ 930,628	—	$1,750,029[4]	—	$ 0	—	$4,452,026	$ 7,132,683
	2018	911,250	—	1,750,037	—	1,827,000	—	106,401	4,594,688
	2017	506,250	250,000	5,749,980	—	1,800,000	—	117,671	8,423,901
Sona Chawla[8] *Former President*	2019	$ 877,406	—	$3,000,061[4]	—	$ 0	—	$1,326,185	$ 5,203,652
	2018	1,200,000	—	3,000,052	—	2,700,000	—	105,077	7,005,129
	2017	1,154,099	—	4,750,021	—	2,700,000	—	107,612	8,711,732

(1) The amounts shown represent the aggregate grant date fair value for awards granted in 2019, 2018 and 2017, computed in accordance with FASB ASC Topic 718. See Note 6 to our fiscal 2019 audited financial statements included in our Annual Report on Form 10-K for additional details.

(2) The amounts shown represent incentive payments awarded under our Annual Incentive Plan based on our performance during the year indicated, but actually paid in the following year.

(3) We have no defined benefit or actuarial pension plans. All earnings in our nonqualified deferred compensation plan are at market values and are therefore omitted from the table.

(4) Includes the aggregate grant date fair value of performance share units that could be earned pursuant to the 2019-2021 LTIP grant based on the probable outcome of the performance conditions as of the grant date. Actual payments will be based on our financial performance in fiscal years 2019-2021 and are subject to a modifier based on Kohl's total shareholder return relative to its peers over the three-year performance period, as described more fully in Compensation Discussion & Analysis. The range of potential payments under the awards is set forth below.

	Amount Reported (Target)	Other Possible Amounts		
		Minimum	Threshold	Maximum
Michelle Gass	$4,350,015	$ 0	$1,631,256	$10,875,038
Jill Timm	$ 395,991	$ 0	$ 148,497	$ 989,978
Doug Howe	$1,050,014	$ 0	$ 393,755	$ 2,625,035
Paul Gaffney	$ 374,980	$ 0	$ 140,618	$ 937,451
Marc Chini	$ 750,021	$ 0	$ 281,258	$ 1,875,052
Bruce Besanko	$1,050,014	$ 0	$ 393,755	$ 2,625,035
Sona Chawla	$1,800,035	$ 0	$ 675,013	$ 4,500,087

(5) Ms. Timm was promoted to Senior Executive Vice President, Chief Financial Officer on November 1, 2019. Pursuant to her initial offer letter, she received restricted stock with a grant date value of $3.0 million.

(6) Mr. Gaffney joined Kohl's on September 16, 2019. Pursuant to his initial offer letter, he received $750,000 intended as a signing incentive and to offset any relocation expenses not covered by the relocation policy and

other obligations. He also received restricted stock with a grant date value of $3.25 million and performance share units with a grant date value of $375,000.

(7) In connection with his departure, Mr. Besanko forfeited a portion of the stock awards granted to him in 2019, as described in further detail in the Grant of Plan-Based Awards Table below.

(8) In connection with her departure, Ms. Chawla forfeited a portion of the stock awards granted to her in 2019, as described in further detail in the Grant of Plan-Based Awards Table below.

(9) A detailed breakdown of "All Other Compensation" is provided in the table below.

Name	Our Contributions to Executive Officer's Defined Contribution Plan Accounts	Payments made by us for Term Life, Long-Term Disability and Accidental Death and Dismemberment Insurance	Our Reimbursement of Financial Planning and Tax Advice Expenses	Automobile Expense Allowance	Relocation and Travel Expense Reimbursement	Supplemental Health Care Coverage[a]	Utilization of Company-Owned Aircraft[b]	Post-Employment Contractual Benefits[c]	Total
Michelle Gass	$ 14,000	$ 15,466	$ 8,700	$ 21,477	—	$ 50,000	$ 197,490	—	$ 307,133
Jill Timm	10,771	14,161	—	18,000	—	25,000	—	—	67,932
Doug Howe	14,000	13,402	29,490	20,070	$ 203,769	50,000	—	—	330,731
Paul Gaffney	—	1,994	—	6,750	36,725	25,000	—	—	70,469
Marc Chini	9,375	12,898	1,000	18,000	538,029	25,000	—	—	604,302
Bruce Besanko	14,000	13,559	15,250	21,111	330,349	50,000	—	$4,007,757	4,452,026
Sona Chawla	14,000	18,691	6,960	9,534	—	50,000	—	1,227,000	1,326,185

(a) Amounts shown are coverage limits. Our actual expense for providing this benefit may have been substantially less than the amounts shown. Coverage limits are presented for purposes of protecting the confidentiality of our executives' actual medical expenses.

(b) Amounts shown are the incremental costs of personal use of Kohl's-owned or chartered aircraft, and are based on either actual charter expense or, with respect to Kohl's-owned aircraft utilization, the direct cost of use per hour, which includes fuel, maintenance, engine restoration cost reserves, crew travel expenses, landing and parking fees and supplies.

(c) As described below in the section captioned "Potential Payments Upon Termination or Change of Control."

GRANTS OF PLAN-BASED AWARDS IN 2019

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units(3)	All Other Option Awards: Number of Securities Under-lying Options	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Equity Awards(4)
		Threshold	Target	Maximum	Threshold	Target	Maximum				
Michelle Gass		$ 0	$2,505,125	$3,578,750	—	—	—	—	—	—	—
	03/25/2019	—	—	—	21,615	57,639	144,098	—	—	—	$4,350,015
	03/25/2019	—	—	—	—	—	—	42,194	—	—	2,899,994
Jill Timm		$ 0	$641,758	$902,198	—	—	—	—	—	—	—
	03/25/2019	—	—	—	1,968	5,247	13,118	—	—	—	$ 395,991
	03/25/2019	—	—	—	—	—	—	3,841	—	—	263,992
	12/13/2019	—	—	—	—	—	—	62,138			3,000,023(5)
Doug Howe		$ 0	$1,500,000	$2,000,000	—	—	—	—	—	—	—
	03/25/2019	—	—	—	5,217	13,913	34,783	—	—	—	$1,050,014
	03/25/2019	—	—	—	—	—	—	10,185	—	—	700,015
Paul Gaffney		$880,000	$880,000	$1,200,000	—	—	—	—	—	—	—
	10/15/2019	—	—	—	2,561	6,829	17,073	—	—	—	$ 374,980(6)
	10/15/2019	—	—	—	—	—	—	63,168	—	—	3,249,994(6)
Marc Chini		$ 0	$825,000	$1,125,000	—	—	—	—	—	—	—
	03/25/2019	—	—	—	3,727	9,938	24,845	—	—	—	$ 750,021
	03/25/2019	—	—	—	—	—	—	7,275	—	—	500,011
Bruce Besanko(7)		$ 0	$1,401,081	$1,868,108	—	—	—	—	—	—	—
	03/25/2019	—	—	—	5,217	13,913	34,783	—	—	—	$1,050,014
	03/25/2019	—	—	—	—	—	—	10,185	—	—	700,015
Sona Chawla(8)		$ 0	$1,993,875	$2,760,750	—	—	—	—	—	—	—
	03/25/2019	—	—	—	8,944	23,851	59,628	—	—	—	$1,800,035
	03/25/2019	—	—	—	—	—	—	17,460	—	—	1,200,026

(1) Shown are the Threshold, Target and Maximum payouts for which each executive was eligible under our Annual Incentive Plan with respect to fiscal 2019 performance. Amounts actually earned with respect to these awards are included in the Summary Compensation Table as Non-Equity Incentive Plan compensation. Further detail regarding actual 2019 awards can be found in the Compensation Discussion & Analysis.

(2) Represents range of performance share units that could be earned pursuant to the 2019 — 2021 LTIP grants made under our 2017 Long-Term Compensation Plan. The actual number of performance share units earned is dependent upon Kohl's cumulative sales and net income during the three-year performance period, and range from 0% to 200% of the target amount and is subject to a modifier based on Kohl's total shareholder return relative to its peers over the three-year performance period. See the Compensation Discussion & Analysis for a more detailed description of the performance measures.

