

## Product Safety and Quality Assurance

### A. INTRODUCTION & OVERVIEW

The global marketplace is demanding and the regulatory environment for consumer product safety is ever-changing. Amscan is committed to taking a leadership position in providing innovative, fun and safe products to consumers all over the world and we expect that our suppliers share that commitment.

Amscan is dedicated to ensuring that all of its products meet or exceed federal, state and municipal requirements. To this end, Amscan conducts rigorous testing of its products both internally and with government-approved testing organizations. Any product that fails to meet governmental or Amscan's standards will not be distributed.

As part of Amscan's continuous efforts to ensure the safety, quality and integrity of our products from production and shipment through retail sale and consumer use, Amscan wants to emphasize that we treasure all our vendors and suppliers whom we trust to manufacture and ship our products. Amscan relies upon our suppliers to support Amscan policies and needs your support and full cooperation on the following:

#### **Raw Material Testing**

It is difficult to overstate the importance of using safe and good quality materials in all the products, designs and components made for Amscan. If products start with safe and good quality materials, we can be assured that the finished products will be in compliance with regulations set forth for heavy metals and other chemicals such as phthalates, lead, cadmium, mercury, antimony, arsenic, barium, cadmium, chromium, and selenium. Accordingly, it is recommended that all vendors have testing results and certificates from all their suppliers showing that the raw materials used for Amscan products are safe and compliant for all of the markets where Amscan's products are sold. This should include, but not be limited to, lead and heavy metals in the inks, plastic resins, coatings and paper stock.

#### **Prototype Testing and Internal Design Evaluation**

Some product categories are quite complicated and it is prudent to evaluate certain products and resolve safety or quality issues before starting mass production. For example, children's items, jewelry, food contact products, apparel, cosmetics, candles, art materials, scene setters, and liquid containing items typically require unique and extensive evaluation. Amscan is aware that this may impact the production start and be an additional cost for vendors. As a result, we urge vendors to send prototype samples for testing as soon as they have been finalized and have the samples tested to protocols that Amscan specifies. To have as accurate a prototype as possible, Amscan highly recommends using materials that have been tested to be in compliance with applicable standards and Amscan is readily available to help its vendors in selecting the appropriate testing protocols for all products. Amscan also encourages vendors to cooperate early in the development cycle for packaging and labeling evaluation. The earlier vendors submit the sample(s) for evaluation, the earlier they will get useful information and keep production schedules. For certain products as those categories mentioned above, Amscan does not recommend starting mass production prior to prototype samples receiving a passing grade from a CPSC-approved, independent, third party testing laboratory. From time to time, Amscan will specify that prototype testing be done for a specific item. In those cases where prototype tests are initiated by Amscan, Amscan will pay for the reasonable testing fees unless otherwise indicated.

**Production Sample Testing**

Production sample testing is a true indicator of a finished product's safety or quality level. On specific products, shipments or receipts will not be authorized prior to production sample(s) receiving a passing grade by Amscan's designated third party testing laboratory. Amscan's purchase orders, and/or an email from the local Amscan office, will indicate which items need to be tested prior to shipment. It is critical that shipment of the specified products not occur without Amscan's confirmation to you of a pass testing result on the production samples or Amscan's agreement that the product can ship without a testing report. If shipment occurs without a passing test report or Amscan approval, vendors will have full responsibility for all liabilities incurred by Amscan as noted in the purchase order. In addition, once an item passes testing, no changes can be made to that product without Amscan approval and, in certain cases, another test. Changes include, but are not limited to, change of ink or paint, change of raw material, reduction of weight, new mold design, new subcontractor used or any other significant change in the product's design, construction, appearance or materials. Depending upon factory location and other risk assessment factors, Amscan will either pick up the production sample(s), request vendors to deliver finished production sample(s) to the local Amscan office, or arrange for sample delivery based on a mutually agreed process. Amscan will pay for production sample testing for the first sample run and all other production runs as requested. However, if the product fails testing and the test is proven to be valid, vendors will need to pay for each subsequent test on that item until it receives a passing result.

**Environmental Packaging Regulations**

In accordance with environmental regulations for 19 states in the USA, the packaging provided with Amscan products cannot contain an aggregate total of lead, cadmium, mercury and hexavalent chromium in excess of 100 ppm. This is known as the CONEG requirement (Coalition of Northeastern Governors). Amscan expects that all vendors are holding their suppliers to this requirement and Amscan will randomly test for compliance. If it is found that packaging (which includes the disposable parts of the master and inner) used for Amscan products is not in compliance, vendors will be responsible for providing complete remedy. Amscan recommends that vendors have test reports or certificates for all of the finished packaging materials which are used in Amscan products.

**Lead and Heavy Metal Testing Resource**

Amscan has purchased x-ray devices which can detect lead and other heavy metals in certain products or raw materials. The x-ray device in Hong Kong is a resource available to international vendors for evaluating prototype samples, raw materials or random production samples. X-ray devices located in New York are available to domestic vendors for evaluating pre-shipment samples. If vendors decide to purchase an x-ray device, Amscan is readily available to help them with proper use for Amscan products. Please note that the x-ray device is not a substitute for third party testing, where required. Occasionally we will need to send suspect items out for laboratory testing. Please be advised that if the laboratory testing results indicate non-compliance with applicable federal or state standards, your company will be charged by Amscan for the cost of the testing. You could also be charged for inventory handling, disposal, lost sales, legal settlement fees, and other associated expenses as indicated in our purchase orders and Section 9 of this VSM.



