

Amscan Holdings, Inc (AHI)

Vendor Standards Manual (VSM) 2009



Revised April 2009



Introduction

Within this Vendor Standards Manual (VSM) you will find a set of performance expectations. Rather than being all-inclusive, our expectations are intended to better define elements of your role in servicing our organization. They do not replace good business practices, legal requirements or the need to use common sense when managing our business. The Vendor Standards Manual covers vendor requirements for Amscan Holdings, Inc. (AHI) and its subsidiaries which include both corporate and franchise retail locations. These standards will be supplemented from time to time.

Vendor Participation Agreement (VPA)

AHI maintains a vendor database containing payment terms and contact information. Contact information includes a primary contact person as well as contacts in sales, accounts receivable, marketing, logistics, and electronic data interchange (EDI). Each contact must include first and last name, address, phone, fax, and e-mail address. It is the responsibility of each vendor to ensure all information contained in this database is accurate by completing a Vendor Participation Agreement.

If a vendor does not have a completed VPA on file, the vendor should request a blank VPA to fill out by contacting vendorrelations@partycity.com or vendorrelations@amscan.com.

The VPA form review will occur once a year.

Changes to Vendor Information

Documentation must be on company letterhead and signed by a senior officer of your company. All changes must be received 14 days prior to their effective date.

Changes would include, but are not limited to:

- Change in Company Name or address (Remittance, shipping, or Return to Vendor addresses)
- Start, change or termination of a factoring relationship
- Change in company ownership: If a change in ownership occurs and the new owner is not currently in our vendor file as an authorized vendor, the company will be considered a new vendor and may be required to complete a *New Vendor Package (NVP)*.
- Change in legal structure
- Bankruptcy Filings

The letter communicating changes must contain the following information:

- Your company name and Party City/Party America/Amscan vendor number
- Statement of the change being communicated
- Signature of a senior officer or agent

Do not send any vendor updates or changes to store locations. Store personnel cannot approve or process any vendor changes.

Changes related to factoring relationships must include:

- Written or e-mailed confirmation from the factor terminating the relationship
- Written or e-mailed confirmation from the new factor (if applicable)
- Effective date and authorization to release payment to the new factor



For Party City (retail), changes should be emailed to VendorRelations@partycity.com or faxed to 973.983.4915.

For Amscan (wholesale), changes should be emailed to Vendorrelations@amscan.com or fax to # 914-345-3886

AHI reserves the right to hold payments pending receipt of this documentation.

Non-Merchandise

For all Non-Merchandise related issues, standards and guidelines can be found in a separate manual distributed by the Construction/ Facilities team. Freight collect vendors must still adhere to guidelines set in the Transportation Routing Guide section (6) of this manual.

Please note: Factory Card & Party Outlet and Halloween USA have separate Vendor Standards Manuals which use some of the same sections found herein (i.e. Sections 4a, 9, 10 and 11). Please reference their manuals for all other specific vendor requirements.

Sections 4a and 4b, Safety & Quality Assurance rules, section 9, Terms & Conditions-including Indemnification & Insurance and Section 10, Code of Business Practices are to be applied for all shipments to any Amscan Holdings, Inc subsidiary including Halloween USA and Factory Card & Party Outlet.

To obtain a copy of the Halloween USA manual, please contact Ron Cronan, Director of Merchandise Procurement/IMT at rcronan@halloweenusa.com or by phone at 734-591-5465.

To obtain a copy of the FCPO manual, please contact Teresa Otterman in the Merchandising and Marketing Dept, at TOtterman@FactoryCard.com or by phone at 630-579-2149.



AHI Notification and Acknowledgement of 2009 Vendor Standards Manual (VSM)

**Name of Parent
Company:** _____

Name of all Subsidiaries: _____

Some aspects of the VSM do not pertain to Sub-Vendors, many aspects do. Sub-Vendors should read the Vendor Standards Manual. The VSM applies to all vendor/sub-vendors shipping to all 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, and Amscan tradenames.

_____ (Company Name) understands it is our responsibility to complete a Vendor Participation Agreement (VPA) and return to Party City or Amscan in a timely fashion. Vendor is to furnish AHI with up to date information. Vendor should submit all changes to vendor information on company letterhead signed by an executive. For Party City, changes should be emailed to vendorrelations@partycity.com or faxed to 973.983.4915. For Amscan, changes should be emailed to vendorrelations@amscan.com or faxed to 914-345-3886.

