



Dear Vendor:

Thank you for your interest in Party City, a subsidiary of Amscan Holdings, Inc. To begin the process of becoming a potential new vendor, we require the following information:

1. Vendor Participation Agreement - fully completed and signed
2. Certificate of Insurance covering Party City Corporation, Amscan Holdings, Inc and its affiliates and subsidiaries (see attached letter)
3. signed CPSIA (attached)
4. signed AHI Retail Vendor Standards Manual Acknowledgment (see attached VSM cover letter)

Custom Invitation/Personalization Vendors only

5. Account numbers by store form
6. Custom Order form - Blank electronic file and hard copy attached with VPA
7. Sample Invoice

The AHI Retail Vendor Standards Manual (including the Transportation Routing Guide) can be accessed on our website, www.partycityvendors.com.

On that Website, you will also find:

1. PC EDI Guidelines and Specifications
2. Vendor Compliance Guidelines (Retail) for Packaging, Children's and other products
3. Full listing of store ship to and bill to addresses
4. New Item set up form - Everyday (New Item Form)
5. New Item set up form - Seasonal (AHI Standardized Quote Sheet)
6. General Certificate of Conformity for Consumer Products (GCC)
- refer to section 4 of the VSM for item requirement guidelines

Please contact Cindy Belmont if you have any questions completing the VPA at 973-453-8690 or CBelmont@partycity.com.

Please note that every item submitted must have a "pass" test result prior to shipping and all items must be tested to AHI protocols. Contact Cindy Belmont with any testing questions at 973-453-8690.

Once your application and required documentation is complete, please forward all to your Merchandise Manager for approval or fax to 973-983-4915 with a follow up email to the MM that the information has been sent.



THE DISCOUNT PARTY SUPER STORE



A PARTY AMERICA OUTLET STORE



-- Vendor Standards Manual (VSM) Cover Letter --

Dear Vendor:

The Vendor Standards Manual (VSM) for Amscan Holdings, Inc (AHI) including its subsidiaries and affiliates which consist of, among others, entities doing business under Party City, Party America, The Paper Factory, Factory Card & Party Outlet, Halloween USA, Grasslands Road and Amscan tradenames has been updated (any changes from the previous manual will be indicated in red).

Since we are a wholesale and retail organization, most sections are divided in the following manner: Section A is for vendors that ship directly to our retail locations (non-HUSA); Section B is for vendors shipping to our wholesale locations; Section C is for our vendors shipping to Halloween USA (HUSA). The retail sections apply to both corporate and franchise stores. If you are a wholesale only vendor dealing with Amscan/Grasslands Road, you do not need to refer to the retail sections. As we continue to integrate Party America, Factory Card & Party Outlet and Party City, the retail portions will change. These standards will be supplemented from time to time.

The VSM provides information regarding requirements for conducting business with AHI. Our goal is to receive merchandise and business communications according to these published standards. These standards will be enforced for all purchase orders shipped or received after February 8, 2010. Subsequently, we have defined a charge-back policy (Section 8) to ensure we are reimbursed for any additional costs of handling non-compliant merchandise and/or communications.

The AHI Vendor Standards Manual (VSM) is available on-line at www.partycityvendors.com. Please review all sections of the 2010 VSM thoroughly as there have been changes to most sections. Contact Cindy Belmont at 973-453-8690 if you have any issues accessing the website.

All vendors must also acknowledge your agreement with the Vendor Standards Manual prior to accepting a purchase order from either the Retail or Wholesale organization using the acknowledgement form found in the introduction section of the 2010 VSM. Contact information is provided on the acknowledgment form. Your response must be received before January 31, 2010.

