KOHL'S

Li and Fung Schedule of Charges

This document contains a summary of charges applied to Import Purchase Orders for Kohl's Private Brand Shipments from all factories associated with Li and Fung. Violations are issues at the PO/DC combination level and may be violated at multiple DC's

Schedule of Charges

Rule Code	Requirement	Description	Charge
HG01	Hangers were incorrect color or crown sizer was incorrect color or indicated incorrect product size	Adult Hangers are black with a wire hook; Children's hangers are white with a fixed plastic hook	$150 + $ .20 per unit
HG02	Garments were not on hangers - PO indicator set to "Y"	All PO's that have a hanger indicator set to "Y" should be pre-hung by the vendor	$150 + $1.25 per unit
HG03	Crown sizer was not applied to hanger	All adult hangers should have a crown sizer attached	$150 + $1.00 per unit
HG04	Crown sizer poorly fitted to hanger	Crown sizer should fit tightly on hanger	$500
HG05	E-Commerce apparel shipment arrived with hangers applied	Do not insert hangers on E-Commerce Purchase orders	$150 + $1.00 per unit
HG06	Crown sizer is incorrect color or indicated incorrect product size	Crown sizers are black with white printing and need to indicate the correct product size (S, M, L, etc.)	$150 + $ .20 per unit
HG07	Hangers bound with non-approved material	Hangers cannot be bound together with rubber bands, tape, or tied to cardboard sleeves	$150 per PO/DC shipment
EP01	Failure to package E-Commerce apparel or towels per unit in Kohl's specified sealed poly bags	Use a BHT free poly ethylene bag that is 0.00075 to .00125 inches or 0.03 to 0.05mm in thickness - **child safety warning must be printed on the bag**	$150 + $1.00 per unit
EP02	Failure to seal polybag for Ecommerce shipments or include child safety warning on poly bag	The poly bag must be sealed to keep the item inside of it	$150 per shipment and $0.40 per unit
EP03	Failure to package single selling unit exceeding 26 x 20 x 15 inches to withstand the rigors of outbound parcel	Failure to package single selling unit exceeding 26 x 20 x 15 inches to withstand the rigors of outbound parcel	$150 per shipment plus $3/carton
EP04	Failure to package inner contents so that each can be removed individually from shipping carton and remain sufficiently packaged to prevent damage	Failure to package inner contents so that each can be removed individually from shipping carton and remain sufficiently packaged to prevent damage	$150 per shipment plus $1/carton
EP05	Ecommerce apparel shipment arrived with EAS tags applied	Do not insert EAS tags on merchandise for E-Commerce purchase orders	$150 per shipment plus $0.40 per unit
CR02	Carton exceeded maximum dimensions of 36" (91.44 cm) x 26" (66.04 cm) x 26" (66.04 cm)	Maximum carton size requirements cannot be exceeded - exceptions are for large or bulky items	$150 + $1.00 per carton
CR03	Missing or incorrect human readable information	Carton Content and Marking requirements must be visible and readable in English. Can be on GS1-128 label or as carton stenciling/markings	$150+ $1.00 per carton
CR04	Cartons were bound with straps of any type	Straps of any type are not allowed on shipments to Kohl's	$150 + $1.00 per carton