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### **Phthalate Testing Resource**

Amscan has purchased test equipment which can detect the presence of phthalates and other chemicals in certain products and product components. These devices are located in New York and are available as a resource to vendors for evaluating prototype samples, raw materials, random production samples or other pre-commerce materials. We are using the devices to randomly sample incoming, pre-commerce inventory for phthalates and other chemicals. Occasionally we will need to send suspect items out for laboratory testing. Please be advised that if the laboratory testing results indicate non-compliance with applicable federal or state standards, your company will be charged by Amscan for the cost of the testing. You could also be charged for inventory handling, disposal, lost sales, legal settlement fees, and other associated expenses as indicated in our purchase orders and Section 9 of this VSM.

### **Traceability with Production Date Code**

Amscan has added the need for production date code information for all merchandise shipments effective January 1, 2008. By now, vendors should have cleared their on hand materials and have started using date coding which is currently in the format of "Month-day-year". Going forward, Amscan will be implementing Julian calendar date coding and will phase this in to enable a smooth transition at the factory.

For example, current date coding for a production lot starting on June 1, 2009 would be 060109. The Julian date code for June 1, 2009 would be 09152, where the first two digits are the year and the next three digits are the day of the year. Please refer to the enclosed Julian calendar for future date coding.

The date code should be printed underneath the UPC bar code.

The date code needs to be visible on the product "each", inner and master carton labels.

There are additional traceability requirements for Children's Products as part of the Consumer Product Safety Improvement Act of 2008 (CPSIA) that are effective for applicable products manufactured after August 14, 2009. At the time of this writing, guidelines are not fully developed by the federal government. Please refer to the enclosed Amscan Regulatory Guidelines and supplemental instructions to be provided as available for the requirements.

### **General Certificate of Compliance (GCC)**

In accordance with the new laws put forth by the Consumer Product Safety Improvement Act of 2008 (CPSIA) a General Certificate of Compliance (GCC) will need to be provided with shipments of toys and children's items, and some other applicable products, that are manufactured after November 11, 2008.

For Amscan, the certificate applies mostly to children's products that are primarily intended for use by children 14 years of age and under, but there are some other product categories that fall under the jurisdiction of the Consumer Product Safety Commission, such as wearing apparel and art materials. Amscan will indicate on its purchase orders which specific items need the GCC. Please refer to the GCC template at the end of this section and if you are making a product for Amscan that is included in Table 1, then a GCC is needed.

The GCC is verification that an item has passed the required tests for the US market, which are currently done when you send production samples to Amscan's Hong Kong or USA office for test submission. On the applicable items, a PASS test report will need to have been received or verified, and the GCC completed, before shipping the item. You need to submit the GCC with the shipping documents and also send via email a copy to the Amscan database at the email addresses listed at the bottom of the GCC document enclosed.



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You can send the email certificate as soon as a "Pass" test report is either received or confirmed by the local Amscan office. It is important to have the certificate and pass test report confirmation before shipment since Amscan's brokers will not accept the booking without the proper GCC. Amscan can accept prior test reports as evidence of compliance as long as:

- 1) The materials, design, processes and factory are the same for the items sent to Amscan as the production sample(s) that were submitted for testing within the past year, and
- 2) The test report(s) contain all applicable tests. For example, toys were tested to the Amscan standards for phthalates, the most recent version of ASTM F 963, flammability, and lead in surface & substrate.