(3) Includes restricted stock awarded under our 2017 Long-Term Compensation Plan. See the Compensation Discussion & Analysis for more detail on grants of restricted stock.

(4) Amounts shown represent the grant date fair value of the awards computed in accordance with FASB ASC Topic 718. See Note 6 to our fiscal 2019 audited financial statements included in our Annual Report on Form 10-K for additional details.

(5) Ms. Timm was promoted to Senior Executive Vice President, Chief Financial Officer on November 1, 2019. Pursuant to her initial offer letter, she received restricted stock with a grant date value of $3.0 million.

(6) Mr. Gaffney joined Kohl's on September 16, 2019. Pursuant to his initial offer letter, he received restricted stock with a grant date value of $3.25 million and performance share units with a grant date value of $375,000.

(7) In connection with his departure, Mr. Besanko forfeited his performance share units from the 2019-2021 LTIP grant and one-fourth of the restricted stock grant awarded to him in 2019.

(8) In connection with her departure, Ms. Chawla forfeited a pro rata portion of her performance share units from the 2019-2021 LTIP grant, based on the remainder of the performance period between the date of her departure and the end of such performance period, and three-fourths of the restricted stock grant awarded to her in 2019.

We are currently authorized to issue equity awards under our 2017 Long-Term Compensation Plan. Awards under our 2017 Plan may be in the form of stock options, stock appreciation rights, common stock including restricted stock, common stock units, performance units and performance shares. Our executives do not participate in any other long- or short-term equity incentive plans.

Employment and Executive Compensation Agreements

We have employment agreements with Mses. Gass and Chawla and Messrs. Besanko and Howe. Ms. Chawla's and Mr. Besanko's employment agreements terminated upon each executive's termination of employment in October and February, respectively. The employment agreements include the following terms:

- the term of each agreement is three years, extended on a daily basis until either party notifies the other that the term shall no longer be so extended;

- each executive shall receive an annual base salary, which, as of February 1, 2020, was $1,431,500 for Ms. Gass, $1,000,000 for Mr. Howe, and was $1,227,000 and $934,054 for Ms. Chawla and Mr. Besanko, respectively, as of the date of their termination of employment; and

- the executives may be entitled to certain payments and other benefits upon termination of their employment or a change of control of Kohl's, as described below in the section captioned "Potential Payments Upon Termination or Change of Control."

We have executive compensation agreements with Ms. Timm and Messrs. Gaffney and Chini. These agreements do not have a term, but provide that the executives may be entitled to certain payments and other benefits upon termination of their employment or a change of control of Kohl's, as described below in the section captioned "Potential Payments Upon Termination or Change of Control."

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth information for each named executive officer with respect to unvested restricted stock awards and performance share units that had not been earned or vested as of February 1, 2020. There were no outstanding options to purchase our common stock at February 1, 2020.

	Stock Awards[1]				Equity Incentive Plan Awards[3]			
		Vesting Schedule				Vesting Schedule		
	Number of Shares of Stock That Have Not Vested	Annual Award Vesting	Future Vesting Date(s)	Market Value of Shares of Stock That Have Not Vested[2]	Number of Units of Stock That Have Not Vested	Scheduled Vesting Date	Performance Period	Market Value of Units of Stock That Have Not Vested[2]
Michelle Gass	4,440	25%	March 28, 2020	$ 189,810	208,045	March 3, 2020	2017-2019	$ 8,893,924[A]
	10,538	25%	March 27, 2020, 2021	$ 450,500	163,687	March 2021	2018-2020	$ 6,997,619[M]
	28,568	25%	September 25, 2020, 2021	$ 1,221,282	60,039	March 2022	2019-2021	$ 2,566,667[T]
	36,788	25%	March 26, 2020, 2021, 2022	$ 1,572,687				
	43,951	25%	March 25, 2020, 2021, 2022, 2023	$ 1,878,905				
Jill Timm[4]	676	20%	March 30, 2020	$ 28,899	15,457	March 2021	2018-2020	$ 660,787[M]
	445	25%	March 28, 2020	$ 19,024	5,466	March 2022	2019-2021	$ 233,672[T]
	2,802	20%	March 28, 2020, 2021	$ 119,786				
	5,420	20%	March 27, 2020, 2021, 2022	$ 231,705				
	4,141	20%	March 26, 2020, 2021, 2022, 2023	$ 177,028				
	3,381	25%	May 15, 2020, 2021, 2022	$ 144,538				
	11,607	20%	May 15, 2020, 2021, 2022, 2023	$ 496,199				
	4,001	25%	March 25, 2020, 2021, 2022, 2023	$ 171,043				
	62,138	20%	December 13, 2020, 2021, 2022, 2023, 2024	$ 2,656,400				
Doug Howe	38,550	33%	June 15, 2020, 2021	$ 1,648,013	33,315	March 2021	2018-2020	$ 1,424,216[M]
	7,590	25%	June 15, 2020, 2021, 2022	$ 324,473	14,493	March 2022	2019-2021	$ 619,576[T]
	10,610	25%	March 25, 2020, 2021, 2022, 2023	$ 453,578				
Paul Gaffney[5]	59,079		October 15, 2020, 2021, 2022[6]	$ 2,525,627	6,920	March 2022	2019-2021	$ 295,830[T]
	4,924	25%	October 15, 2020, 2021, 2022, 2023	$ 210,501				
Marc Chini	3,220	25%	December 14, 2020, 2021, 2022	$ 137,655	13,940	March 2021	2018-2020	$ 595,935[M]
	17,170		December 14, 2020, 2021[7]	$ 734,018	10,352	March 2022	2019-2021	$ 442,548[T]
	7,578	25%	March 25, 2020, 2021, 2022, 2023	$ 323,960				
Bruce Besanko[8]					52,750	March 3, 2020	2017-2019	$ 2,255,063[A]
Sona Chawla[9]					59,247	March 3, 2020	2017-2019	$ 2,532,809[A]
					60,209	March 2021	2018-2020	$ 2,573,935[M]
					13,804	March 2022	2019-2021	$ 590,121[T]

(1) Includes accrued but unvested dividend equivalent shares.

(2) Based upon the $42.75 price of our common stock on February 1, 2020.

(3) The units reported in this column represent potentially issuable shares pursuant to performance share units granted under the company's LTIP. The performance share units are scheduled to vest on the annual dates listed. The number of shares that will actually become issuable is contingent upon Kohl's cumulative sales and net income performance in relation to pre-established performance hurdles during the respective performance period. The number of units reported in this column assumes Kohl's achieves cumulative net income and sales levels required for a payout at the noted level.

(4) Ms. Timm was promoted to Senior Executive Vice President, Chief Financial Officer on November 1, 2019. Pursuant to her initial offer letter, she received restricted stock with a grant date value of $3.0 million.

(5) Mr. Gaffney joined Kohl's on September 16, 2019. Pursuant to his initial offer letter, he received restricted stock with a grant date value of $3.25 million and performance share units with a grant date value of $375,000.

(6) Award vests 60% in 2020, and 20% in 2021 and 2022.

(7) Award vests 30% in 2020 and 20% in 2021.

(A) Reflects payout at "Actual"

(M) Reflects payout at "Maximum"

(T) Reflects payout at "Target"

OPTION EXERCISES AND STOCK VESTED IN 2019

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Michelle Gass	—	—	67,785	$4,322,238
Jill Timm	—	—	21,060	$1,403,374
Doug Howe	—	—	21,234	$1,013,821
Paul Gaffney	—	—	—	—
Marc Chini	—	—	18,242	$881,308
Bruce Besanko	—	—	103,743	$4,628,027
Sona Chawla	—	—	149,662	$8,225,091

(1) Includes 50,422 shares with a value realized on vesting of $2,155,541 which vested on February 1, 2020 per the terms of Mr. Besanko's Employment Agreement dated July 10, 2017.

