Vendor Compliance Schedule of Charges

Kohl’s compliance policy promotes the cost-effective flow of merchandise to Kohl’s stores.
Kohl’s may at its sole discretion assess handling charges for non-conformity with any of the parameters outlined within our requirements. Kohl’s reserves the right to escalate fees for repeat offenders to offset incurred expenses at any time.

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Schedule of Charges

Note : "per PO shipment" refers to each shipment receipt per Kohl's DC/eFC; a building may have more than one shipment receipt.

Rule Code	Issue	Handling Charge	Escalated Handling Charge
ASN01	Usable ASN/856 was not received prior to 6:00 a.m. CST the next day after shipment release	$150 per PO shipment	$250 per PO shipment
ASN02	ASN was not received prior to the arrival of merchandise at Kohl's distribution center. This is an additional charge	$300 per PO shipment	$500 per PO shipment
ASN03	Shipment utilized more than one trailer and did not have an ASN created specific to each trailer	$150 per PO shipment	$250 per PO shipment
ASN07	No ASN received from vendor for domestic shipment (pack slips or manual receiving were used instead)	$300 per PO shipment	$700 per PO shipment
ASN08	Incorrect vendor ship date within vendor's ASN data	$1,000 per PO shipment	
ASN09	No ASN received from vendor for direct to store shipments	$150 per PO plus $1 per carton	
ASN10 & PS01	No ASN received from vendor for domestic shipment after 1 business day and every business day thereafter until ASN or pack slip is received or manually receiving performed	$150 per PO shipment	$250 per PO shipment
ASN11	Incorrect data within the ASN transmission causing delays or rejections for any PO shipment type	$150 per PO shipment	$250 per PO shipment
ASN12	ME number on ASN record is null	$150 per PO shipment	$250 per PO shipment
ASN13	ME number is incorrect or invalid	$150 per PO shipment	$250 per PO shipment
ASN14	ME number on ASN not found in routing system	$150 per PO shipment	$250 per PO shipment
BOL01	Bill of Lading not sent to Central Order Control within 24 hours of shipment departure from Origin	$150 per PO shipment	$250 per PO shipment
BOL02	Missing or incorrect information (Examples: PO, CAN, etc.) on bill of lading (including sub bills) for each shipment	$250 per PO shipment	$350 per PO shipment
CR03	Cartons are missing or include incorrect information	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
CR04	Cartons sealed with closure material other than tape: bands, staples, twine, glue, or straps (Gaylords and CDUs are allowed to be sealed wtih plastic strapping)	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
CR05	Carton outside of weight and dimension requirements or “Team Lift” or “Extra Heavy Team Lift” labels not applied on cartons over 35 pounds	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
CR06	Failure to use the smallest carton possible to fit product and 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 to prevent breakage, leakage or harm (i.e. double seal, snap closure, shrink wrap, padding, etc.)	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
EP01	Failure to package each item in Kohl's specified poly bag (see appendix for more information)	$150 per shipment plus $1 per unit	$250 per PO shipment plus $3 per unit
EP02	Failure to seal polybag for E-Commerce shipments or include child safety warning on poly bag	$150 per shipment plus $0.40 per unit	$250 per PO shipment plus $0.60 per unit
EP03	Failure to package single selling unit exceeding 26x20x15 inches to withstand the rigors of outbound parcel	$150 per shipment plus $3 per carton	
EP04	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	$250 per PO shipment plus $3 per carton
EP05	Ecommerce apparel shipment arrived with EAS tags applied	$150 per shipment plus $0.40 per unit	$250 per PO shipment plus $0.60 per unit
EP06	Inaccurate e-commerce description or product image	$250 per Kohl's web ID, per incidence	
EPT01	Missing/Incorrect UPC barcode on polybag/ship ready carton for E-Commerce Merchandise	$150 per shipment plus $0.40 per unit	$250 per PO shipment plus $0.60 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)	$150 per PO shipment plus $1 carton	$250 per PO shipment plus $3 per carton
EPT05	Unable to scan UPC barcode on small gum ticket	$150 per shipment plus $0.40 per unit	$250 per PO shipment plus $0.60 per unit
EPT06	Incorrect UPC barcode on small gum sticker	$150 per shipment plus $0.40 per unit	$250 per PO shipment plus $0.60 per unit
HG03	Hanging merchandise received with missing crown sizer	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit
HG05	Apparel shipment on E Commerce specific order arrives with hangers applied	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit
HG06	Hanging merchandise received with incorrect crown sizer	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit
HG07	Hangers bound by non-approved Kohl's material	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit
IM002	No ASN received from vendor for import shipment	$150 per container shipment plus $1 per carton	
IM007	Unable to process cartons resulting from missing ASN data or missing carton labels	$150 per container shipment plus $1 per carton	