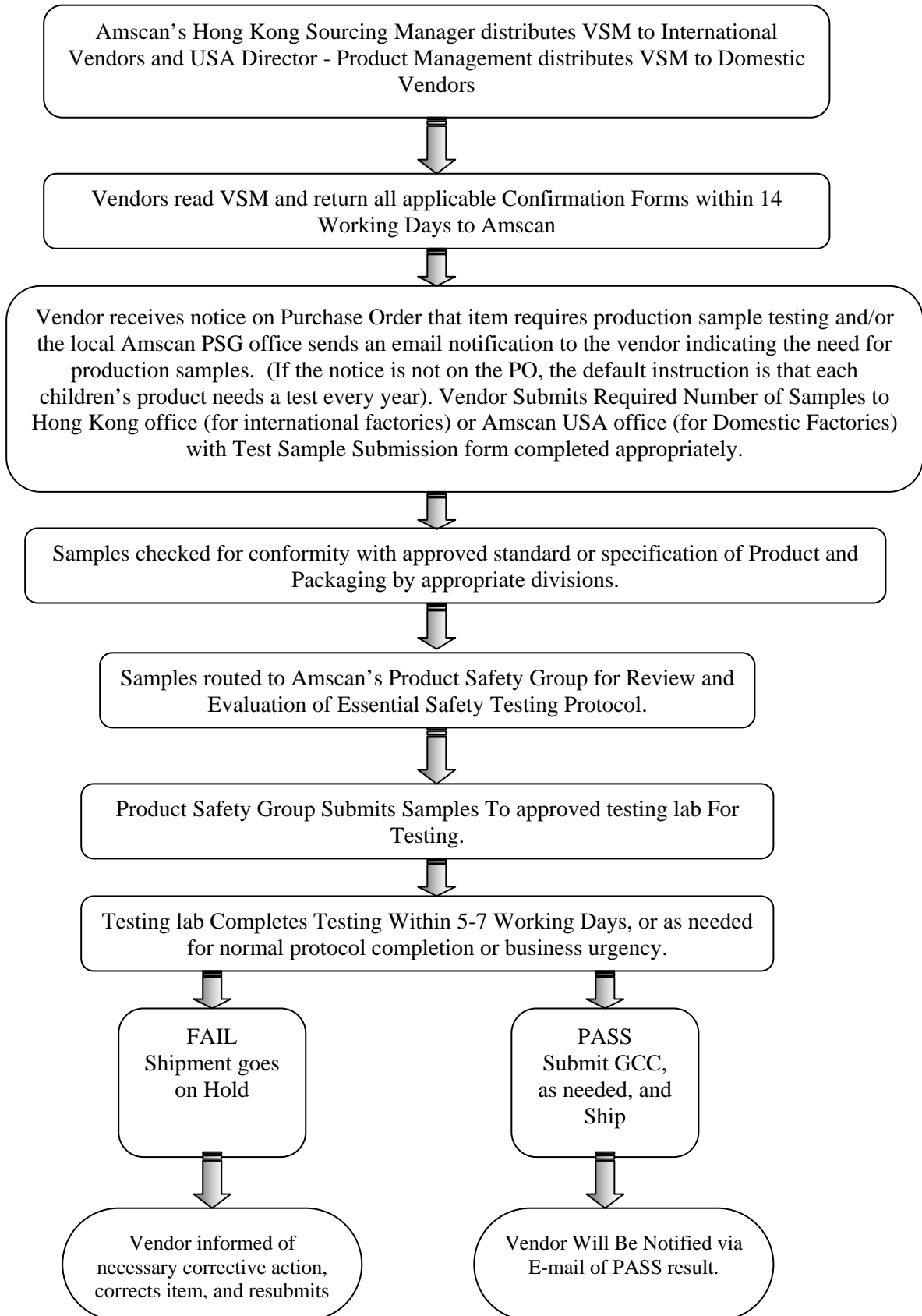
### **Random Testing and Inspection**

Periodically Amscan, or a third party representative, will visit vendor factories to pull samples randomly from production lines and send samples for testing or conduct visual inspection to ensure the quality, compliance and safety levels during production. Amscan also is randomly testing and inspecting finished goods in our US distribution center. In accordance with our purchase order terms and conditions and stated in section 9 of this Vendor Standards Manual, vendors could be held liable for both wholesale and retail economic losses incurred by Amscan arising from vendors' products' non-compliance with applicable standards and Amscan policies. Testing will be conducted on all applicable items from each purchase order received at our warehouse. Should an item be found to have lead and/or heavy metal levels above the acceptable limit, the entire quantity of the specified product from that purchase order will be destroyed or returned to the vendor for correction if possible. The vendor will be charged back the cost of the product, all costs associated with the shipment and delivery of the product to our warehouse, and the cost to safely destroy the product. The vendor will be required to send Amscan replacement product that meets all acceptable levels of lead and/or heavy metals. If the product is needed immediately and cannot be shipped via water, the vendor will be responsible for the air freight expense to expedite the delivery of the product. Please refer to our purchase order notes and Section 9 of this VSM for further clarification.

Note: Amscan reserves the right to require re-testing and/or product inspections when deemed necessary due to among other things, product non-conformities found during the quality assurance process, or during distribution or sale of the merchandise. All costs associated with re-testing will be the responsibility of the vendor.

Amscan expects that vendors will have questions or require further information. Amscan personnel are readily available to help vendors be in compliance with Amscan policies and the applicable market regulations.

**B. PRODUCTION SAMPLE TESTING PROCESS**



## C. RESPONSIBILITIES

### Amscan's Responsibilities

- Update suppliers/vendors on test procedures and protocols, sample submission requirements and performance standards as changes are made.
- Instruct a vendor when testing is required. The purchase order will indicate which items need to have production samples sent for testing and/or the local Amscan PSG office will send an email notification to the vendor indicating the need for production samples. For items manufactured in Asia or other countries, correspondence will be from Amscan's Hong Kong Product Safety Group. For items manufactured in the Americas, correspondence will be from Amscan's New York Product Safety Group.
- The local Amscan Product Safety and Compliance office will be responsible for subsequent review and determination of essential safety test before submission to a CPSC-approved independent, third party testing lab. Local Amscan office will submit samples. For first time testing, vendors are not required to pay testing charges for the submitted samples.
- Testing results and subsequent test reports shall be distributed to vendors through emails by Amscan's local office.
- When Amscan receives a test report from an approved testing lab where the submission has been rated FAIL, Amscan's Product Safety Group will include a recommended corrective action to accompany the FAIL test report. Shipment cannot occur until the vendor takes corrective action and receives a passing test report, or equivalent approval from Amscan. Vendors are fully responsible to pay for any re-test charges should the first test fail due to proven vendors' mistakes including but not limited to the sample's inaccuracy, product non-conformity or defectiveness.