(2) Includes 70,333 shares with a value realized on vesting of $3,591,203 which vested on October 18, 2019 per the terms of Ms. Chawla's Employment Agreement dated September 25, 2017.

PENSION BENEFITS

We do not maintain any pension benefit plans for our officers or Directors that would otherwise be disclosable in these proxy materials.

NONQUALIFIED DEFERRED COMPENSATION

We have no retirement plans for our executive officers other than defined contribution plans and a retiree health plan for certain former principal officers. Approximately 425 of our executives are eligible for participation in the Kohl's Deferred Compensation Plans, which are unfunded, unsecured plans. The Deferred Compensation Plans allow our executives to defer all or a portion of their base salary and bonuses. Elections to participate in these plans are made by our executives on an annual basis, prior to the beginning of the year in which the compensation is earned.

We do not make any company contributions to the Deferred Compensation Plans. The aggregate balance of each participant's account consists of amounts that have been deferred by the participant, plus earnings (or minus losses). We deposit the deferred amounts into a trust for the benefit of plan participants. In accordance with tax requirements, the assets of the trust are subject to claims of our creditors. Account balances are deemed invested in accordance with investment elections designated by the executive from time to time but no more frequently than monthly. There are several investment options available to plan participants, including money market/fixed income funds, domestic and international equity funds, blended funds and pre-allocated lifestyle fund investments.

Deferred account balances are distributed to the plan participants in accordance with elections made by the executive at the time the deferral is made. These distributions may be scheduled for future years while the executive remains our employee or following the participant's termination of employment, either in a lump sum or in installments. A separate distribution election is made by plan participants with respect to account balance distributions in the event of a change of control of Kohl's.

The following table shows the executive contributions, earnings and account balances for the persons named in the Summary Compensation Table.

Name	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)(1)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)(2)
Michelle Gass	—	—	—	—	—
Jill Timm	—	—	—	—	—
Doug Howe	—	—	—	—	—
Paul Gaffney	—	—	—	—	—
Marc Chini	—	—	—	—	—
Bruce Besanko	$ 110,305	—	$ 18,386	—	$ 220,965
Sona Chawla	—	—	—	—	—

(1) Executive contributions are included as compensation in the Summary Compensation Table in the year contributed. Earnings on account balances are not included in the Summary Compensation Table.

(2) Included in the Aggregate Balance are executive contributions which were previously reported in the Summary Compensation Table in either 2019 or prior totaling $203,181 for Mr. Besanko.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Upon termination of their employment or a change of control of Kohl's, our NEOs will be entitled (and in the case of Ms. Chawla and Mr. Besanko, were entitled) to various payments and other benefits pursuant to their respective Employment Agreements or Executive Compensation Agreements, our 2010 Long-Term Compensation Plan, our 2017 Long-Term Compensation Plan, our Annual Incentive Plan, and our associate merchandise discount program. These payments and benefits are described below.

Ms. Gass

Employment Agreement

Ms. Gass is party to an amended and restated employment agreement which provides the following payments and other benefits upon her termination of employment or upon a change of control of Kohl's:

- If her employment is terminated by us for cause, due to our non-renewal of her employment agreement, or if she voluntarily resigns, she will not receive any severance payments;
- If her employment is terminated either upon death or disability:
    - she or her estate is entitled to receive a pro rata bonus for the current fiscal year, determined on the basis of the average award made to her over the prior three fiscal years and paid at the same time as other executives receive their bonus for that year;
    - she or her estate is entitled to receive severance in the amount of one half of her then annual base salary, payable over one year in the event of her death, and over six months in the event of her disability; and
    - she and her spouse and eligible dependents shall be provided post-retirement health care coverage under our health insurance plan and supplemental executive medical plan, provided she (or her eligible dependents in the event of death) reimburses us for all premiums paid for such retiree health insurance benefits until she becomes eligible for such benefits with a new employer.
- If she terminates employment as a result of a material reduction in her job status or scope of responsibilities (i.e., for "good reason"), or if we terminate her employment involuntarily without cause during the term of the employment agreement (generally, three years) and the termination is not in connection with a "change of control" (as defined in the agreement), she will be entitled to the following severance benefits:
    - a pro rata bonus for the current fiscal year, determined on the basis of the actual performance of Kohl's at the end of that year, payable at the same time as other executives receive their bonus for that year;
    - a severance payment equal to the sum of:
        - an amount equal to her aggregate base salary for the remaining term of her agreement, but not more than 2.9 years; plus
        - an amount equal to the average of the bonus awards made to her under our annual incentive compensation plan over the prior three fiscal years;
    - she and her spouse and eligible dependents shall be provided post-retirement health care coverage under our health insurance plan and supplemental executive medical plan, provided she (or the eligible dependents in the event of death) reimburses us for all premiums paid for such retiree health insurance benefits until she becomes eligible for such benefits with a new employer; and
    - outplacement services of up to $20,000.
- If, within the three months preceding or one year following a "change of control" of Kohl's (as defined in the agreement) Ms. Gass' employment is terminated by us without cause during the term of the agreement or by her for "good reason," she will be entitled to the following severance benefits:
    - a pro rata bonus for the current fiscal year, determined on the basis of the average award made to her over the prior three fiscal years and paid at the same time as other executives receive their bonus for that year;

- a severance payment equal to the sum of:
  - an amount equal to her aggregate base salary for the remaining term of her agreement, but not more than 2.9 years; plus
  - an amount equal to the average of the bonus awards made to her under our annual incentive compensation plan over the prior three fiscal years, multiplied by the number of years remaining in the term of her agreement, but not more than 2.9 years;
- she and her spouse and eligible dependents shall be provided post-retirement health care coverage under our health insurance plan and supplemental executive medical plan, provided she (or her eligible dependents in the event of death) reimburses us for all premiums paid for such retiree health insurance benefits; and
- outplacement services of up to $20,000.

- Ms. Gass' employment agreement does not provide a tax gross up.
- Following her termination, she will be prohibited from competing with us for a period of one year.
- In accordance with Section 409A of the Internal Revenue Code of 1986, as amended, certain payments under the employment agreement are not payable until the six-month anniversary of the date of termination.
- In all cases, our obligation to pay severance is contingent upon her execution of a general release of claims against us.

Accelerated Vesting of Equity Awards

For restricted stock awarded to Ms. Gass under the terms of our 2010 Long-Term Compensation Plan and 2017 Long-Term Compensation Plan, upon a "change of control," the vesting of such awards is accelerated only if she terminates employment, within six months prior to or twelve months following a "change of control," as a result of her termination for "good reason" or if her employment is terminated without cause. This is true if the awards are assumed by the acquiring or surviving company at the time of the "change of control." If the awards are not assumed by the acquiring or surviving company upon a "change of control," then the awards accelerate vesting at the time of the "change of control." Under the same Plan, upon a "change of control," all performance share unit awards shall continue to be subject to any time-based vesting schedule, but any related performance vesting criteria will be deemed to have been satisfied at the target level. Again, this is true if the performance share unit awards are assumed by the acquiring or surviving company. If Ms. Gass terminates employment as described above within six months prior to or twelve months following a "change of control" or if the performance share unit awards are not assumed by the acquiring or surviving company at the time of the "change of control," then all such outstanding awards shall immediately vest.

In addition, for any restricted stock awarded to Ms. Gass, if she terminates employment for "good reason" or if we terminate her employment without cause during the term of her employment agreement, the restricted stock that would have vested during the three-year period following termination of her employment will vest. Upon her death while employed by us or her termination due to disability, all of her outstanding restricted stock would immediately vest.

Pursuant to the terms of our performance share unit award agreements, upon termination of Ms. Gass' employment due to a disability, she will vest in the actual number of performance share units that are earned at the end of the performance period. In addition, upon a termination of her employment by reason of retirement (which retirement would need to be approved as a retirement by the Committee in its discretion at the time of such retirement), she would vest in a prorated portion of the actual number of performance share units that are earned at the end of the performance period based on the number of months she was employed during the performance period. If her employment is terminated upon her death, such performance share units shall vest at the target amount.