CR05	Carton over 35 lbs. Did not include "Team Lift/Heavy Carton" sticker	Any carton weighing 35 lbs. or more must have a warning sticker applied	$150+ $1.00 per carton
CR06	Carton less than 50% filled	Failure to use the smallest carton possible to fit product <u>and</u> meet Kohl's carton requirements – one or more cartons filled less than 50% - No charge if a carton is less than 50% filled while using Kohl's smallest allowable carton dimensions (10"x9"x3")	$150 + per PO shipment
CR08	Failure to appropriately pack fragile, liquid OR sharp items	Failure to appropriately pack fragile, liquid OR sharp items to prevent breakage, leakage or harm (i.e., double seal, snap closure, shrink wrap, padding, etc.)	$150 per PO shipment plus $1.00 per carton
UC04	Improperly placed GS1-128 label	Labels must be placed on the carton so the barcode is scannable at receipt	$150 + $1.00 per carton
UC06	GS1-128 labels applied in error	Carton Contents must match the GS1-128 label data	$150 + $2.00 per carton
UC10	Missing or unusable SSCC data	GS1-128 barcodes must be formatted per Kohl's requirements	$150 + $2.00 per carton
UC12	Carton includes two different GS1-128 label	Cartons must have one GS1-128 label. If more than one label is on the carton, label contents data must match	$150 per PO shipment plus $1.00 per carton
EPT01	E-Commerce merchandise arrives without tickets and/or UPC code.	E-Commerce merchandise must be ticketed per Kohl's ticketing instructions. The poly bags must be ticketed with a UPC code in the center of the front flat side of the bag	$150 + $ .40 per unit
EPT04	Failure to indicate E-Commerce merchandise sold as a set (i.e., dinnerware, towels, etc.) OR failure to indicate E-Commerce bundles (inner packaging greater than 1)	Failure to indicate E-Commerce merchandise sold as a set (i.e., dinnerware, towels, etc.) OR failure to indicate E-Commerce bundles (inner packaging greater than 1)	$150 per PO shipment plus $1.00 per carton
EPT05	Unable to scan UPC barcode on small gum ticket	Applies to E-Commerce orders	$150 per shipment plus $0.40 per unit
EPT06	Incorrect UPC barcode on small gum ticket	Applies to E-Commerce orders	$150 per shipment plus $0.40 per unit
IM001 through IM008	No ASN received from vendor for Import shipment or missing, incorrect or unusable carton labels/data	ASN's are required for Import shipments and carton labels/data need to be present, correct, and usable	$150 per container shipment plus $1.00 per carton
OA01	Product arrives with packing peanuts in the cartons	Packing peanuts are not an acceptable form of dunnage – see Shipment Packing Requirements for acceptable internal packing dunnage	$150 + $1.00 per carton

OA02	Poly bags are not perforated	Poly bags must be perforated – see Shipment Packing requirements for poly bag requirements	$150 + $1.00 per carton
OA03	Missing or unacceptable EAS tag	Product, where required, must arrive with an EAS tag – see Floor Ready Requirements for product that requires and EAS tag	$150 + $1.00 per carton
OA04	Missing or incorrect sewn-in UPC tag	Product, where required, must arrive with a sewn-in UPC tag – see Floor Ready Requirements for product that requires a sewn-in UPC tag	$150 + $1.00 per carton
OA07	Failure to ship on black adult hangers	After the black adult hanger conversion end date black adult hangers must be used	$3,000 per PO shipment
PT01	Units checked due to merchandise missing tickets	All merchandise received at Kohl's must have a retail price ticket with scannable barcode	$150 + $ .20 per unit checked
PT02	Units checked due to missing or incorrect shoe box ID	Footwear is required to be ticketed with Kohl's Shoe Box ID	150 + $ .20 per unit checked
PT03	Units checked due to another retailer's ticket found on goods	Only Kohl's private brand ticket formats are approved for Kohl's merchandise	150 + $ .20 per unit checked
PT04	Units checked due to incorrect retail	Kohl's Retail price communicated via objective sheets and EDI transmissions are required on all merchandise and must be accurate, including integrated size strip tickets	150 + $ .20 per unit checked
PT05	Units checked due to barcodes did not scan.	Ticket barcodes must be printed clearly and scan at Kohl's DC during the check-in process, including integrated size strip tickets	150 + $ .20 per unit checked
PT06	Units checked due to incorrect UPC on merchandise	Kohl's internal UPC code assigned to private brand must be printed and applied to correct style, color and size, , including integrated size strip tickets	+ $ .20 per unit checked
PG01	PO Not Packed as Ordered	Bad Prepack Ratios, Bulk cartons where Prepacks ordered , etc.	$150 +$ .20 per unit
PG02	Incorrect poly bag material used for internal packaging	l must follow requirements as stated in Shipment and Packaging document	$500 per PO
PG03	Failure to comply with Kohl's external carton requirements, including incorrect carton size/strength, causing additional handling and potential loss of product integrity	Cartons must follow requirements as stated in Shipment and Packaging document	$150 + $1.00 per carton