### Vendor Responsibilities

#### Sample submission procedure

- All Amscan vendors (including domestic USA and international vendors) are obliged to follow Amscan testing procedures to submit production samples for testing and where applicable, relevant ingredient, component list, or MSDS (Material Safety Data Sheet) as required for conductance of the appropriate testing protocol. (Please see Section 9, for when an MSDS is required). Accordingly, it is the vendor's responsibility to provide products which are compliant with all applicable voluntary and mandatory standards.
- All samples must either be sent to the appropriate Amscan local office for the purpose of centralized handling or directly to the approved testing lab. They will be checked, examined and logged upon arrival.
- If Vendors decide to send samples directly to the lab, they must use a CPSC-approved testing lab facility and confirm the applicable test protocols with the local Amscan office prior to sample submission and test request. To find out the closest testing facility to your production facility, visit the CPSC website, [www.cpsc.gov](http://www.cpsc.gov).



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- All production testing samples should be sent to the attention of appropriate Amscan local office as follows:

For Overseas (Asia) Manufacturing Amscan Inc. ATTN: Product Safety Group Shop No. 60 LG/Floor Houston Centre, 63 Mody Road Tsim Sha Tsui East, Kowloon Hong Kong	For Domestic (North/South America) Manufacturing Amscan Inc. ATTN: Product Safety Group 80 Grasslands Road Elmsford, NY 10523
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### **Sample Submission Form**

Vendors are required to attach a submission form during submission of testing samples to the local Amscan office. The form shall indicate the Amscan item number, Purchase Order (PO) number, item name and description, date manufactured, date sample was sent to Amscan, vendor name, factory address, and vendor contact information. If a vendor is submitting the sample(s) directly to the testing laboratory, the test request form needs to be approved by Amscan's local office.

### **Quality Assurance Policy**

Should vendors have protocols and or their own quality assurance manual in place, vendor shall provide to Amscan, upon request, the manual applicable for all products provided to Amscan. The manual shall include, but not be limited to the following: inspection protocols, quality assurance procedures and policies, and applicable certifications.

### **Sample accuracy**

- Quantity - Vendors are required to submit production samples at the specific quantity pertaining to the relevant testing protocol. Insufficient samples for testing will result in delay or rejection of submission.
- Approved product specification - Vendors are obliged to submit samples in compliance with Amscan approved product specification. Any deviations to the approved standard will be rejected by the divisions and new production samples to meet approved standard will be demanded for re-submission.
- Approved retail packaging - Vendors must submit complete retail p approved by the relevant Amscan division. Retail packaging includes, but is not limited to, header card, poly-bag, blister clamshell, backer-card, gift box, window box, and instructions for use, as applicable.

### **Sample integrity**

Samples with retail package should be well protected to ensure the conditions of sample arrival during transit from vendors to Amscan's local office. Samples found to be damaged or broken will not be accepted for testing and new submission will be immediately required.

### **Sample labeling arrangement**

Since the Amscan local office will handle testing submissions for both US and UK divisions, vendors are required to indicate for which market the samples need to be tested by labeling the box as either US, EU or US/EU for easy identification before sample dispatching.

**Note: VENDORS MUST FOLLOW THE TESTING PROCEDURES AS OUTLINED IN THIS SECTION. FAILURE TO DO SO WILL RESULT IN VENDOR'S FULL ACCOUNTABILITY FOR THE DELAY OF TESTING SUBMISSION AND THUS SUBSEQUENT DELAY OF SHIPMENT.**

### **Testing costs**

- For first time production sample testing, vendors are not required to pay any testing charge for any samples sent.
- Vendors are responsible for free submission of samples with sufficient quantity for testing.
- Vendors are also responsible for all shipping costs associated with the submission and return of testing sample (sample returns will be by request only).
- Vendors are fully responsible to pay for any re-test charges should the first test fail due to proven vendors' mistakes including but not limited to the sample's inaccuracy, product non-conformity or defectiveness. Vendors are to follow the testing procedures as outlined in this section. Failure to do so will result in vendor's full accountability for the delay of testing submission and thus subsequent delay of shipment. Amscan reserves the right to penalize the vendors by air shipping the merchandise or charge back the vendors for the loss of profit and from other losses resulting from product defects, product not complying with applicable standards, or product recall due to non-compliance with applicable voluntary or mandatory standards. (Please refer to Section 9, paragraph 13 for vendors' potential remedies required).

### **Approved Testing Lab Responsibilities**

#### **Receipt of Samples/ Samples On Hold**

Approved testing lab shall notify the test requestor (Amscan's local office PSG (Product Safety Group) or the Vendor) when a test request is placed into an "on hold" status due to receipt of insufficient samples, or any other reason. If the local Amscan office PSG is the test requestor, vendors will be contacted by the local PSG to make resubmission. For purposes throughout this VSM, Approved Testing lab shall mean an independent third party testing laboratory that is approved by the US Consumer Product Safety Commission to conduct testing in accordance with CPSIA.

#### **Testing of Samples**

Conduct testing and evaluate products in accordance with Amscan testing protocol and mutually agreed practice to comply with applicable local, state and federal regulations. Approved testing lab will notify submitter prior to commencing testing if testing fees are estimated to exceed \$US 200.00, and will not proceed with testing in these cases without written approval from PSG requestor.

#### **Reporting of test results**

Approved testing lab will distribute the testing reports directly to [sp.productreports@amscan.com](mailto:sp.productreports@amscan.com) and the test requestor, i.e., Hong Kong PSG or USA PSG. Vendors will be notified of the result via e-mail by the test requestor, i.e., Hong Kong PSG or USA PSG.

#### **Testing Lead Time**

Under normal circumstances, products will be evaluated in accordance with the Test Protocols within five to seven working days based on the product type and testing required.