Non-Contractual Benefit Upon Retirement

In addition to Ms. Gass' contractual benefits, upon her retirement (i.e., age 55 and ten years of service), she will be entitled to participate for her lifetime in our associate merchandise discount program, on such terms and to the extent the program continues to be made available to our senior executives.

Potential Benefit Summary — Ms. Gass

The following table shows the potential payments to Ms. Gass upon termination of her employment. Also shown is the value of Ms. Gass' performance share units and restricted stock that would vest upon certain terminations of Ms. Gass' employment following a "change of control" of Kohl's. The amounts shown in the table assume a February 1, 2020 employment termination date and do not reflect salary accrued as of that date. Also assumed is a February 1, 2020 effective date of a "change of control" and a $42.75 "change of control price" of our common stock, which was the February 1, 2020 closing price of our common stock on the New York Stock Exchange. The terms "change of control" and "change of control price" have the meanings given to these terms in our 2010 Long-Term Compensation Plan and 2017 Long-Term Compensation Plan. The amounts shown in the following table also assume that in a "change of control," the acquiring or surviving company would have assumed the equity awards made under the 2010 Long-Term Compensation Plan and 2017 Long-Term Compensation Plan.

	Voluntary Termination by Executive	Involuntary Termination by Kohl's With Cause	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (No Change of Control)	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (Following Change of Control)	Termination due to Disability	Death
Severance Payment — Salary Continuation	—	—	$4,151,350	$4,151,350	$715,750	$715,750
Severance Payment — Bonus Payments	—	—	$ 2,444,983	$ 7,090,452	—	—
Pro Rated Bonus(1)	—	—	$0	$ 2,444,983	$ 2,444,983	$ 2,444,983
Outplacement	—	—	$ 20,000	$ 20,000	—	—
Value of Accelerated Restricted Stock(2)	—	—	$ 4,843,457	$ 5,313,184	$ 5,313,184	$ 5,313,184
Value of Accelerated Performance Share Units(3)	—	—	—	$9,812,707	$18,458,210	$9,812,707
TOTAL	—	—	$11,459,791	$28,832,676	$26,932,127	$18,286,624

(1) In the case of an involuntary or good reason termination without a change of control, the pro rata bonus is based on actual performance at the end of the year. As described above, Ms. Gass did not earn a bonus for Fiscal 2019 based on company performance.

(2) The value of accelerated restricted stock includes dividend equivalents on the applicable award that were credited as additional shares subject to the same vesting restrictions as the original award of restricted stock.

(3) The value of accelerated performance share units is illustrated at target for (i) death or (ii) termination by executive for good reason or involuntary termination by Kohl's without cause (following a change of control). In the case of termination due to disability, the actual award earned at the end of the performance period would be payable. Here, the payout shown in the disability column is based on the number of shares earned based on actual performance for the 2017 award, maximum performance for the 2018 award, and target performance for the 2019 award. The value of performance share units that would be earned includes dividend equivalents that would have been earned on the underlying grant.

Mr. Howe

Employment Agreement

Mr. Howe is party to an employment agreement which provides the following payments and other benefits upon his termination of employment or upon a change of control of Kohl's:

- If his employment is terminated by us for cause, due to our non-renewal of an employment agreement, or if he voluntarily resigns, he will not receive any severance payments;
- If his employment is terminated either upon death or disability:
  - he or his estate is entitled to receive a pro rata bonus for the current fiscal year, determined on the basis of the average award made to him over the prior three fiscal years and paid at the same time as other executives receive their bonus for that year;
  - he or his estate is entitled to receive severance in the amount of one half of his then annual base salary, payable over one year in the event of the executive's death, and over six months in the event of his disability; and
  - he and his spouse and eligible dependents shall be provided post-retirement health care coverage under our health insurance plan and supplemental executive medical plan, provided that he (or his eligible dependents in the event of death) reimburses us for all premiums paid for such retiree health insurance benefits until he becomes eligible for such benefits with a new employer.
- If he terminates employment as a result of a material reduction in his title, organizational reporting level or base salary (i.e., for "good reason"), or if we terminate his employment involuntarily without cause during the term of the employment agreement (generally, three years) and the termination is not in connection with a "change of control" (as defined in the agreement), he will be entitled to the following severance benefits:
  - a pro rata bonus for the current fiscal year, determined on the basis of the actual performance of Kohl's at the end of that year, payable at the same time as other executives receive their bonus for that year;
  - a severance payment equal to the sum of:
    - an amount equal to his aggregate base salary for the remaining term of his agreement, but not more than 2.9 years; plus
    - an amount equal to the average of the bonus awards made to him under our annual incentive compensation plan over the prior three fiscal years;
  - he and his spouse and eligible dependents shall be provided post-retirement health care coverage under our health insurance plan and supplemental executive medical plan, provided he (or his eligible dependents in the event of death) reimburses us for all premiums paid for such retiree health insurance benefits until he becomes eligible for such benefits with a new employer; and
  - outplacement services of up to $20,000.
- If, within the three months preceding or one year following a "change of control" of Kohl's (as defined in the agreement) Mr. Howe's employment is terminated by us without cause during the term of the agreement or by him for "good reason", he will be entitled to the following severance benefits:
  - a pro rata bonus for the current fiscal year, determined on the basis of the average award made to him over the prior three fiscal years and paid at the same time as other executives receive their bonus for that year;
  - a severance payment equal to the sum of:
    - an amount equal to his aggregate base salary for the remaining term of his agreement, but not more than 2.9 years; plus
    - an amount equal to the average of the bonus awards made to him under our annual incentive compensation plan over the prior three fiscal years, multiplied by the number of years remaining in the term of his agreement, but not more than 2.9 years;

    - he and his spouse and eligible dependents shall be provided post-retirement health care coverage under our health insurance plan and supplemental executive medical plan, provided he (or his eligible dependents in the event of death) reimburses us for all premiums paid for such retiree health insurance benefits; and
    - outplacement services of up to $20,000.
- Mr. Howe's employment agreement does not provide a tax gross up.
- Following his termination, he will be prohibited from competing with us for a period of one year.
- In accordance with Section 409A of the Internal Revenue Code of 1986, as amended, certain payments under the employment agreement are not payable until the six-month anniversary of the date of termination.
- In all cases, our obligation to pay severance is contingent upon his execution of a general release of claims against us.

Accelerated Vesting of Equity Awards

For restricted stock awarded to Mr. Howe, under the terms of our 2017 Long-Term Compensation Plan, upon a "change of control," the vesting of such awards is accelerated only if he terminates employment within six months prior to or twelve months following a "change of control" as a result of his termination for "good reason" or if his employment is terminated without cause. This is true if the awards are assumed by the acquiring or surviving company at the time of the "change of control." If the awards are not assumed by the acquiring or surviving company upon a "change of control," then the awards accelerate vesting at the time of the "change of control." Under each Plan, as applicable, upon a "change of control," all performance share unit awards shall continue to be subject to any time-based vesting schedule, but any related performance vesting criteria will be deemed to have been satisfied at the target level. Again, this is true if the performance share unit awards are assumed by the acquiring or surviving company. If Mr. Howe terminates employment as described above within six months prior to or twelve months following a "change of control" or if the performance share unit awards are not assumed by the acquiring or surviving company at the time of the "change of control," then all such outstanding awards shall immediately vest.

In addition, for any restricted stock awarded to Mr. Howe, if he terminates employment for "good reason" or if we terminate his employment without cause during the term of his employment agreement, the restricted stock that would have vested during the three-year period following termination of his employment will vest. Upon his death while employed by us or his termination due to disability, all outstanding restricted stock would immediately vest.

