



## **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.

## Contents

|  |    |
|--|----|
| Schedule of Charges.....                                     | 3  |
| Tiering.....   | 14 |
| Performance Based Compliance (PBC) .....                     | 14 |
| Fill Rate Process .....                                      | 16 |
| Domestic Fill Rate.....                                      | 16 |
| Fill Rate Replenishment ("IN" PO Type) .....                 | 16 |
| Transportation Compliance Notifications .....                | 16 |
| Email Notification of Transportation Compliance Charges..... | 16 |
| Compliance Communication Information .....                   | 16 |
| Dispute Instructions .....                                   | 16 |
| Exemptions.....  | 16 |

## 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.

| Category | Rule Code    | Issue   | Handling Charge                  | Escalated Handling Charge |
|----------|--------------|---|----------------------------------|---------------------------|
| ASN      | 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     |
| ASN      | 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     |
| ASN      | 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     |
| ASN      | 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     |
| ASN      | ASN08        | Incorrect vendor ship date within vendor's ASN data   | \$1,000 per PO shipment          |                           |
| ASN      | ASN09        | No ASN received from vendor for direct to store shipments   | \$150 per PO plus \$1 per carton |                           |
| ASN      | 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     |
| ASN      | ASN11        | Incorrect data within the ASN transmission causing delays or rejections for any PO shipment type  | \$150 per PO shipment            | \$250 per PO shipment     |
| ASN      | ASN12        | ME number on ASN record is null   | \$150 per PO shipment            | \$250 per PO shipment     |
| ASN      | ASN13        | ME number is incorrect or invalid   | \$150 per PO shipment            | \$250 per PO shipment     |
| ASN      | ASN14        | ME number on ASN not found in routing system  | \$150 per PO shipment            | \$250 per PO shipment     |

|                |       |   |   |  |
|----------------|-------|---|---|--|
| ASN            | IM002 | No ASN received from vendor for import shipment   | \$150 per container shipment plus \$1 per carton                                  |  |
| ASN            | IM007 | Unable to process cartons resulting from missing ASN data or missing carton labels  | \$150 per container shipment plus \$1 per carton                                  |  |
| ASN            | IM008 | Cartons loaded in a container but not transmitted on the ASN manifest   | \$150 per container shipment plus \$1 per carton                                  |  |
| ASN            | 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  |  |
| ASN            | LD002 | No ASN received from vendor for Landed shipment   | \$150 per PO/container  |  |
| ASN            | LD003 | Merchandise not packed as ordered on Kohl's Landed PO   | \$150 per PO/container plus \$0.20 per unit                                       |  |
| ASN            | LD004 | SSCC#'s in container ASN do not match the SSCC#'s on the physical cartons   | \$150 per PO/container plus \$1 per carton  |  |
| ASN            | LD005 | No UCC128 label on carton for Landed vendor in EDI production status  | \$150 per PO/container plus \$1 per carton  |  |
| ASN            | LD006 | UCC128 serial ship bar code on Landed shipments is not scannable  | \$150 per PO/container plus \$1 per carton  |  |
| ASN            | LD007 | Unable to process cartons resulting from missing or incorrect ASN data  | \$150 per PO/container plus \$1 per carton  |  |
| Transportation | 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 |  |

|                            |       |  |  |   |
|----------------------------|-------|--|--|---|
| Transportation             | LD010 | Landed Chassis Rental  | \$100 for West Coast and applicable market rate for East Coast |   |
| ASN                        | LD011 | ASN container number doesn't match physical/invoiced container number  | \$150 per PO/container   |   |
| Transportation             | LD013 | Late submission of Container Freight Authorization Entry into Traverse Landed Database   | \$150 per PO/container   |   |
| Transportation             | LD014 | Late submission of Delivery Order Form into Traverse Landed Database   | \$150 per PO/container   |   |
| Transportation             | LD015 | Inaccurate Delivery Order (DO) submitted in the Traverse Landed Database   | \$150 per container plus cost of transportation                |   |
| Bill of Lading             | 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                     |
| Bill of Lading             | 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                     |
| Carton Packing and Marking | CR03  | Cartons are missing or include incorrect information   | \$150 per PO shipment plus \$1 per carton                      | \$250 per PO shipment plus \$3 per carton |
| Carton Packing and Marking | CR04  | Cartons sealed with closure material other than tape: bands, staples, twine, glue, or straps (Gaylords and CDUs are allowed to be sealed with plastic strapping) | \$150 per PO shipment plus \$1 per carton                      | \$250 per PO shipment plus \$3 per carton |
| Carton Packing and Marking | 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 |

|                                    |       |   |  |   |
|------------------------------------|-------|---|--|---|
| Carton Packing and Marking         | 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                      |   |
| Carton Packing                     | 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   |
| Carton Packing                     | 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  |
| Carton Packing                     | 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  |
| Carton Packing                     | PG02  | Failure to meet poly bag requirements for internal packaging. Requirements include, but are not limited to: material, size, etc.  | \$500 per PO shipment                      |   |
| Carton Packing                     | 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   |
| Carton Packing                     | 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 |
| Correspondence – Vendor Compliance | VC03  | Repeated request for reversal or re-dispute   | \$150 per request                          |   |