Under certain circumstances it may not be possible to complete testing on an item within the established timeframe due to conditions inherent to specific test requests or due to the product itself (i.e. UL verification on an electrical product, or candles that have a claimed burn time of 200 hours). In such cases the approved testing lab, prior to commencing testing, will provide an estimated completion time for the required tests.



Amscan Testing Protocols vary by each individual product and can vary by each style. Test Protocols are subject to change if the product varies from the initial product for which the Test Protocol was developed. Upon receipt of actual samples, it is at the laboratory's option to determine which, if any, additional tests are necessary and to notify the submitter of their recommendation. The laboratory shall receive written approval, from the test requestor, before commencing additional tests that may be necessary.

### **Test Results and Ratings**

Each test report shall indicate the quantitative (numerical values, such as 90 ppm or 0.1 %) and qualitative (Pass/Fail, Comply/Does Not Comply, or equivalent) test result(s) for the parameters evaluated. The report shall also include an overall rating of the final report that is based on the following rating system:

#### **Pass**

The product meets all The Client requirements, including mandatory and voluntary standards, specified in the testing protocol.

#### **Fail**

The product does not meet all The Client requirements, including mandatory and voluntary standards, specified in the testing protocol.

#### **For Informational Purposes Only**

The product is not judged to pass or fail a specified test protocol, but is tested to determine the sample's performance relative to an industry standard.

### **Test Report Format**

The following are the identifiable sections to an approved testing lab's test report:

#### **Report Cover/ Executive Summary**

The Report Cover gives an overview of the testing by showing the overall product rating (Pass, Fail, or For Informational Purposes Only) with a brief executive summary. The report shall then describe in detail each of the product's failed properties (if any) and any comments and/or recommended courses of action.

#### **Protocol(s)**

The Test Protocol(s) utilized for testing shall be attached with the report. The Test Protocol provides detailed information regarding the tests performed and the actual data recorded by the approved testing lab during testing.

#### **Exhibit Page(s)**

Exhibit pages are typically included with a report to show a failure. For example, if a toy failed a sharp edge test, then an exhibit page (picture) shall be included in the report showing the area of non-compliance. In cases of labeling or wording failures, Exhibit pictures shall be taken to document the exact wording and format of a product label.

#### **Chart(s)**

When appropriate, charts and/or graphs shall be included to show data in test reports.

#### **Picture Page(s)**

The last page of a test report shall contain a product image of tested item.

### **Sample Disposal/Return**

Product testing is fully destructive. All samples are retained by the test laboratory for three months in the U.S. and one month in Hong Kong from the date of submission. Vendors can have samples returned to them provided they accept all costs for re-packaging and shipping and indicate return instructions on the Test Request Form at the time samples are submitted (if submitting directly to lab) or on the Sample Submission Form (accompanying the samples sent to the local Amscan office). Vendors are responsible for all shipping costs associated with the submission and return (by request only) of test samples. Neither Amscan nor the laboratory is responsible for product damage incurred as a result of shipping.

## **D. PRODUCT TESTING PROTOCOLS AND GUIDELINES**

### **Testing Protocols**

All production samples received by the laboratory shall be tested in accordance with an established Amscan Test Protocol which an approved testing lab can supply to the vendor for their specific product category. If at the time production samples are received, an Amscan Test Protocol does not exist, the laboratory will develop a Test Protocol within 2-3 working days. Additional time may be required for the development of Test Protocols under certain circumstances such as the research and ordering of standards.

Test Protocols are a compilation of various market (U.S., Canada, EU, etc.) regulations and industry standard requirements (i.e. tests) that the product must meet. Test Protocols will be issued by the approved testing lab and then approved for use by Amscan.

In addition, test protocols serve two primary purposes:

1. Provide information regarding what tests will be performed so vendors understand the expectations of Amscan for their products prior to testing. As some items may be slightly different, Test Protocols are to be used as a guideline only and are subject to change. A product-specific Test Protocol will be developed at the sample submission stage if necessary.
2. Test Protocols ensure consistency between laboratories around the world by providing instructions to the approved testing laboratories on what tests are required for specific Amscan products.
  - All production samples are to be tested in compliance with Amscan's safety protocol for that market, e.g. US Regulatory safety test to CPSIA, through submission to an approved testing lab.
  - Amscan's local office PSG will review all submitted production samples and determine all the appropriate tests with onward submission to an approved testing lab.
  - Should there be no appropriate test determined; the approved testing lab will provide a recommended evaluation subject to Amscan approval.
  - This final evaluation will be made based on product category, construction, materials, age grading, packaging and labeling review, and product safety requirements.
  - Vendors have the obligation to manufacture their products to meet Amscan specifications and all applicable U.S. regulatory safety test requirements for the markets in which the products will be used, including, but not limited to and as specified on the product specification or test request form, the United States, Canada and/or European Union (EU).