Pursuant to the terms of our performance share unit award agreements awarded to Mr. Howe, upon termination of the executive's employment due to a disability, he will vest in the actual number of performance share units that are earned at the end of the performance period. In addition, upon a termination of the executive's employment by reason of retirement (which retirement would need to be approved as a retirement by the Committee in its discretion at the time of such retirement), he would vest in a prorated portion of the actual number of performance share units that are earned at the end of the performance period based on the number of months he was employed during the performance period. If his employment is terminated upon his death, such performance share units shall vest at the target amount.

Non-Contractual Benefit Upon Retirement

In addition to Mr. Howe's contractual benefits, upon his retirement (i.e., age 55 and ten years of service), he will be entitled to participate for his lifetime in our associate merchandise discount program, on such terms and to the extent the program continues to be made available to our senior executives.

Potential Benefit Summary — Mr. Howe

The following table shows the potential payments to Mr. Howe upon termination of his employment. Other parameters of the potential benefit summary are identical to those described above for Ms. Gass.

	Voluntary Termination by Executive	Involuntary Termination by Kohl's With Cause	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (No Change of Control)	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (Following Change of Control)	Termination due to Disability	Death
Severance Payment — Salary Continuation	—	—	$2,900,000	$2,900,000	$500,000	$500,000
Severance Payment — Bonus Payments	—	—	$633,333	$1,836,667	—	—
Pro Rated Bonus(1)	—	—	$0	$633,333	$633,333	$633,333
Outplacement	—	—	$ 20,000	$ 20,000	—	—
Value of Accelerated Restricted Stock(2)	—	—	$2,312,668	$2,426,063	$2,426,063	$2,426,063
Value of Accelerated Performance Share Units(3)	—	—	—	$ 1,189,262	$2,043,792	$1,189,262
TOTAL	—	—	$5,866,601	$9,005,325	$5,603,188	$4,748,658

(1) In the case of an involuntary or good reason termination without a change of control, the pro rata bonus is based on actual performance at the end of the year. As described above, Mr. Howe did not earn a bonus for Fiscal 2019 based on company performance.

(2) The value of accelerated restricted stock includes dividend equivalents on the applicable award that were credited as additional shares subject to the same vesting restrictions as the original award of restricted stock.

(3) The value of accelerated performance share units is illustrated at target for (i) death or (ii) termination by executive for good reason or involuntary termination by Kohl's without cause (following a change of control). In the case of termination due to disability, the actual award earned at the end of the performance period would be payable. Here, the payout shown in the disability column is based on the number of shares earned based on maximum performance for the 2018 award and target performance for the 2019 award. The value of performance share units that would be earned includes dividend equivalents that would have been earned on the underlying grant.

Messrs. Chini and Gaffney, and Ms. Timm

Executive Compensation Agreements

Messrs. Chini and Gaffney and Ms. Timm are party to executive compensation agreements which provide certain payments and other benefits upon a termination of employment or upon a change of control of Kohl's. Mr. Chini's executive compensation agreement was entered into on August 30, 2019, in replacement of his prior employment agreement. Mr. Gaffney entered into his executive compensation agreement on September 16, 2019, when he began employment. Ms. Timm's executive compensation agreement was entered into on November 1, 2019, as an amended and restated version of her prior executive compensation agreement. The agreements provide the executives the following:

- If the executive's employment is terminated by us for cause or if the executive voluntarily resigns, the executive will not receive any severance payments;
- If the executive's employment is terminated either upon death or disability:
  - the executive or executive's estate is entitled to receive a pro rata bonus for the current fiscal year, determined on the basis of the actual performance of Kohl's at the end of that year, payable at the same time as other executives receive their bonus for that year; and
  - the executive or executive's estate is entitled to receive severance in the amount of one half of the executive's then annual base salary, payable over one year in the event of the executive's death, and over six months in the event of the executive's disability.
- If the executive terminates employment as a result of a material reduction in the executive's title, organizational reporting level or base salary (i.e., for "good reason"), or if we terminate the executive's employment involuntarily without cause and the termination is not in connection with a "change of control" (as defined in the executive's agreement), the executive will be entitled to the following severance benefits:
  - a pro rata bonus for the current fiscal year, determined on the basis of the actual performance of Kohl's at the end of that year, payable at the same time as other executives receive their bonus for that year;
  - a severance payment equal to two times the executive's then annual base salary, payable in a lump sum within sixty days following the executive's termination of employment;
  - for any restricted stock awarded to the executives after the date of their current executive compensation agreements, any restricted stock that would have vested during the two-year period following termination of the executive's employment will vest;
  - up to two years of post-termination health care coverage under our health insurance plan if the executive is eligible for, and timely elects to participate in Kohl's group health insurance plan pursuant to COBRA, and Kohl's shall pay for such period that portion of the executive's monthly COBRA payment which is equal to our normal monthly cost of coverage for full-time employees under our group health insurance plans; and
  - outplacement services of up to $20,000.
- If, within fifteen months following a "change of control" of Kohl's (as defined in the agreement) the executive's employment is terminated by us without cause during the term of the agreement or by the executive for "good reason", the executive will be entitled to the following severance benefits:
  - a severance payment equal to the sum of:
    - two times the executive's then annual base salary (or if higher, the base salary in effect immediately prior to the change in control), payable in a lump sum within sixty days following the executive's termination of employment; plus
    - an amount equal to the average of the bonus awards made to the executive under our annual incentive compensation plan over the prior three fiscal years;
  - for any restricted stock awarded to the executives after the date of their current executive compensation agreements, any restricted stock that would have vested during the two-year period following termination of the executive's employment will vest.

- up to two years of post-termination health care coverage under our health insurance plan if the executive is eligible for, and timely elects to participate in Kohl's group health insurance plan pursuant to COBRA, and Kohl's shall pay for such period that portion of the executive's monthly COBRA payment which is equal to our normal monthly cost of coverage for full-time employees under our group health insurance plans; and
- outplacement services of up to $20,000.

- If the executive voluntarily terminates employment due to retirement (i.e., age 55 and ten years of service), the executive will be entitled to receive a pro rata bonus for the current fiscal year, determined on the basis of the actual performance of Kohl's at the end of that year, payable at the same time as other executives receive their bonus for that year. As of the end of Fiscal 2019, Messrs. Chini and Gaffney and Ms. Timm were not eligible for retirement.
- None of the executive compensation agreements provide a tax gross up.
- Following an executive's termination, the executive will be prohibited from competing with us for a period of one year.
- In accordance with Section 409A of the Internal Revenue Code of 1986, as amended, certain payments under the executive compensation agreement may not be payable until the six-month anniversary of the date of termination.
- In all cases, our obligation to pay severance is contingent upon an executive's execution of a general release of claims against us.

Accelerated Vesting of Equity Awards

For restricted stock awarded to Messrs. Chini and Gaffney and Ms. Timm under the terms of our 2010 Long-Term Compensation Plan or 2017 Long-Term Compensation Plan, as applicable, upon a "change of control," the vesting of such awards is accelerated only (except as described above with respect to vesting under the executive compensation agreements) if the executive terminates employment within six months prior to or twelve months following a "change of control" as a result of the executive's termination for "good reason" or if the executive's employment is terminated without cause. This is true if the awards are assumed by the acquiring or surviving company at the time of the "change of control." If the awards are not assumed by the acquiring or surviving company upon a "change of control," then the awards accelerate vesting at the time of the "change of control." Under each Plan, as applicable, upon a "change of control," all performance share unit awards awarded to the executives shall continue to be subject to any time-based vesting schedule, but any related performance vesting criteria will be deemed to have been satisfied at the target level. Again, this is true if the performance share unit awards are assumed by the acquiring or surviving company. If the executive terminates employment as described above within six months prior to or twelve months following a "change of control" or if the performance share unit awards are not assumed by the acquiring or surviving company at the time of the "change of control," then all such outstanding awards shall immediately vest.