|                                    |       |  |   |  |
|------------------------------------|-------|--|---|--|
| Correspondence – Vendor Compliance | VC04  | Dispute submitted without evidence or documentation  | \$150 per request                       |  |
| Vendor Compliance                  | 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                         |  |
| E-Commerce Packaging               | 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    |
| E-Commerce Packaging               | 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 |
| E-Commerce Packaging               | EP03  | Failure to package single selling unit exceeding 26x20x15 inches to withstand the rigors of outbound parcel  | \$150 per shipment plus \$3 per carton  |  |
| E-Commerce Packaging               | 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  |
| E-Commerce Packaging               | 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 |
| E-Commerce Packaging               | EP06  | Inaccurate e-commerce description or product image   | \$250 per Kohl's web ID, per incidence  |  |
| E-Commerce Packaging               | 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 |
| E-Commerce Packaging               | 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  |

|                      |              |   |  |  |
|----------------------|--------------|---|--|--|
| E-Commerce Packaging | 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 |
| E-Commerce Packaging | 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 |
| Floor Ready          | OA02         | Poly bag does not have a perforation  | \$150 per PO shipment plus \$1 per carton  | \$250 per PO shipment plus \$3 per carton  |
| Floor Ready          | 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  |
| Floor Ready          | 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 |
| GS1-128 Labels       | 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  |
| GS1-128 Labels       | 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  |
| GS1-128 Labels       | 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  |
| GS1-128 Labels       | 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  |
| GS1-128 Labels       | UC12         | Carton includes two different GS1-128 labels  | \$150 per PO shipment plus \$1 per carton  | \$250 per PO shipment plus \$3 per carton  |
| GS1-128 Labels       | UC04 & EUC04 | Improperly placed GS1-128 label (over tape seam and/or bar code wrapped)<br>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  |
| Hanger Application   | 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 |
| Hanger Application   | 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 |

|                         |                              |  |   |  |
|-------------------------|------------------------------|--|---|--|
| Hanger Application      | 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 |
| Hanger Application      | 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 |
| Misdirected Freight     | 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  |
| Returns                 | 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 |  |
| Shipment Non-Conformity | 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   |  |
| Ticketing               | 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 |
| Transportation          | Remittance Deduction         | Commercial zone program pickup   | Applicable fees   |  |
| Transportation          | TL01                         | Truckload shipments tendered to Kohl's on pallets rather than floor loaded   | \$150 per shipment plus \$50 per pallet   |  |
| Transportation          | TL02                         | Failure to apply a proper trailer bolt seal  | \$1,000 per occurrence  |  |

|                |                 |  |   |                       |
|----------------|-----------------|--|---|-----------------------|
| Transportation | TR003,<br>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      |                       |
| Transportation | 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 |                       |
| Transportation | TR008           | Failure to use carrier specified by Kohl's TMS   | Full cost of transportation plus a \$300 administration fee per PO, per DC  |                       |
| Transportation | 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   |                       |
| Transportation | 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 |
| Transportation | 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 for both freight movements plus applicable fees   |                       |

|                                |               |  |   |  |
|--------------------------------|---------------|--|---|--|
| Transportation                 | 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 |
| Transportation                 | TR021         | Landed loose freight consolidation pick-up   | Full pickup, consolidation, and applicable fees                           |  |
| Transportation                 | 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  |
| Transportation                 | 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                          |  |
| Transportation                 | TR032         | Back order freight (Extended cancel date does not exempt from this charge)   | Full cost of transportation after the first movement plus applicable fees |  |
| Transportation                 | 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                                      |
| Transportation                 | 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   |  |
| Kohl's, Inc.<br>Transportation | TR038         | Kohl's Vendor Compliance Schedule of Charges (1/2026)<br>Shipments)  | \$300 per PO shipment   | Page 11 of 17  |

|                |               |  |  |   |
|----------------|---------------|--|--|---|
| Transportation | 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                 |   |
| Transportation | 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                |   |
| Transportation | TR050         | Additional insurance for parcel shipments as requested by vendor partners  | Full cost of the additional insurance                            |   |
| Transportation | 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 |
| Transportation | 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 |   |

|                 |       |   |   |  |
|-----------------|-------|---|---|--|
| Transportation  | TR55  | <p>Import POs must deliver to the origin port to meet the original timing:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• CFS Shipment: Delivery is considered on-time when it is delivered within the original X-Factory Window</li> <li>• 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</li> </ul> | 10% of average purchase order unit cost of late units |  |
| Transportation  | TMS05 | Inaccurate Routing (Origin/Cube/Weight/ etc.) entered into TMS  | \$150 per PO shipment                                 |  |
| Transportation  | TMS06 | Vendor Cancellation of a scheduled TMS release  | \$150 per PO shipment                                 |  |
| Transportation  | 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                                 |  |
| Transportation  | TMS08 | Failure to accurately flag freight as Hazmat in TMS   | \$150 per PO shipment                                 |  |
| Transportation  | 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                                 |  |
| Vendor Accuracy | VA01  | <p>Units checked due to vendor accuracy issues (Examples: overages, shortages, substitutions, etc.)</p> <p>Kohl's Vendor Performance Schedule of Charges (\$0.20 per unit)</p>  | <p>\$150 per PO shipment</p> <p>\$0.20 per unit</p>   | <p>\$250 per PO shipment</p> <p>plus \$0.60 per unit</p> |

|                 |      |   |  |  |
|-----------------|------|---|--|--|
| Vendor Accuracy | 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 |
| Vendor Accuracy | 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)**

- 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  | \$50                    | \$100 | \$150         | \$200 | \$250 |
| ASN12 ASN13  |                         |       |               |       |       |
| ASN14 BOL01  |                         |       |               |       |       |
| 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/#/login>
- 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](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