- Although product regulatory safety and quality tests vary from product to product, general compliance to the following safety regulations or regulatory body requirements is generally expected:
  - *CPSIA (Consumer Product Safety Improvement Act of 2008)*
  - *Flammability*
  - *Flammable Fabrics Act*
  - *NFPA (National Fire Prevention Association)*
  - *NSF*
  - *Federal Trade Commission*
  - *ASTM International*
  - *Poison Prevention Packaging Act*
  - *Child Safety Protection Act*
  - *Consumer Product Safety Commission (CPSC)*
  - *Textile Fiber Products Identification Act*
  - *Federal Hazardous Substances Act (FHSA)*
  - *Federal Food and Drug Administration (FDA)*
  - *Cosmetic Ingredient and banned substance (FDA)*
  - *California Proposition 65*
  - *Fair Packaging and Labeling Act*
  - *Underwriter Laboratories (UL)*
  - *Phthalate restrictions & bans – California Assembly Bill AB 1108*
  - *International Standards Organization (ISO)*
  - *American National Standards Institute (ANSI)*
  - *American Association of Textile Chemists & Colorists (AATCC)*

### **Guidelines for Children’s and Other Products**

This VSM contains *Amscan USA Guidelines for Children’s and Other Products*, which can be used, along with Amscan product test protocols, to ensure compliance of vendor’s item to all applicable local, state and federal safety regulations. The enclosed version is dated 3/6/2009 and will be updated from time to time. Vendors will receive the updates, but are responsible for monitoring changes in regulations as they occur and taking necessary actions to ensure compliance with the most current regulations.

For purposes of compliance with USA regulations, the following definitions are used:

**Children’s Product:** a consumer product designed or intended by the manufacturer primarily for children under 14 years of age.

**Toy:** a consumer product designed or intended by the manufacturer primarily for children under 14 years of age for use by the child when the child plays.

**Child Care Article:** a consumer product designed or intended by the manufacturer primarily to facilitate sleep or the feeding of children age 3 and younger, or to help such children with sucking or teething.

**Toy That Can Be Placed in a Child’s Mouth:** applies to any part of a toy that can actually be brought to the mouth and kept in the mouth of a child so that it can be sucked or chewed. If a toy or any part of a toy in one dimension is smaller than 5 centimeters, it can be placed in the mouth.

Proposition 65: California, and possibly other states in the future, has additional requirements for lead and phthalates in non-children's and other products that may exceed federal requirement. (please refer to <http://www.oehha.org/prop65.html> for more information about California's Proposition 65 requirements and refer to [http://www.oehha.ca.gov/prop65/prop65\\_list/files/P65single091208.pdf](http://www.oehha.ca.gov/prop65/prop65_list/files/P65single091208.pdf) for a recent list of Prop 65 chemicals. For example, lead in Cosmetics cannot exceed 5 ppm in California, where the federal limit is 10 ppm. Also, in California, lead in PVC Coated electrical Cords cannot exceed 300 ppm, where there is not currently a federal requirement for PVC coated cords.

Wherever a state requirement is more stringent than a federal requirement, Amscan requires compliance with the standard that meets both the state and federal requirements.

## **E. VENDOR QUALIFICATION & SOCIAL COMPLIANCE CERTIFICATION**

### **Vendor Qualification**

As part of Amscan's commitment to product quality and safety, new or potential suppliers need to be qualified to conduct business with Amscan. Prior to issuance of a purchase order, Amscan personnel will conduct a qualification survey on the following areas:

1. Business Information
2. Management & Personnel
3. Factory Facilities for Design and Manufacturing (Good Manufacturing Practices)
4. Quality Management System
5. Social Compliance Evaluation
6. Qualitative Evaluation for Management & Personnel
7. Design and Manufacturing Capability
8. Process and Product Quality Control
9. Final Product Traceability
10. Observations of Critical Factory Areas

The results of this survey will be reviewed with personnel from Product Management, Sourcing, and the applicable business units within Amscan to determine the viability of new vendors.

## **Vendor Certification for Social Compliance**

As part of Amscan's commitment to responsible and ethical business practices, existing suppliers need to be certified as providing a socially compliant work environment. Amscan requires its suppliers to comply with applicable local laws and the principles put forth by its customers, e.g., Disney, Mattel, Wal-Mart, or equivalent, in the following areas:

- Management Systems
- Child Labor
- Forced Labor
- Health & Safety
- Freedom of Association and Collective Bargaining
- Non-Discrimination
- Immigration Law Compliance
- Disciplinary Practices
- Harassment & Abuse
- Compensation & Benefits
- Hours of Work
- Environmental Compliance
- Customs Compliance
- Security
- Sub-Contracting
- Homework

A Certification Audit (done by independent, 3<sup>rd</sup> Party Auditing firm) that incorporates the standards of the applicable retail customer, license brand or other 3<sup>rd</sup> party in these areas will be conducted and/or verified, as applicable, from time to time. Amscan will pay for the first Certification Audit. Resolution of all corrective actions, as well as the cost of repeat audits necessary for compliance or to receive certification, will be the responsibility of the vendor. For purposes of a licensing program, audits are deemed to be current if they have been done within the past calendar year.



## Section - 4b (Wholesale)

### CPSIA and Safety Requirement Guidelines Acknowledgement

The Consumer Product Safety Improvement Act of 2008 (CPSIA) changed the safety requirements of many items sold by Amscan. As part of Amscan's commitment to fully comply with CPSIA, it is mandatory that products supplied to Amscan 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 Amscan 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.

#### Certification and Testing Documentation

Vendors must certify (with a GCC as applicable) based on a test of each product they supply Amscan or upon a reasonable testing program that all product that Amscan 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).

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, Amscan's vendors are required to meet those standards. This includes, but is not limited to, requirements specified in this 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 entity you are supplying, sign and date this document to certify that all products you supply to the AHI 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 AHI entity representative. (All AHI entity contacts are listed in Section 11 of this Vendor Standards Manual).