If you have any questions regarding the 2010 VSM please contact:

- PC Retail - Appropriate Merchandise Manager - (Updated listing in Appendix) or CMO
- Wholesale - Isabel daSilva-Homem, Amscan Coordinator Vendor Relations at 914-784-4075
- HUSA - Ron Cronin, Director of Merchandise Procurement – 734-591-5458
- HUSA – Chad Pitkin, Merchandise Manager – 734-591-5459

All trading partners **must** provide the following documentation upon receipt of the VSM:

- Acknowledgement Form agreeing to the Vendor Standards Manual (See Intro Section)
- CONEG Packaging Requirement referenced in sections 3 & 4 – (included in CPSIA signoff)
- Signed Acknowledgement Form for CPSIA and Safety Requirement Guidelines (See Section 4)
- Certificate of Insurance – (Please see Section 9 under Liability Insurance for more details)

All trading partners **must** provide the following documentation where applicable or as required herein:

- Material Safety Data Sheets (as required in Section 9)
- General Certificate of Compliance (GCC) (as required in Section 4)

VSM documentation and/or requirements remain in effect until mutually canceled or replaced by a more recent revision.



Certificate of Insurance

AHI requires that all Party City vendor partners have a valid Certificate of Insurance (COI). Contact your insurance carrier or have a representative from your company send a valid Certificate of Insurance.

Requirements for COI can be found in Section 9 of the AHI Vendor Standards Manual under term #27, "Liability Insurance". The details are summarized below:

1. Comprehensive General Liability not less than \$1,000,000 each occurrence
2. Personal Injury not less than \$1,000,000
3. Products/Property Damage not less than \$1,000,000
4. General Aggregate not less than \$2,000,000 per year
5. Notice of Cancellation must be included stating 10 days notice
6. Under the Broad Form Vendors Endorsement, the Certificate Holder must be listed as: **Party City Corporation, Amscan Holding, Inc and its affiliates and subsidiaries.**

Send all relevant materials to:

**Party City Corporation
Attn: Vendor Relations
25 Green Pond Road, Suite 1
Rockaway NJ, 07866**

Or Fax to: **973-983-4915**

If you have any questions on the COI requirements, please contact Cindy Belmont, Product and Vendor Compliance Manager, at 973-453-8690 or email Cindy at cbelmont@partycity.com.

CPSIA and Safety Requirement Guidelines Acknowledgement

The Consumer Product Safety Improvement Act of 2008 (CPSIA) changed the safety requirements of many items sold by The Company's retail outlets. As part of The Company's commitment to fully comply with CPSIA, it is mandatory that products supplied to The Company's retail entities by its vendors covered under the Consumer Product Safety Improvement Act of 2008 (the Act) be in compliance with all requirements of this legislation. This includes, but is not limited to, the following areas of the Act:

- Children's products containing lead and the lead paint rule. (Title I – Section 101 of the Act)
- Mandatory third party testing for certain children's products and certification requirements. (Title I – Section 102 of the Act)
- Tracking labels for children's products. (Title I – Section 103 of the Act)
- Labeling requirements for children's toys and games, and the vendors obligation to provide the necessary cautionary statement information required by the Act. (Title I – Section 105 of the Act)
- Mandatory toy safety standards. (Title I – Section 106 of the Act)
- Prohibition on sale of certain products containing specified phthalates. (Title I – Section 108 of the Act)

Products That Come Into Contact With Food

Vendors that supply The Company's retail outlets with products that come into contact with food are required to comply with all U.S. FDA (Food and Drug Administration) regulations, including U.S. FDA CFR Title 21 and Proposition 65 regulations.

Glassware

Vendors that supply The Company's retail outlets with printed or painted glassware products are required to comply with all U.S. FDA regulations, including U.S. FDA CFR Title 21, and Proposition 65 regulations.

Certification and Testing Documentation

Vendors must certify based on a test of each product they supply The Company's retail outlets or upon a reasonable testing program that all product The Company's retail outlets purchases complies with all rules, bans, standards, or regulations applicable to that product under the Consumer Product Safety Act of 2008, any other Act enforced by the Consumer Product Safety Commission (CPSC), and all U.S. FDA Codes of Federal Regulations (CFR). Upon request by The Company's retail outlets, vendors must supply to The Company's retail outlets via fax at 973-983-4736 all certification and testing documentation for any products they supply The Company's retail outlets within two business days.