In addition, for any restricted stock awarded to Ms. Timm prior to the date of her executive compensation agreement, if she terminates employment for "good reason" or if we terminate her employment without cause, the restricted stock that would have vested during the two-year period following termination of her employment will vest. For any restricted stock awarded to Mr. Chini prior to the date of his executive compensation agreement, if he terminates employment for "good reason" or if we terminate his employment without cause, the restricted stock that would have vested during the three-year period following termination of his employment will vest. For any restricted stock awarded to the executives after the date of their current executive compensation agreements, the restricted stock will vest under the executive's executive compensation agreement as described above in the event the executive terminates employment for "good reason" or if we terminate the executive's employment without cause. Upon the executive's death while employed by us or the executive's termination due to disability, all of the executive's outstanding restricted stock would immediately vest (except for outstanding restricted stock granted to Ms. Timm in 2015).

Pursuant to the terms of our performance share unit award agreements awarded to the executives, upon termination of the executive's employment due to a disability, the executive will vest in the actual number of performance share units that are earned at the end of the performance period. In addition, upon a termination of the executive's employment by reason of retirement (which retirement would need to be approved as a retirement by the

Committee in its discretion at the time of such retirement), the executive would vest in a prorated portion of the actual number of performance share units that are earned at the end of the performance period based on the number of months the executive was employed during the performance period. If the executive's employment is terminated upon the executive's death, such performance share units shall vest at the target amount.

In addition to Messrs. Chini's and Gaffney's and Ms. Timm's contractual benefits, upon an executive's retirement (i.e., age 55 and ten years of service), the executive will be entitled to participate for the executive's lifetime in our associate merchandise discount program, on such terms and to the extent the program continues to be made available to our senior executives.

Potential Benefit Summary — Mr. Chini

The following table shows the potential payments to Mr. Chini upon termination of his employment. Other parameters of the potential benefit summary are identical to those described above for Ms. Gass.

	Voluntary Termination by Executive	Involuntary Termination by Kohl's With Cause	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (No Change of Control)	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (Following Change of Control)	Termination due to Disability	Death
Severance Payment	—	—	$1,500,000	$1,585,274	$375,000	$375,000
Pro Rated Bonus[1]	—	—	$0	—	$0	$0
Health Care Continuation	—	—	$17,488	$17,488	—	—
Outplacement	—	—	$20,000	$20,000	—	—
Value of Accelerated Restricted Stock[2]	—	—	$1,114,642	$1,195,632	$ 1,195,632	$1,195,632
Value of Accelerated Performance Share Units[3]	—	—	—	$680,922	$1,038,483	$680,922
TOTAL	—	—	$2,652,130	$3,499,316	$2,609,115	$2,251,554

(1) In the case of an involuntary or good reason termination without a change of control, the pro rata bonus is based on actual performance at the end of the year. As described above, Mr. Chini did not earn a bonus for Fiscal 2019 based on company performance.

(2) The value of accelerated restricted stock includes dividend equivalents on the applicable award that were credited as additional shares subject to the same vesting restrictions as the original award of restricted stock.

(3) The value of accelerated performance share units is illustrated at target for (i) death or (ii) termination by executive for good reason or involuntary termination by Kohl's without cause (following a change of control). In the case of termination due to disability, the actual award earned at the end of the performance period would be payable. Here, the payout shown in the disability column is based on the number of shares earned based on maximum performance for the 2018 award and target performance for the 2019 award. The value of performance share units that would be earned includes dividend equivalents that would have been earned on the underlying grant.

Potential Benefit Summary — Mr. Gaffney

The following table shows the potential payments to Mr. Gaffney upon termination of his employment. Other parameters of the potential benefit summary are identical to those described above for Ms. Gass.

	Voluntary Termination by Executive	Involuntary Termination by Kohl's With Cause	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (No Change of Control)	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (Following Change of Control)	Termination due to Disability	Death
Severance Payment	—	—	$1,600,000	$1,600,000	$400,000	$400,000
Pro Rated Bonus[1]	—	—	$880,000	—	$880,000	$880,000
Health Care Continuation	—	—	$14,488	$14,488	—	—
Outplacement	—	—	$20,000	$20,000	—	—
Value of Accelerated Restricted Stock[2]	—	—	$2,125,752	$ 2,736,128	$2,736,128	$2,736,128
Value of Accelerated Performance Share Units[3]	—	—	—	$ 295,830	$295,830	$295,830
TOTAL	—	—	$4,640,240	$4,666,446	$4,311,958	$4,311,958

(1) The bonus for Fiscal 2019, as guaranteed in Mr. Gaffney's offer of employment, is shown here as this table illustrates the effect of a termination at the end of the fiscal year (thus, a full pro-ration applies). In the case of an involuntary or good reason termination without a change of control, the pro rata bonus is based on actual performance at the end of the year.

(2) The value of accelerated restricted stock includes dividend equivalents on the applicable award that were credited as additional shares subject to the same vesting restrictions as the original award of restricted stock.

(3) The value of accelerated performance share units is illustrated at target for (i) death or (ii) termination by executive for good reason or involuntary termination by Kohl's without cause (following a change of control). In the case of termination due to disability, the actual award earned at the end of the performance period would be payable. Here, the payout shown in the disability column is based on the number of shares earned based on target performance for the 2019 award. The value of performance share units that would be earned includes dividend equivalents that would have been earned on the underlying grant.

Potential Benefit Summary — Ms. Timm

The following table shows the potential payments to Ms. Timm upon termination of her employment. Other parameters of the potential benefit summary are identical to those described above for Ms. Gass.

	Voluntary Termination by Executive	Involuntary Terminatio n by Kohl's With Cause	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (No Change of Control)	Termination by Executive for Good Reason or Involuntary Termination by Kohl's Without Cause (Following Change of Control)	Termination due to Disability	Death
Severance Payment	—	—	$1,600,000	$1,929,470	$400,000	$400,000
Pro Rated Bonus(1)	—	—	$0	—	$ 0	$0
Health Care Continuation	—	—	$20,007	$20,007	—	—
Outplacement	—	—	$20,000	$20,000	—	—
Value of Accelerated Restricted Stock(2)	—	—	$1,875,587	$4,044,620	$4,015,721	$4,015,721
Value of Accelerated Performance Share Units(3)	—	—	—	$ 497,995	$894,459	$ 497,995
TOTAL	—	—	$3,515,593	$6,512,092	$5,310,180	$4,913,716

(1) In the case of an involuntary or good reason termination without a change of control, the pro rata bonus is based on actual performance at the end of the year. As described above, Ms. Timm did not earn a bonus for Fiscal 2019 based on company performance.

(2) The value of accelerated restricted stock includes dividend equivalents on the applicable award that were credited as additional shares subject to the same vesting restrictions as the original award of restricted stock.

(3) The value of accelerated performance share units is illustrated at target for (i) death or (ii) termination by executive for good reason or involuntary termination by Kohl's without cause (following a change of control). In the case of termination due to disability, the actual award earned at the end of the performance period would be payable. Here, the payout shown in the disability column is based on the number of shares earned based on maximum performance for the 2018 award and target performance for the 2019 award. The value of performance share units that would be earned includes dividend equivalents that would have been earned on the underlying grant.

Mr. Besanko

Employment Agreement

We were party to an amended and restated employment agreement with Mr. Besanko that provided for certain payments and other benefits upon his termination of employment that contained similar terms as the employment agreement described above for Mr. Howe. Additionally, Mr. Besanko's equity awards contain similar terms to those described above for Mr. Howe with respect to a termination of employment. As previously announced, Mr. Besanko terminated employment effective on February 1, 2020. The payments and other benefits that became payable to Mr. Besanko under his agreement upon his termination were as follows:

- a severance payment equal $4,007,757;
- no pro rata bonus for Fiscal 2019 as that amount was equal to $0 based on company performance as described above;
- he and his spouse and eligible dependents shall be provided post-retirement health care coverage under our health insurance plan and supplemental executive medical plan, provided he (or the executive's eligible dependents in the event of death) reimburses us for all premiums paid for such retiree health insurance benefits until he becomes eligible for such benefits with a new employer;

- accelerated vesting of all unvested restricted shares that would have vested during the three-year period following Mr. Besanko's termination, which was 50,422 shares, valued at $42.75 (the January 31, 2020 closing price of our common stock on the New York Stock Exchange) for a total value of $2,155,541; and
- outplacement services of up to $20,000.