For your reference, Guidelines for Children's and Other Products is enclosed in the following pages.



**Section - 4b (Wholesale)**

**CPSIA and Safety Requirement Guidelines Acknowledgement**

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

AHI Entity \_\_\_\_\_

Vendor Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Company Name \_\_\_\_\_

Date of Signature \_\_\_\_\_

**Please refer to *Amscan USA Guidelines for Children's and Other Products* in Section 4b for a summary of specific product safety requirements.**

All wholesale vendors in Asia that ship to Amscan must complete and email this acknowledgment form to Polly Hui, Hong Kong Sourcing Manager at [phui@amscanhk.com.hk](mailto:phui@amscanhk.com.hk) or fax to 011-852-2369-6629.

All wholesale vendors in Asia that ship to Grasslands Road must complete and email this acknowledgment form to Pius Lai, Hong Kong Divisional Merchandise Manager at [plai@amscanhk.com.hk](mailto:plai@amscanhk.com.hk) or fax to 011-852-2369-2932.

All wholesale vendors in North and South America that ship to Amscan must complete and email this acknowledgment form to Deb Warren, Director of Product Management at [dwarren@amscan.com](mailto:dwarren@amscan.com) or fax to 914-345-3886.

All Bypass and Full Case vendors that ship to an AHI Entity must complete and email this acknowledgment form to Deb Warren, Director of Product Management at [dwarren@amscan.com](mailto:dwarren@amscan.com) or fax to 914-345-3886.

**Amscan Guidelines for Children's & Other Products**  
**Revised 3/6/2009**

			<b>Amscan Requirement</b>	<b>Effective Date for Shipment Receipt by Amscan</b>
<b>Packaging (CONEG-Toxics in Packaging)</b>				
	Lead, Cadmium, Mercury, Hexavalent Chromium	May not contain an aggregate total of these chemicals in excess of:	100 ppm	Already in Effect
<b>Art Materials</b>				
	Non-Toxic, TRA, LHAMA Compliant	Crayons, markers, paints, etc may not contain total lead in excess of:	100 ppm	Already in Effect
<b>Children's Items (Toys, Party Favors, etc for ages 0-14 yrs)</b>				
	Lead in Surface Coating	May not contain total lead in excess of:	90 ppm	Already in Effect
	Lead in Substrate (plastic, wood, metal, rubber, etc.)	Accessible(1) components may not contain total lead in excess of:	300 ppm total (Going to 100 ppm 1/1/11 or per federal requirements)	Already in Effect
<b>Other Heavy Metals (soluble, surface coating)</b>				
	Mercury (Hg) Antimony (Sb) Arsenic (As) Barium (Br) Cadmium (Cd) Chromium (Cr) Selenium (Se)	May not contain Heavy Metals in excess of the limits specified:	60 ppm 60 ppm 25 ppm 1,000 ppm 75 ppm 60 ppm 500 ppm	Already in Effect Already in Effect Already in Effect Already in Effect Already in Effect Already in Effect
<b>Phthalates: DINP,DIDP,DNOP,DEHP, BBP, DBP (3)</b>	Accessible(1) Components of Mouthable(2) Toys and Childcare Articles for Children under 3 years old		Under 0.1% (under 1000 ppm)	Already in Effect
<b>Phthalates – DEHP, BBP, DBP (3)</b>	Accessible(1) Components of all other Toys and Childcare Articles		Under 0.1% (under 1000 ppm)	Already in Effect
<p>(1) Accessibility of a component determined before and after use &amp; abuse testing  (2) For definition of "mouthable" See EC Guidance Document at <a href="http://ec.europa.eu/enterprise/chemicals/legislation/markrestr/guidance_document_final.pdf">http://ec.europa.eu/enterprise/chemicals/legislation/markrestr/guidance_document_final.pdf</a>  (3) Limits apply to reusable or secondary packaging. Also note that for phthalate replacements,</p> <ul style="list-style-type: none"> <li>• Manufacturers must use the least toxic alternative;</li> <li>• Manufacturers cannot replace the phthalate(s) with substance(s) rated by the United States (US) EPA as an A, B, or C carcinogen, or known by the US EPA to cause birth defects; and</li> <li>• Manufacturers cannot replace the phthalate(s) with substance(s) on the California Proposition 65 list.</li> </ul>				