Cautionary Statements

As detailed in Section 105 of the Act, vendors are required to inform The Company's retail outlets of all internet and printed material advertisement cautionary statement requirements for product they supply The Company's retail outlets. Under the Act, vendors not only are required to inform The Company's retail outlets of the any product requiring a cautionary statement, vendors must also inform The Company's retail outlets of the cautionary statement details necessary to be in compliance with the Act.

If revisions to this Act, other CPSC Acts, U.S. FDA CFR's, or future consumer safety legislation or regulation results in additional or alternate safety requirements, our vendors are required to meet those standards. This includes, but is not limited to, requirements specified in our Vendor Standards Manual and state regulations of Proposition 65, CONEG Toxics in Packaging regulations, or any other applicable laws.

To acknowledge your receipt of this VSM's Product Safety and Quality Assurance requirements, please indicate which AHI retail entity you are supplying, sign and date this document to certify that all products you supply to AHI's retail entity are in compliance, and will continue to be in compliance in the future, with the Consumer Product Safety Improvement Act of 2008, other Consumer Product Safety Commission Acts, and all applicable U.S. FDA or state regulations. Please return a copy of the signed and dated document to the fax number of the applicable retail entity representative. (All retail entity contacts are listed in Section 11 of this Vendor Standards Manual).

For your reference, Guidelines for Children's and Other Products is in section 4a and on the vendor website.



CPSIA and Safety Requirement Guidelines Acknowledgement

If you have any questions, please contact the respective representative of The Company's retail entity anytime.

AHI Retail Entity _____

Vendor Signature _____

Printed Name _____

Title _____

Company Name _____

Date of Signature _____

Please refer to *Party City, Party America and The Paper Factory Guidelines for Children's and Other Products* on the partycityvendor.com website for a summary of specific product safety requirements.

All vendors that ship direct to AHI retail locations must complete and fax or email this acknowledgement form to Cindy Belmont, Manager of Product and Vendor Compliance at cbelmont@partycity.com or fax to 973-983-4736.

If HUSA only vendor, need to send to their Product Safety contact as well as a copy to Cindy Belmont at PC.



Accounts Payable Seasonal Payment Terms
 Unless noted otherwise in the signed Vendor Participation Agreement