IM008	Cartons loaded in a container but not transmitted on the ASN manifest	$150 per container shipment plus $1 per carton	
LD001	Landed ASN not received from vendor prior to 11:59 p.m. CST 7 days prior to PO start ship	$150 per PO/container	
LD002	No ASN received from vendor for Landed shipment	$150 per PO/container	
LD003	Merchandise not packed as ordered on Kohl's Landed PO	$150 per PO/container plus $0.20 per unit	
LD004	SSCC#'s in container ASN do not match the SSCC#'s on the physical cartons	$150 per PO/container plus $1 per carton	
LD005	No UCC128 label on carton for Landed vendor in EDI production status	$150 per PO/container plus $1 per carton	
LD006	UCC128 serial ship bar code on Landed shipments is not scannable	$150 per PO/container plus $1 per carton	
LD007	Unable to process cartons resulting from missing or incorrect ASN data	$150 per PO/container plus $1 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, custom hold delays, vessel delays, etc.)	$150 admin fee plus 10% of average PO cost (for Late Units) plus applicable fees	
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/container	
LD013	Late submission of Container Freight Authorization Entry into Traverse Landed Database	$150 per PO/container	
LD014	Late submission of Delivery Order Form into Traverse Landed Database	$150 per PO/container	
LD015	Inaccurate Delivery Order (DO) submitted in the Traverse Landed Database	$150 per container plus cost of transportation	
MD01	Merchandise shipped to incorrect distribution center or data associated with incorrect distribution center transmitted	$150 per PO shipment plus $3 per carton	$250 per PO shipment plus $6 per carton
MIX01	Cartons packed with more than one SKU, style or size unless pack-by-store or multi-SKU pre-pack shipment	$150 per PO shipment plus $.40 per unit	$250 per PO shipment plus $1.20 per unit
OA02	Poly bag does not have a perforation	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
OA03	EAS tag is missing (for product required to ship with an EAS tag)	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
OA04	Sewn-in UPC is missing/incorrect	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit
PG01	Merchandise not packed as ordered on Kohl's purchase order	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit

