



June 7, 2011

Via Email

TO: Fashion Accessory Supplier

Re: Notice Re: Court Ordered Phthalates Requirements for Fashion Accessories

Dear Fashion Accessory Supplier:

This letter which supplements the June 2, 2011 letter to you conveys important information concerning the content of DEHP, BBP, and DBP in certain Fashion Accessories that you supply to Kohl's Department Stores, Inc. ("Kohl's"), as required by a settlement of legal actions brought under Proposition 65 by Anthony Held and John Moore ("Plaintiff").¹ It is important that you read and follow the instructions contained in this letter.

In these legal actions, Plaintiff claims that certain Fashion Accessories contain the phthalates DEHP, BBP, and/or DBP, and that users are exposed to these phthalates when they handle the Fashion Accessories. DEHP, BBP, and DBP are chemicals known to the State of California to cause birth defects or other reproductive harm, and the Plaintiff claims that manufacturers, distributors, and retailers of these products are legally required to provide consumers with a clear and reasonable warning of this exposure to lead. Kohl's and the other companies sued by the Plaintiff dispute these claims, and believe their products are safe, but they have agreed to take various actions to settle the case without admitting any violation of Proposition 65.

Under the settlement agreement, which is contained in a Consent Judgment that will be submitted to the Court for approval, **the Settling Defendants have agreed that private label Fashion Accessories they purchase will comply with certain limits for DEHP, BBP, and DBP in Accessible Components.** For purposes of this settlement, Fashion Accessories are wallets and other coin or bill holders; handbags, purses, clutches, and totes; belts; footwear; jewelry; key holders, keychains, and key caps; luggage tags and ID cases; bag charms and zipper pulls; eyeglass cases; coverings/cases for mobile electronic devices (e.g., for telephones, cameras, MP3 players, CDs/DVDs, and laptops); coverings for journal/address books (e.g., diaries, planners, photo albums); cosmetic cases/bags; and toiletry cases/bags. Additionally, Kohl's is also considering the potential inclusion of apparel as part of this settlement. An Accessible Component is a polyvinyl chloride or other soft plastic, vinyl, or synthetic leather component of a Fashion Accessory that could be touched by a person during normal and reasonably foreseeable use. You may obtain a copy of the Consent Judgment at <http://proposition65.doj.ca.gov/PDF/2009/2009-00498J1259.pdf>.

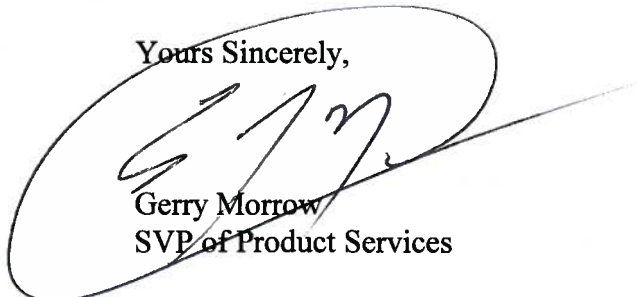
¹ *Anthony E. Held v. Aldo U.S., Inc., et al.*, San Francisco Superior Court No. CGC-10-497729 (consolidated with *John Moore v. Kate Spade, LLC, et al*, CGC-10-498981).

Any private label Fashion Accessories you supply to Kohl's must contain a maximum concentration, by weight, of DEHP, BBP, and DBP, each, of 1,000 parts per million or less, in each Accessible Component, starting **December 15, 2012**. Kohl's asks that you use best commercial efforts to provide compliant products as soon as possible. All private label Fashion Accessories must comply with these limits, and Kohl's will not segregate goods sold in California from those sold elsewhere. Under the terms of the settlement, Kohl's further requests that *all* Fashion Accessories that you supply to it comply with these provisions for, regardless of brand.

If the Fashion Accessories you provide do not meet the DEHP, BBP, and DBP standards, you risk further legal action in which monetary penalties and other remedies could be sought. You also risk legal action by Kohl's for breach of the terms and conditions of its Purchase Order and/or other agreements under which the Fashion Accessories are purchased, if Kohl's compliance is challenged based on sale of your products.

If you have questions regarding this letter, you may contact Ro Jain at (262) 703-1733 or ro.jain@kohls.com.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Gerry Morrow", is enclosed within a large, hand-drawn oval. The signature is written in a cursive style.

Gerry Morrow
SVP of Product Services

cc: Ro Jain