_____ (Company Name) understands it is our responsibility to provide AHI with a *Certificate of Insurance* and furnish AHI with the latest certificate, records, and all applicable documentation. We will replace the Certificate of Insurance if changes or expiration occur. Please refer to the "Terms and Conditions" section 9, page 8.

_____ (Company Name) has read, understands, and agrees to the Terms and Conditions Section and all other applicable sections of the VSM.

Company Representative: _____

Title: _____

Signature: _____

Date: _____

Contact Information: _____

All vendors that ship direct to retail locations must fax or email this acknowledgement form to 973-983-4915 or vendorrelations@partycity.com.

All vendors that ship to Amscan/Grasslands Road must fax or email this acknowledgment form to 914-345-3886 or vendorrelations@amscan.com.



Section – 1a (Retail) Merchandise Information

Overview – Party City (includes Party City, Party America and The Paper Factory)

This section outlines the general guidelines for Purchase Order (PO) requirements, product requirements, and UPC usage requirements.

All contacts or forms referenced in this section can be found in the Appendix. The New Item Form is available on the internet at www.partycityvendors.com.

Changes to Product Information

Any changes (i.e. to the pricing, product, discontinuation, UPCs, item#, case packs, inner packs, product dimensions, shipping case dimensions, or packaging) must be stated in writing or e-mail and presented to the appropriate Merchandising Manager for approval. Notification of everyday item changes must occur 60 days prior to the effective date. Notification of seasonal item changes must occur 60 days prior to the expected order placement date.

PO Requirements

Our goal is to offer merchandise that presents value and is consistently in stock at a price to satisfy our customers. Vendor must verify the accuracy of, and adhere to, all data on all POs both corporate and franchise.

If you have questions regarding a Corporate PO, contact the following department for each specific instance (departmental contact list is in the appendix):

PO Contacts

- Planning and Allocation Manager -- Every Day/ Replenishment orders- quantities or in-store dates
- Merchandise Manager -- All Seasonal orders- quantities or in-store dates; All item specific issues including incorrect costs, UPC's, case pack, vendor item numbers, etc...
- Email Replenishment@partycity.com -- New store orders
- Franchise stores -- All franchise PO questions regarding quantities or dates - (Item specific issues, contact MM)

Vendors must utilize the “**Ship To Bill To (S2B2)**” file to determine if an order is for a corporate or franchise store.

Purchase Order Confirmation (Corporate and Franchise):

Vendors must be capable of receiving Party City POs via Electronic Data Interchange (EDI) transmittals. For more information on EDI, reference Section 2. All vendors must be able to process EDI documents.

Section – 1a (Retail)

In order to achieve our goal of having the right merchandise at the right time, we must ensure our vendors ship the exact merchandise and quantities ordered on a PO. Listed in this section are ways we can achieve our goal:

- Vendor must be in receipt of a valid PO prior to shipping any product. The PO number must not be modified in any way.
- Party City Po number is unique for each order and should not be in vendor system more than once. All rewrites will generate a new PO number.
- When shipping, each carton must contain only one PO number
- Each invoice must include only one PO number, however, a single PO can have multiple invoices.
- **If any item specific information is not correct upon receipt of PO, including item#, case pack, UPC or cost you must contact the Merchandise Manager immediately. Vendor must invoice with the PO cost and Party City will pay the lowest cost between the PO and the invoice. POs with case pack or cost errors must be cancelled and rewritten.**
- Terms and Conditions, contained in Section 9, apply to all POs. The terms and conditions may be supplemented or amended by specific terms and conditions incorporated on a specific PO.
- Vendor must be aware of expected in-store delivery dates, pre-paid or collect, ship to bill to, or other conditions which may vary based on the source of the PO (corporate or franchise). Vendor must execute the terms and conditions (including the ship to location on the PO) on each individual PO.

Changes to PO Information

Changes to a PO can include changes to line item quantity, delivery date, etc. These changes will be reflected through a cancelled PO and issuance of a new PO. If you are unable to fill an everyday PO, contact the P&A Manager via e-mail for a cancellation or extension, seven days prior to the first ship date for approval. Requested changes to seasonal POs must be communicated in writing to the Merchandise Manager within seven calendar days of the PO request. Verbal agreements are not acceptable. In-store deliveries received after the Vendor Cancellation Date, as outlined in Section 8 will be subject to penalties as listed in the Reimbursement and Waiver Policy of Section 8.