PG02	Failure to meet poly bag requirements for internal packaging. Requirements include, but are not limited to: material, size, etc.	$500 per PO shipment	
PG03	Failure of cartons to withstand the rigors of, and adequately protect product during, transit and EFC/DC processing	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
PG04	Failure of expiring product to contain a minimum 6-month shelf life, based upon "expiration" or "best buy" dates, upon receipt at Kohl's DC or EFC	$150 per PO shipment plus $0.20 per unit	$250 per PO shipments plus $0.60 per unit
PT01, PT02, PT04, PT05, PT06	Incorrect tickets, missing tickets, incorrectly placed tickets, illegible/incorrect/un-readable UPC information on tickets, including integrated size strips tickets, missing/incorrect shoe box ID or missing/incorrect retail price on tickets (exception is national shoe brands), including integrated size strips tickets	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit
Remittance Deduction	Commercial zone program pickup	Applicable fees	
SC01	Over shipments, unauthorized shipments, non-conforming or defective goods will be returned to the vendor at no risk to Kohl's	$150 or 5% of the cost of goods, whichever is higher, not to exceed $300 on Purchase Order lines valued at $50 or more	
SC01	Any non-conformity to the vendor partnership requirements that causes processing delays at Kohl's sole discretion	$150 per PO shipment plus additional distribution center expenses incurred	
TL01	Truckload shipments tendered to Kohl's on pallets rather than floor loaded	$150 per shipment plus $50 per pallet	
TL02	Failure to apply a proper trailer bolt seal	$1,000 per occurrence	
TMS05	Inaccurate Routing (Origin/Cube/Weight/ etc.) entered into TMS	$150 per PO shipment	
TMS06	Vendor Cancellation of a scheduled TMS release	$150 per PO shipment	
TMS07	Failure to submit new or additional ship point locations for TMS system (15) business days prior to purchase order start ship date	$150 per PO shipment	
TMS08	Failure to accurately flag freight as Hazmat in TMS	$150 per PO shipment	
TMS09	Failure to notify TMS@kohls.com of carrier delay/failure prior to shipping, which results in shipping past PO original cancel date	$150 per PO shipment	
TR003, TR037	Disruption of a shipment for any reason. (Examples: inaccuracy of shipment information, late readiness, over-shipping, poor loading techniques, failure to load any cartons of a CAN to the assigned load, trucks ordered not used, etc.)	Full cost of transportation plus cost of moving other vendor's freight if a multi-stop is disrupted plus applicable fees	

TR007	Failure to ship collect when directed to by Kohl's routing guide / TMS instructions, failure to properly bill prepaid invoices, all accessorial charges incurred from the pick-up or loading of merchandise for any shipment. (Examples: load & count, cancelled loads, UPS small package fee, etc.)	Full cost of transportation plus a $300 administration fee per PO, per DC Accessorial charge by carrier plus applicable fees	
TR008	Failure to use carrier specified by Kohl's TMS	Full cost of transportation plus a $300 administration fee per PO, per DC	
TR009	Failure to submit routing requests prior to Thursday 11:59 PM CST the calendar week prior to the purchase order First Available date (as entered into TMS) (Extended cancel date does not exempt from this charge)	$150 per PO shipment	
TR013	Failure to be ready or available for pickup on earliest available date as entered in TMS	$150 per PO shipment	$250 per PO shipment
TR017	Failure to consolidate same/consecutive day shipments per distribution center for LTL loads (Extended cancel date does not exempt from this charge)	Full cost of transportation forboth freight movements plus applicable fees	
TR020	Detention of a trailer/wait time upon pick-up or loading of merchandise	Accessorial charge by carrier plus applicable fees or cost incurred	$500 per shipment PO (for load times greater than 2 hours) or cost incurred
TR021	Landed loose freight consolidation pick-up	Full pickup, consolidation, and applicable fees	
TR026	Failure to include routing request in one confirmation per week (except for POs released to vendors five calendars days or less to the PO start ship date, POs that have incurred late routing charges, POs part of Logistics' deemed In Aisle sets) (Extended cancel date does not exempt from this charge)	$150 per PO shipment	
TR028 & TR029	Failure to confirm routing requests in TMS as requested for In Aisle Set PO's (Extended cancel date & previous vendor exemptions for Standard PO late routing does not exempt from this charge)	Full cost of transportation plus applicable fees	
TR032	Back order freight (Extended cancel date does not exempt from this charge)	Full cost of transportation after the first movement plus applicable fees	
TR035	Domestic PO with actual ship date past original cancel date; prepaid shipments required to arrive no later than 5 days after original cancel date (Extended cancel date does not exempt from this charge)	$150 admin fee plus 10% of PO shipment	
TR036	Inaccurate weight, cube or cartons entered into TMS causing trailer fill loss greater than 10%	Freight cost based on trailer fill loss percentage plus applicable fees	