Under his agreement, Mr. Besanko is prohibited from competing with us for a period of one year following his termination effective as of February 1, 2020. Our obligation to pay the benefits described above was contingent upon Mr. Besanko's execution of a general release of claims against us, which he executed.

Ms. Chawla

Employment Agreement

We were party to an amended and restated employment agreement with Ms. Chawla that provided for certain payments and other benefits upon her termination after October 1, 2019. As previously announced, Ms. Chawla terminated employment effective on October 18, 2019. The payments and other benefits that became payable to Ms. Chawla under her agreement upon her termination were as follows:

- a payment equal to the amount of her base salary for one year, or $1,227,000;
- no pro rata bonus for Fiscal 2019 as that amount was equal to $0 based on company performance as described above;
- she and her spouse and eligible dependents were provided termination health care coverage until February 29, 2020, under our health insurance plan and supplemental executive medical plan, for which Ms. Chawla reimbursed us for all premiums paid for such health insurance benefits;
- accelerated vesting of all unvested restricted shares that would have vested during the one-year period following Ms. Chawla's termination, which was 70,333 shares, valued at $51.06 (the closing price of our common stock on the New York Stock Exchange for the day prior to Ms. Chawla's termination) for a total value of $3,591,203; and
- continued vesting in the prorated portion of the actual number of performance share units that would be earned at the end of each performance period for outstanding performance share unit awards as of the date of Ms. Chawla's termination of employment based on the number of months she was employed during each applicable performance period, but with an additional twelve months of proration credit, which is estimated to result in 133,260 shares (estimated at actual performance for the 2017 award, maximum performance for the 2018 award, and target performance for the 2019 award), valued at $42.75 (the January 31, 2020 closing price of our common stock on the New York Stock Exchange) for a total value of $5,696,865. The actual number of shares earned as a result of the continued vesting of her performance share units may be materially lower or higher based on the Company's future performance and the number of shares earned under the 2018 and 2019 awards. The actual value may also fluctuate based on the Company's stock price.

Under her agreement, Ms. Chawla is prohibited from competing with us for a period of one year following her termination effective as of October 18, 2019. Our obligation to pay the benefits described above was contingent upon Ms. Chawla's execution of a general release of claims against us, which she executed.

CEO Pay Ratio

In accordance with SEC rules and including all full-time, part-time, seasonal and temporary employees, as of February 1, 2020, the median Kohl's employee was calculated to be a part-time store associate. When we calculated our median employee, we used a measurement date of February 1, 2020 and found our median employee by reviewing the Form W-2 wages of all full-time, part-time, seasonal and temporary employees as of that date. There have been no changes to the employee population or employee compensation arrangements since that time that Kohl's believes would significantly impact the pay ratio disclosure. After applying summary compensation table rules, the total compensation for that median employee in 2019 was $9,738. Kohl's CEO total compensation for 2019, as disclosed in the summary compensation table, was $8,983,392, which results in a ratio of 923:1. This information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K

REPORT OF THE AUDIT COMMITTEE

The Audit Committee, management and our independent registered public accounting firm each have different roles and responsibilities with respect to our financial statements and internal control over financial reporting. The Audit Committee oversees our financial reporting process on behalf of the Board of Directors and is directly responsible for the compensation, appointment, retention and oversight of our independent registered public accounting firm. As part of this process, the Audit Committee is directly involved in the selection of the independent registered public accounting firm's lead engagement partner and periodically considers whether a rotation of the independent registered public accounting firm is recommended. The Audit Committee has determined that a policy requiring periodic rotation of our independent registered public accounting firm would not be in shareholders' best interests at this time. Management is responsible for the preparation, presentation and integrity of our financial statements and for the appropriateness of the accounting principles and reporting policies that are used. Management is also responsible for objectively reviewing, evaluating and testing our system of internal controls, and reports to the Audit Committee on any deficiencies found. Our independent registered public accounting firm, Ernst & Young LLP ("Ernst & Young"), is responsible for performing an independent audit of our financial statements and for expressing an opinion, based on the results of their audit, whether the consolidated financial statements are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States. In addition, Ernst & Young is responsible for expressing an opinion on the effectiveness of our internal control over financial reporting. Under its written charter, the Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, has direct access to our independent registered public accounting firm as well as any of our employees, and has the ability to retain, at our expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

The Audit Committee reviewed and discussed our audited financial statements with management and Ernst & Young. The Audit Committee has also discussed and reviewed with Ernst & Young the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board's ("PCAOB's") and the SEC. This review included a discussion of the quality of Kohl's accounting principles, the selection of and modification to significant accounting policies, the reasonableness of estimates, and the disclosures in Kohl's financial statements and the notes thereto. In addition, the Audit Committee obtained from Ernst & Young the written disclosures and the letter required by PCAOB Rule 3526 (Communication with Audit Committees Concerning Independence). The Audit Committee discussed with Ernst & Young any relationships that may impact their objectivity and independence, and also considered whether the provision of non-audit services by Ernst & Young is compatible with maintaining their independence, and has satisfied itself with respect to Ernst & Young's independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Annual Report on Form 10-K for the year ended February 1, 2020 for filing with the Commission.

Audit Committee:

Stephanie A. Streeter, Chair
Michael J. Bender
H. Charles Floyd
John Schlifske
Adrianne Shapira
Stephen E. Watson

ITEM TWO

RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Ernst & Young as our and our subsidiaries' independent registered public accounting firm for fiscal 2020 Ernst & Young and its predecessors have been Kohl's independent accountants since prior to the company's initial offering of securities to the public in 1992. Our selection of Ernst & Young as our independent registered public accounting firm for fiscal 2020 is being presented to you for your ratification. Proxies solicited by the Board of Directors will, unless otherwise directed, be voted to ratify the appointment by the Board of Directors of Ernst & Young as our and our subsidiaries' independent registered public accounting firm for fiscal 2020. We have been advised by Ernst & Young that they are independent certified public accountants with respect to us within the meaning of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated under such act.

A representative from Ernst & Young is expected to be present at the Annual Meeting of Shareholders, and will be available to make a statement or answer any appropriate questions during the meeting.

Fees Paid to Ernst & Young

We paid the following fees to Ernst & Young for fiscal 2019 and fiscal 2018:

	Fiscal 2019	Fiscal 2018
Audit Fees	$ 1,910,571	$ 1,866,519
Audit-Related Fees	31,580	185,000
Tax Fees	951,274	869,500
All Other Fees	—	—
Total	$2,893,425	$2,921,019

Audit Fees. Audit fees include fees associated with the annual audit, reviews of our quarterly reports on Form 10-Q and various consultation topics. Included in Audit Fees are fees for services related to the audit of our internal controls, as required by Section 404 of the Sarbanes-Oxley Act of 2002, comfort letter issuance fees in connection with SEC filings, and additional billing for out of scope work and expenses related to the fiscal year 2018 and 2019 audits.

Audit-Related Fees. Audit-related fees include fees for consultations related to the adoption of ASC 842, Leases.

Tax Fees. Tax fees include consultations related to IRS issues, assistance with state tax return filings, Federal Work Opportunity Tax Credit, and other hiring and miscellaneous matters.

All Other Fees. We did not pay any fees to Ernst & Young during the last two fiscal years for any other services not included in the categories listed above.