PG04	Failure of expiring product to contain a minimum of 12 month shelf life, upon receipt at Kohl's DC or EFC	ailure of expiring product to contain a minimum of 12 month shelf life, upon receipt at Kohl's DC or EFC	$150 per PO shipment plus $0.20 per unit
MIX01	Cartons packed with more than one SKU, style or size unless pack-by-store or multi-sku pre-pack shipment	Bulk & Casepack PO types should not contain more than one SKU in the actual carton contents	$150 per PO shipment plus $.40 per unit
VA01	Units checked due to vendor accuracy issues	Carton contents (at the SKU level) must match the carton data that is transmitted on the ASN	$150 + $.20 per unit checked
VA02	Units checked due to Spot Audits with errors (Examples: overages, shortages, substitutions, missing/incorrect tickets etc.)	Carton contents (at the SKU level) must match the carton data on the ASN and all ticketing requirements must be followed.	$150 per PO shipment plus $0.20 per unit
Decon Reported	Cartons missing GS1-128 labels/data	All cartons must have usable GS1-128 labels/data (this includes all ocean and air freight)	$150 per PO +$ .25 per carton
TR55	Units not delivered at origin in time to meet originally scheduled vessel	Import POs must deliver to the origin port to meet the original vessel timing ● CY Shipment– If cargo is delivered later than Ship Window but can meet the CY cut-off of the originally planned vessel it is considered on-time ● CFS Shipment – Delivery is considered on-time when it is delivered within the original X-Factory Window CFS/CY Shipment – A PO must not ride on more than one vessel. The CFS portion needs to be delivered to ride the same vessel as the CY portion to be considered on-time.	Late units charged 5% of average PO cost (for Late Units)
LD001	Landed ASN not received on time	Landed ASN not received from vendor prior to 11:59 p.m. CST 7 days prior to PO start ship	$150 per PO shipment
LD002	No ASN received	No ASN received from vendor for Landed shipment	$150 per PO shipment
LD003	Merchandise not packed as ordered		$150 per PO shipment plus $0.20 per unit
LD004	SSCC#'s in container ASN do not match the SSCC#'s on the physical cartons		$150 per PO shipment plus $1.00 per carton
LD005	No UCC 128 label on landed cartons		$150 per PO shipment plus $1.00 per carton
LD006	UCC128 serial ship bar code on Landed shipments is not scannable		$150 per PO shipment plus $1.00 per carton
LD007	Unable to process cartons resulting from missing or incorrect ASN data		$150 per PO shipment plus $1.00 per carton
LD008	Failure to have Landed containers released and available for pickup by purchase order start ship date for any reason	Examples not limited to: containers not available, not released from port, missing D.O. or relevant paperwork (Freight Authorization), custom hold delays, vessel delays, etc.	$300 per PO shipment

LD010	Landed Chassis Rental		$100 for West Coast and applicable market rate for East Coast
LD011	ASN container number doesn't match physical/invoiced container number		$150 per PO shipment
LD012	Failure to have Landed containers released and available for pickup by purchase order start ship date for any reason	Examples not limited to: containers not available, not released from port, missing D.O. or relevant paperwork, custom hold delays, vessel delays, etc.	$150 admin fee plus 10% of average PO cost (for Late Units) plus applicable fees
LD013	Late submission of Container Freight Authorization Entry	Late submission of Container Freight Authorization Entry into Traverse Landed Database	$150 per PO shipment
LD014	Late submission of Delivery Order Form	Late submission of Delivery Order Form into Traverse Landed Database	$150 per PO shipment