TR040	Weight discrepancy against routed weight (if assigned LTL we add 30lbs per pallet to your routed weight before passing this charge)	Full cost of transportation plus applicable fees	
TR043 & TR044	Failure schedule shipment pick-up via the Kohl's TMS Web site / shipping product without requesting routing / failure to ship routed product/failure to ship per the per the originally assigned ME number	$150 per PO shipment plus cost of transportation	
TR050	Additional insurance for parcel shipments as requested by vendor partners	Full cost of the additional insurance	
TR053	Failure to pack and load any shipment to Kohl's by purchase order and destination sequence	$300 per PO shipment plus $1 per carton	$500 per PO shipment plus $3 per carton
TR054	Failure to achieve SKU level fill rate quantities at 97% or greater for all PO types	$150 plus 10% of the cost of unfilled quantities at a SKU level	
TR55	A direct import purchase order (PO) that has delivered to the origin port in order to meet the original timing is considered on-time **CY shipments:** POs delivered later than the original x-factory window yet meet the CY cutoff of the originally-planned vessel are considered on-time **CFS shipments:** POs delivered within the original x-factory window are considered on-time **CFS/CY shipments:** ▪ CFS portion must be delivered within the original x-factory window ▪ CY portion must be delivered to meet the cutoff of the originally-planned vessel ▪ A CY/CFS PO must travel on the same vessel	10% of average purchase order unit cost of late units	
UC01 & UC02	No GS1-128 labels on cartons or GS1-128 labels have missing, incorrect, or illegible human readable SSCC, store number, or purchase order number	$150 per PO shipment plus $2 per carton	$250 per PO shipment plus $4 per carton
UC03	GS1-128 serial ship bar code is not scannable	$150 per PO shipment plus $2 per carton	$250 per PO shipment plus $4 per carton
UC04 & EUC04	Improperly placed GS1-128 label (over tape seam and/or bar code wrapped) Improperly placed GS1-128 label for E-Commerce (not applied to smallest side)	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
UC05	Each serial shipping container code was not unique	$150 per PO shipment plus $2 per carton	$250 per PO shipment plus $4 per carton
UC06 & UC10	GS1-128 label does not match the Kohl's PO number or carton contents: incorrect-style number, total quantity, size, color, pre-pack or contents	$150 per PO shipment plus $2 per carton	$250 per PO shipment plus $4 per carton
UC12	Carton includes two different GS1-128 labels	$150 per PO shipment plus $1 per carton	$250 per PO shipment plus $3 per carton
VA01	Units checked due to vendor accuracy issues (Examples: overages, shortages, substitutions, etc.)	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit

VA02	Units checked due to Spot Audits with errors (Examples: overages, shortages, substitutions, missing/incorrect tickets etc.)	$150 per PO shipment plus $0.20 per unit	$250 per PO shipment plus $0.60 per unit
VC03	Repeated request for reversal or re-dispute	$150 per request	
VC04	Dispute submitted without evidence or documentation	$150 per request	
VC05	Failure to complete the ASN testing and new vendor on-boarding process within 90 days of Kohl's New Vendor Welcome Letter email communication	$500 per month	
VC06	Failure to create an account with an approved UPC Catalog provider and grant Kohl's access	$1,000 per month	

Tiering

- The escalated handling charge is applied to violations that have exceeded 10 occurrences within a 60-day period
- Tiering precedes Performance Based Compliance

Performance Based Compliance (PBC)

- Chart is shown on next page
- Vendor performance level is based on a 12-month rolling PBC grade
- Compliance fees may increase or decrease based on a vendor's scorecard performance Vendors with "A" or "B" level performances will see decreased compliance fees, for rule codes listed below; vendors with "D" or "F" level performances will see increased compliance fees, for rule codes listed below
- Each individual notification will reflect the adjusted dollars, if applicable