Pre-approval Policies and Procedures

Our Audit Committee has adopted procedures for pre-approving all audit and permitted non-audit services provided by our independent registered public accounting firm. The Audit Committee pre-approves a list of specific services and categories of services, subject to a specified cost level. Part of this approval process includes making a determination on whether non-audit services are consistent with the Commission's rules on auditor independence. The Audit Committee may delegate pre-approval authority to the Chairman of the Audit Committee. The Audit Committee periodically monitors the services rendered and negotiates or approves all services by and fees paid to the independent registered public accounting firm to ensure such services are within the parameters approved. All of the services, if any, described under the headings "Audit-Related Fees," "Tax Fees" and "All Other Fees" were approved by the Audit Committee.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

ITEM THREE

ADVISORY VOTE ON THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

We are asking shareholders to approve the following nonbinding resolution regarding the compensation of our named executive officers as disclosed in this proxy statement:

> RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation paid to our named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion & Analysis, compensation tables and narrative discussion.

This is often referred to as a "say-on-pay" vote. We are pleased with our shareholders' strong support for our executive compensation in the annual "say-on-pay" votes. Our shareholders have consistently shown strong support for our NEO compensation, including a vote of more than 88% of the votes cast by our shareholders in favor of approving this compensation last year. This vote is held annually taking into consideration the view expressed by our shareholders in an advisory vote on the frequency of future advisory votes on the compensation of our named executive officers at the 2011 Annual Meeting of Shareholders and reaffirmed in an advisory vote at the 2017 Annual Meeting of Shareholders.

As an advisory vote, the "say-on-pay" vote is not binding on Kohl's, the Board of Directors or the Board's Compensation Committee. However, the Board of Directors values the opinions expressed by our shareholders, and the Compensation Committee's charter specifically states that the Committee will review all "say-on-pay" voting results and consider whether to make any adjustments to our executive compensation policies and practices in response to these results.

We believe our executive compensation program as a whole is well suited to promote Kohl's objectives in both the short and long term. As described above in the "Compensation Discussion & Analysis" section of this proxy statement, the Compensation Committee has designed our executive compensation program to reflect its philosophy that executive compensation should be directly linked to corporate performance with the ultimate objective of increasing long-term shareholder value. The Compensation Committee's objectives include:

- Providing a competitive total compensation package that enables us to attract and retain key personnel;
- Providing short-term compensation opportunities through our annual incentive program that are directly linked to corporate performance goals;
- Providing long-term compensation opportunities through equity awards that align executive compensation with value received by our shareholders;
- Ensuring compensation awarded to our executives is linked to our performance during the fiscal year; and
- Promoting ownership of our stock by our executive officers in order to align the economic interests of our executive officers more closely with those of our shareholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE <u>FOR</u> APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS AS DESCRIBED IN THIS PROXY STATEMENT.

ITEM FOUR

SHAREHOLDER PROPOSAL: SHAREHOLDER RIGHT TO ACT BY WRITTEN CONSENT

The following shareholder proposal was submitted by John Chevedden, 2215 Nelson Avenue No. 205, Redondo Beach, California 90278 (the "Proponent"). The Proponent claims to beneficially own not less than 100 shares of Kohl's stock. If a representative of the Proponent who is qualified under state law is present and submits the proposal for a vote at the Annual Meeting, then the proposal will be voted upon. In accordance with federal securities regulations, the proposal is set forth below exactly as submitted by the Proponent.

Proposal 4 - Right to Act by Written Consent

Shareholders request that our board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to give shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any appropriate topic for written consent.

Hundreds of major companies enable shareholder action by written consent. This proposal topic won majority shareholder support at 13 major companies in a single year. This included 67%- support at both Allstate and Sprint. Hundreds of major companies enable shareholder action by written consent. This proposal topic might have received a still higher vote than 67% at Allstate and Sprint if more shareholders had access to independent corporate governance data and recommendations.

The right for shareholders to act by written consent is gaining acceptance as a more important right than the right to call a special meeting. This seems to be the conclusion of the Intel Corporation (INTC) shareholder vote at the 2019 Intel annual meeting.

The directors at Intel apparently thought they could divert shareholder attention away from written consent by making it easier for shareholders to call a special meeting. However Intel shareholders responded with greater support for written consent in 2019 compared to 2018.

Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director.

This is important to consider after the number of 2019 negative votes in regard to Kohl's executive pay. 12% of shares voted against Kohl's executive pay in 2019 when normally only 5% of shares vote against.

Adoption of written consent might incentivize our combined Chairman/CEO Frank Sica to perform better. Mr. Sica was rejected by 10% of shares in 2019. And Lead Director, Stephen Watson received the second highest 2019 negative votes for a director.

Written consent won 44%-support at Capital One Financial Corporation (COF) in 2018 and this increased to 56% support in 2019. Written consent won 47%-support at United Rentals, Inc. (URI) in 2018 and this increased to 51%-support in 2019. Written consent won 43%-support at Flowserve Corporation (FLS) in 2018 and this increased to 51%-support in 2019.

Please vote yes:
Right to Act by Written Consent - Proposal 4

STATEMENT OF THE BOARD OF DIRECTORS IN OPPOSITION TO THIS SHAREHOLDER PROPOSAL

The Board of Directors recommends that shareholders vote AGAINST this shareholder proposal because it would not enhance shareholder value, would not be in the best interests of Kohl's and its shareholders, and contradicts shareholders' opinions expressed in three prior votes.

- **Kohl's stringent processes and procedures ensure that all of the merchandise Kohl's sells has been manufactured, packaged, labeled, tagged, packed, advertised, sold, invoiced and transported in full compliance with all applicable laws.** Kohl's takes additional, deliberate steps in the purchase of certain products to provide greater oversight of our vendors to drive greater vendor accountability. For example, as it relates to fur, the purchase terms under which Kohl's acquires merchandise from our vendors, require that merchandise be free of any real animal fur unless expressly requested and authorized by Kohl's in writing. Kohl's has not provided such written authorization to any vendor. Furthermore, Kohl's purchase terms currently, and historically, require vendors to comply with all laws in their production of merchandise for resale by Kohl's, including any laws that relate to animal welfare.

- **Kohl's is a recognized industry leader in defining and advancing ethical practices.** Specific statements made in this shareholder proposal are disingenuous, unsupportable and in direct contradiction to the positive actions Kohl's takes to support the communities it serves and the recognition it has received in return. For example, Kohl's was named for the second consecutive year to the Dow Jones Sustainability Index ("DJSI") in Fall 2019 and again named in early Spring 2020 as one of the top 100 most sustainable companies by Barron's in recognition of Kohl's ongoing commitment to sustainability efforts. Also for a second time, Kohl's was named in 2020 as one of the world's most ethical companies by Ethisphere, among other similar accolades awarded to companies that strive to influence positive change. We believe that these recognitions demonstrate why our customers have placed trust in Kohl's to source our merchandise and conduct our business in accordance with our values and ethics.

- **It is for these reasons we believe previous similar shareholder proposals were defeated by a wide margin.** Kohl's' shareholders have three times previously been asked to vote on animal rights-related proposals, including a proposal last year that also sought a policy related to animal welfare. All three proposals each received less than 7% of the votes cast, which clearly demonstrates shareholder confidence in Kohl's existing processes, procedures and product selection process.

FOR THE ABOVE REASONS, AND IN RECOGNITION OF THE RESOUNDING DEFEAT OF PRIOR SIMILAR SHAREHOLDER PROPOSALS, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE AGAINST THE ADOPTION OF THIS SHAREHOLDER PROPOSAL.

A COPY OF OUR ANNUAL REPORT ON FORM 10-K FOR FISCAL 2019 AS FILED WITH THE COMMISSION IS POSTED ON OUR CORPORATE WEBSITE AT https://corporate.kohls.com. A HARD COPY WILL BE SENT TO YOU WITHOUT CHARGE UPON WRITTEN REQUEST TO OUR SECRETARY AT N56 W17000 RIDGEWOOD DRIVE, MENOMONEE FALLS, WISCONSIN 53051. EXHIBITS TO THE FORM 10-K WILL BE FURNISHED UPON PAYMENT OF THE REASONABLE EXPENSES OF FURNISHING THEM.

By Order of the Board of Directors

Jason J. Kelroy,
Secretary

Menomonee Falls, Wisconsin
March 26, 2020