An authorized Party City representative will submit all Party City initiated PO changes, including cancellations, to the vendor in writing or e-mail. Associates in the Merchandising Department and Planning and Allocation Department are authorized to make changes to POs. PO changes include PO cancellation requests. If a line item(s) needs to be changed, the PO will be cancelled and a new PO will be generated.

Party City will not accept shipment of substitute items unless pre-approved in writing by a Merchandise Manager AND followed by a new PO for the substituted items. Refer to Reimbursement and Waiver Policy, Section 8, for substitute item reimbursement charges.

UPC Codes

All vendors are required to join the Uniform Code Council (UCC) in order for products to be UPC source marked. A scannable UPC must be securely attached or clearly printed on every item or item package. All Halloween costumes must be UPC coded by size (and color where appropriate) for all orders. Party City recommends you never reuse UPC codes. If unavoidable, you must wait a minimum of 48 months before re-use and notify Party City.

Section – 1a (Retail)

ITEM UPC LABEL GUIDELINES

The correct printing of clear UPC's is of primary importance due to market sensitivity. If an incorrect UPC is printed, or the UPC is un-scannable, there will be no initial warning due to the ramifications of the error.

All barcodes appearing on the label printed for Party City's use shall meet the specifications contained herein.

- White labels are to be used unless specifically directed otherwise
- Print in black
- All UPC's should be in standard UPC-A format and scan at the grade level of "C" or better
- Barcode must be scannable
- Label size needs to be an appropriate size for the item
- One label is to be used unless the item/each come in a box, container, or display. In this case the box, container, or display AND the piece must each have the label.
- Small items that cannot fit a full label should have a butterfly label (same label as used for jewelry items) or hang tag.
- Placement of UPC label should not interfere with operating or product care instructions, as well as any other pertinent product information

Product Samples

Product samples must be sent within 72 hours of a Merchandise Manager's request. **All samples must be clearly marked with the vendor item number, recipient's name, and/or description.** All samples are to be shipped to the attention of the requesting person using the following address:

**Party City Corporation
25 Green Pond Road, Suite 1
Rockaway, NJ 07866**

Party City will not pay for samples, shipping charges, import charges, or return samples (select sample returns can be done on a limited basis with the written pre-approval from a Merchandise Manager and call tags or package return label). Product samples, if late, may be subject to penalties as defined in the Reimbursement and Waiver Policy, Section 8. In addition, incorrect Plan-O-Gram (POG) dimensions may be subject to penalties as defined in the Reimbursement and Waiver Policy, Section 8.

New Store Merchandise Requirements

Party City continually plans to open new stores. Vendor partner support in opening new stores is critical to our success.

New Store Orders:

- Shipping a new store PO indicates the vendor's agreement to the requirements and terms as outlined in the VSM.
- Our goal for all new store POs is a fill rate of 100%. Purchase orders are generally written far enough in advance to accomplish complete fill.

Section – 1a (Retail)

- If the initial order has a fill rate below 100%, the new store will accept one back order before canceling the PO. Back order must arrive before the end of the arrival window. Fill rate measurements will be calculated on combined shipments tendered during the arrival pick up window.
- Some orders may require small quantities of certain items to be shipped loose in larger boxes. When this happens vendor should ship all like items for a PO in the same box, packed together, to the degree possible. This minimizes damages and improves receiving accuracy at our stores.
- Orders not meeting our fill rate requirements as outlined in Section 8 will be subject to penalties as listed in the Reimbursement and Waiver Policy of Section 8.

Corporate Everyday and Replenishment/Re-Order

POs will contain the following dates. No back orders are allowed on Everyday and Replenishment/Re-Order POs.

Everyday and Replenishment PO Dates (Party City Only)			
Data Field on Party City Faxed/PDF PO	Definition	Data Fields on EDI 850 PO	850 Code
PO Date	Date PO created by Party City	PO Date	
1st Delivery Date	The date specified by Party City of when the merchandise is expected to be delivered to the Party City location.	Do not deliver before date	064
Vendor Cancel Date	The date specified by Party City when PO will be cancelled if merchandise is not delivered to store by	Cancel if not delivered by	061

- The first date in the arrival window is equivalent to the **“1st In-Store Delivery Date”**. The second date in the arrival window is equivalent to the **“Vendor Cancel if not Delivered by Date”**. It is the vendor’s responsibility to ship or tender orders in a timely manner to ensure product arrives within the window. Orders received after the In Store Date will be subject to charge-backs. Refer to Reimbursement and Waiver Policy, Section 8, for delivery reimbursement charges.
- Basic replenishment orders must be shipped according to our routing guidelines, with no back orders, and a one-time minimum fill rate as stated in Section 8. Fill rate measurements will be calculated on combined shipments tendered during the delivery window.
- Shipments must be consolidated so deliveries to the same location do not occur on consecutive days of a week. Orders not meeting our minimum fill rate will be subject to penalties as listed in the Reimbursement and Waiver Policy, Section 8.
- Vendor must ship replenishment orders within 72 hours of receipt to arrive at the store within the requested delivery window.