Performance Based Compliance					
Grade					
Rule	A	B	C	D	F
ASN01 ASN03 ASN10 ASN11 ASN12 ASN13 ASN14 BOL01	$50	$100	$150	$200	$250
ASN02	$100	$200	$300	$400	$500
ASN07	$100	$200	$300	$500	$700
BOL02	$150	$200	$250	$300	$350

CR04, EP01, EP03, EPT04, HG03, HG05 - HG07, MIX01, OA03, OA04, PG01, PG03, PG04, PT01 - PT06, UC04, UC12, VA01		
Grade	PBC per unit/carton fee	PBC admin fee
A	½ base fee	$50
B	¾ base fee	$100
C	Base fee	$150
D	Double base fee	$200
F	Triple base fee	$250

UC01, UC02, UC03, UC05, UC06, UC10		
Grade	PBC per unit/carton fee	PBC admin fee
A	$1.00	$50
B	$1.50	$100
C	$2.00	$150
D	$3.00	$200
F	$4.00	$250

MD01		
Grade	PBC per unit/carton fee	PBC admin fee
A	$1.50	$50
B	$2.25	$100
C	$3.00	$150
D	$4.50	$200
F	$6.00	$250

EP02, EP05, EPT01, EPT05 - EPT07		
Grade	PBC per unit/carton fee	PBC admin fee
A	$.30	$50
B	$.35	$100
C	$.40	$150
D	$.50	$200
F	$.60	$250

Fill Rate Process

Domestic Fill Rate

- Domestic vendors must meet a 97% (at a SKU per PO level) fill rate for all PO types
- Fill Rate is assessed based on the PO start ship date; changes made on or after the PO start ship does not exempt from Fill Rate detection
- Violations will be issued for POs not meeting the requirements, at $150 plus 10% of unfulfilled units cost
- Disputes will not be accepted for fill rate violations that result from split/late shipments

Fill Rate Replenishment ("IN" PO Type)

- After an Inforem PO's SKU level detection & violation occurs, we will follow with 6 weeks of zeroed chargebacks for that SKU
- The chargeback will begin again at the SKU level on the 7th week

Transportation Compliance Notifications

Email Notification of Transportation Compliance Charges

- Vendors may receive Transportation charge notifications through Kohl's normal compliance process that were previously sent via post-audit notifications. The charge notifications are related to the violations listed below:
    - Late shipments
    - Failure to consolidate
    - Consecutive day shipments
    - Back order freight
- Kohl's intent is to minimize, but not completely eliminate, post-audit detections through this process. Typical notifications will be transmitted between 60 and 90 days of violation event(s). Vendors will continue to see post-audit notifications / detections

Compliance Communication Information

Dispute Instructions

- Disputes must be submitted within 60 days of the detection date via the Compliance Portal (Traverse Systems) which can be accessed on-line at the following address: https://kss.traversesystems.com
- In the event that a dispute is returned, the returned dispute must be submitted, with the necessary documentation/evidence requested, within 30 days of receiving the returned dispute; returned disputes will be denied after 30 days if no action is taken
- Additional disputes, beyond the initial dispute made in the Compliance Portal (see point above) will not be permitted; all evidence for a dispute must be included on the initial dispute

Exemptions

- On December 1, 2025, all exemptions related to the following categories were removed entirely:
    - Packing accuracy
    - Ticketing
    - Carton utilization and labeling
    - Store and eFC polybags and gum labels
    - Routing
    - ASN

- Requests for any future exemptions to a rule must be for valid business reasons and be submitted via the following Google Exemption Request Form for review:
  https://docs.google.com/forms/d/e/1FAIpQLSeug2UWB59mk-JT_N4DC_0EZuuALZ6bYaoRNRPUGvNwGm9BFQ/viewform
    - ***If approved*** by Kohl's, exemptions submitted through the form are valid for a maximum of one year or less if noted in the approval
    - A new request should be submitted at least 30 days prior to a current exemption expiration date in order to discuss a renewal