| | 2010 | | | 2011 | | | 2012 | | | 2013 | | |
|--------------------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|
| | Holiday Date | Terms Code | Payment Due by | Holiday Date | Terms Code | Payment Due by | Holiday Date | Terms Code | Payment Due by | Holiday Date | Terms Code | Payment Due by |
| New Years | 1/1/2010 | FEB0110 | 2/1/2010 | 1/1/2011 | FEB0111 | 2/1/2011 | 1/1/2012 | FEB0112 | 2/1/2012 | 1/1/2013 | FEB0113 | 2/1/2013 |
| CNY | 2/14/2010 | MAR1410 | 3/14/2010 | 2/3/2011 | MAR0311 | 3/3/2011 | 1/23/2012 | FEB2312 | 2/23/2012 | 2/10/2013 | MAR1013 | 3/10/2013 |
| Valentines Day | 2/14/2010 | MAR1410 | 3/14/2010 | 2/14/2011 | MAR1411 | 3/14/2011 | 2/14/2012 | MAR1412 | 3/14/2012 | 2/14/2013 | MAR1413 | 3/14/2013 |
| Mardi Gras | 2/16/2010 | MAR0210 | 3/2/2010 | 3/8/2011 | MAR2211 | 3/22/2011 | 2/21/2012 | MAR0612 | 3/6/2012 | 2/12/2013 | MAR2613 | 2/26/2013 |
| Super bowl | 2/7/2010 | MAR0410 | 3/4/2010 | TBD | MAR0411 | 3/4/2011 | TBD | MAR0412 | 3/4/2012 | TBD | MAR0413 | 3/4/2013 |
| Purim | 2/28/2010 | MAR2810 | 3/28/2010 | 3/20/2011 | APR2011 | 4/20/2011 | 3/8/2012 | APR0812 | 4/8/2012 | 2/24/2013 | MAR2413 | 3/24/2013 |
| St. Patrick's Day | 3/17/2010 | APR1710 | 4/17/2010 | 3/17/2011 | APR1711 | 4/17/2011 | 3/17/2012 | APR1712 | 4/17/2012 | 3/17/2013 | APR1713 | 4/17/2013 |
| Passover | 3/30/2010 | APR3010 | 4/30/2010 | 4/19/2011 | MAY1911 | 5/19/2011 | 4/7/2012 | MAY0712 | 5/7/2012 | 3/23/2013 | APR2313 | 4/23/2013 |
| Easter | 4/4/2010 | MAY0410 | 5/4/2010 | 4/24/2011 | MAY2411 | 5/24/2011 | 4/8/2012 | MAY0812 | 5/8/2012 | 3/31/2013 | MAY0113 | 5/1/2013 |
| Spring | 4/4/2010 | MAY0410 | 5/4/2010 | 4/24/2011 | MAY2411 | 5/24/2011 | 4/8/2012 | MAY0812 | 5/8/2012 | 3/31/2013 | MAY0113 | 5/1/2013 |
| Comm/Confirmation | 2/15/2010 | JUN0110 | 6/1/2010 | 2/15/2011 | JUN0111 | 6/1/2011 | 2/15/2012 | JUN0112 | 6/1/2012 | 2/15/2013 | JUN0113 | 6/1/2013 |
| Graduation | 6/15/2010 | JUL1510 | 7/15/2010 | 6/15/2011 | JUL1511 | 7/15/2011 | 6/15/2012 | JUL1512 | 7/15/2012 | 6/15/2013 | JUL1513 | 7/15/2013 |
| Summer | 6/21/2010 | JUL3110 | 7/31/2010 | 6/21/2011 | JUL3111 | 7/31/2011 | 6/21/2012 | JUL3112 | 7/31/2012 | 6/21/2013 | JUL3113 | 7/31/2013 |
| Patriotic | 7/4/2010 | JUL1510 | 7/15/2010 | 7/4/2011 | JUL1511 | 7/15/2011 | 7/4/2012 | JUL1512 | 7/15/2012 | 7/4/2013 | JUL1513 | 7/15/2013 |
| Fall | 9/22/2010 | NOV3010 | 11/30/2010 | 9/22/2011 | NOV3011 | 11/30/2011 | 9/22/2012 | NOV3012 | 11/30/2012 | 9/22/2013 | NOV3013 | 11/30/2013 |
| Halloween | 10/31/2010 | NOV3010 | 11/30/2010 | 10/31/2011 | NOV3011 | 11/30/2011 | 10/31/2012 | NOV3012 | 11/30/2012 | 10/31/2013 | NOV3013 | 11/30/2013 |
| Costume | 10/31/2010 | NOV3010 | 11/30/2010 | 10/31/2011 | NOV3011 | 11/30/2011 | 10/31/2012 | NOV3012 | 11/30/2012 | 10/31/2013 | NOV3013 | 11/30/2013 |
| Thanksgiving | 11/25/2010 | NOV3010 | 11/30/2010 | 11/24/2011 | NOV3011 | 11/30/2011 | 11/22/2012 | NOV3012 | 11/30/2012 | 11/28/2013 | NOV3013 | 11/30/2013 |
| Hanukkah | 12/2/2010 | JAN0211 | 1/2/2011 | 12/21/2011 | JAN2112 | 1/21/2012 | 12/9/2012 | JAN2113 | 1/12/2013 | 11/28/2013 | DEC2813 | 12/28/2013 |
| Christmas | 12/25/2010 | JAN2511 | 1/25/2011 | 12/25/2011 | JAN2512 | 1/25/2012 | 12/25/2012 | JAN2513 | 1/25/2013 | 12/25/2013 | JAN2514 | 1/25/2014 |