**Amscan Guidelines for Children's & Other Products**  
Revised 3/6/2009

		<b>Amscan Requirement</b>	<b>Effective Date for Shipment Receipt by Amscan</b>
<b>(Other Non-Children's Products):</b> Phthalates DEHP, BBP, DBP, DnHP, DIDP Lead in Substrate	Presence as defined by:	Prop 65: 0.1% for phthalates 600 ppm for lead (unless lower level required by law)	Already in Effect
<b>Jewelry – Children (0-14yrs):</b> ▪ Lead – Surface Coating ▪ Lead – Substrate – Plastic ▪ Lead – Substrate – Metallic	May not contain total lead in excess of:	90 ppm 90 ppm 90 ppm	Already in Effect Already in Effect Already in Effect
<b>Jewelry – Adults:</b> ▪ Lead – Surface Coating ▪ Lead – Substrate – Plastic ▪ Lead – Substrate – Metallic (Class 3)	May not contain total lead in excess of:	600 ppm 200 ppm 600 ppm	Already in Effect Already in Effect Already in Effect
<b>Food Contact Material</b>	For a definition of food contact material and the applicable limits see:	<a href="http://www.fda.gov/ora/compliance%5Fref/cpg/cpgfod/">www.fda.gov/ora/compliance%5Fref/cpg/cpgfod/</a> and Prop 65	Already in Effect
<b>Cosmetics</b>	May not contain lead and other ingredients defined by:	FDA (10ppm) and Prop 65 (5 ppm)	Already in Effect
<b>Mercury (mercury-free batteries, etc..)</b>	May not contain Mercury	No Detectable Level	Already in Effect
<b>Brominated Fire Retardants</b>	May not contain Penta BDE and Octa BDE	No Detectable Level	Already in Effect
<b>Formaldehyde – Children's Apparel</b>	May not have levels in excess of:	Sizes 0-5T: 20ppm Sizes 4-20: 75 ppm	Already in Effect
<b>Formaldehyde - Products made from Composite Woods:</b> Products offered for sale in California must comply with the requirements of the California Air Resource Board (CARB) Airborne Toxics Control Measure (ATCM) by maintaining chain of custody documentation which certifies use of compliant raw materials.			Already in Effect
<b>Traceability:</b> Please refer to our Vendor Compliance Manual, where we encourage placement of the Julian date code and factory code on each package surface (master, inner, and each) to enable determination of the day, year and location of production. If the "each" does not have a package, the date and factory codes should be placed on the product. Children's products will need permanent distinguishing marks on the product, to the extent practicable, to identify the manufacturer, location, date of production and other necessary information for all goods manufactured on or after 8/14/09.			
<b>For Additional Information or questions, please contact:</b>			
John Kupsch: <a href="mailto:jkupsch@amscan.com">jkupsch@amscan.com</a> or Frank Chung (Hong Kong): <a href="mailto:fchung@amscanhk.com.hk">fchung@amscanhk.com.hk</a> or Mitchell Kase (USA): <a href="mailto:mkase@amscan.com">mkase@amscan.com</a>			



# GENERAL CERTIFICATE OF CONFORMITY FOR CONSUMER PRODUCTS

CERTIFICATE DATE:		<b>Importer: (Name, Address &amp; Phone #)</b>
CERTIFIED BY:		Amscan Inc.
MANUFACTURER NAME:		80 Grasslands Road
ADDRESS:		Elmsford, NY USA
CITY:		914-784-1910
STATE/PROVINCE:		<b>Importer: (Record Keeping Contact)</b>
COUNTRY:		VP - Product Safety
PHONE#:		80 Grasslands Road
		Elmsford, NY USA
		914-784-1910/minzalac@amscan.com

Item Number	Item Description	Vendor Number	Purchase Order #	Date of Manufacture (Month/Year)	Place of Manufacture (Factory Name, Address & Phone #)	Testing Date (Month /Year)	Place of Testing/ Third Party Testing Lab (Name, Address & Phone #)

In accordance with Section 14 of the Consumer Product Safety Act, 15 U.S.C. 2063(a), the manufacturer certifies that based upon a test or a reasonable test program, the product listed above complies with all applicable consumer product safety rules, bans, regulations or standards under the Consumer Product Safety Improvement Act (CPSIA) of 2008 or any other Act enforceable by the United States Consumer Product Safety Commission, as indicated in Table 1 below (check all that apply):

Check All  
That Apply  
Products)

**Table 1: Consumer Product Safety Rules (Children's & Other Applicable**

- |                          |  |                       |
|--------------------------|--|-----------------------|
| <input type="checkbox"/> | Lead in Surface Coating (Children's Product) | 16 CFR 1303           |
| <input type="checkbox"/> | Lead in Substrate (Children's Product)       | CPSIA 101             |
| <input type="checkbox"/> | Lead in Children's Metal Jewelry             | CPSIA 101(a)(2)       |
| <input type="checkbox"/> | Choking Hazard Labeling (Children's Product) | 16 CFR 1500.19        |
| <input type="checkbox"/> | Pacifiers (Children's Product)               | 16 CFR 1511           |
| <input type="checkbox"/> | Rattles (Children's Product)                 | 16 CFR 1510           |
| <input type="checkbox"/> | Children's Products with Liquids             | 16 CFR 1500.14        |
| <input type="checkbox"/> | Toys (ASTM F963)                             | CPSIA 106             |
| <input type="checkbox"/> | Flammability of Solids (Children's Product)  | 16 CFR 1500.44        |
| <input type="checkbox"/> | Flammability of Textiles (Adult & Child)     | 16 CFR 1610           |
| <input type="checkbox"/> | Flammability of Plastic Film (Adult & Child) | 16 CFR 1611           |
| <input type="checkbox"/> | Phthalates in Toy & Childcare Items          | CPSIA 108             |
| <input type="checkbox"/> | Art Materials (LHAMA)                        | 16 CFR 1500.14(b) (8) |
| <input type="checkbox"/> | Other (please specify)                       |                       |
| <input type="checkbox"/> | Other (please specify)                       |                       |

"NOTE: Manufacturer shall email this WORD document using the naming format: **Item#\_Vendor#\_Certificate Date with MMDDYYYY (For example, item 123456 from vendor number 999 made on November 12, 2008 would be 123456\_999\_11122008.doc)** to the following distribution: [sp.gcc@amscan.com](mailto:sp.gcc@amscan.com) .