Section – 1a (Retail)

Seasonal and New Store Orders

POs will contain the following dates. Party City will accept back order shipments on Seasonal POs with Merchant approval. New Store POs we will accept one back order shipment only.

Seasonal and New Store Corporate PO Dates (Party City Only)			
Data Field on Party City Faxed/PDF PO	Definition	Data Fields on EDI 850 PO	850 Code
PO Date	Date PO created by Party City	PO Date	
1st Delivery Date	The date specified by Party City of when the merchandise is expected to be delivered to the Party City location.	Do not deliver before date	064
Vendor Cancel Date	The date specified by Party City when PO will be cancelled if merchandise is not delivered to store by	Cancel if not delivered by	061

- All Seasonal shipments must conform to the specified Party City Seasonal-receiving window, unless otherwise noted on the PO. Franchise POs may frequently request a date different than a corporate arrival window. However, if **“ASAP”** or if no date is provided on a franchise PO, use the corporate receiving window. Shipments arriving outside of the window are subject to a reimbursement charge. If you are going to miss the receiving window you must contact your Party City Merchandise Manager or P&A Manager.
- Every new store will have an arrival window for receiving merchandise. The first date in the arrival window is equivalent to the **“1st In-Store Delivery Date”**. The second date in the arrival window is equivalent to the **“Vendor Cancel if not Delivered by Date”**. The arrival window will begin approximately 3 to 4 weeks prior to a new store opening to the public. It is the vendor’s responsibility to ship or tender orders in a timely manner to ensure product arrives within the window. Orders received after the In Store Date (arrival window) will be subject to charge-backs. Refer to Reimbursement and Waiver Policy, Section 8, for delivery reimbursement charges.
- All seasonal and non basic orders must have a minimum fill rate as stated in Section 8 and should not exceed two shipments per PO during the shipping window: one initial shipment, and one back order shipment. Fill rate measurements will be calculated on combined shipments tendered during the delivery window.
- Shipments must be consolidated so deliveries to the same location do not occur on consecutive days of a week. Orders not meeting our minimum fill rate will be subject to penalties as listed in the Reimbursement and Waiver Policy, Section 8.
- Vendor must ship in-season replenishment orders within 72 hours of receipt to arrive at the store within the requested in-store delivery window.
- Stores will not accept cash on delivery (COD) shipments unless prior written arrangements are made.
- Stores, including franchise, are not liable to receive or pay for any merchandise tendered past the arrival window dates.
- For the purposes of calculating vendor minimums, the total cost (or weight) of all POs destined for a single location will be used. For example, the total combined weight or cost of multiple, must meet the vendor minimum as a group, not each individual PO
- In the event the quantity ordered does not match the quantity shipped on a PO, the quantity ordered on a PO will be used to calculate the vendor minimum.

Refer to Reimbursement and Waiver Policy, Section 8, of the VSM for a full listing of reimbursement charges.



Section – 1b (Wholesale)

Merchandise Information

Overview - Amscan

This section outlines the general guidelines for Amscan Purchase Order (PO) requirements, UPC usage requirements, and new product quoting and approval process.

Amscan's PO Requirements

Vendor must verify the accuracy of, and adhere to, all data on all POs that are faxed or sent electronically. If you have any questions regarding your PO, contact Amscan's Inventory Department.

Purchase Order Confirmation

Currently our Inventory Department sends a number of POs (both everyday and seasonal) to our vendors. An e-mail confirming receipt of all POs must be sent within 48 hours to the Amscan Inventory department.

The confirmation must include following:

- PO #
- Item #
- Quantity
- Cost
- Ship date

Purchase Order Shipments

- Vendor must be in receipt of a valid Amscan PO, including a PO number, prior to shipping any product. The PO number must not be modified in any way.
- Terms and Conditions, contained in Section 8, apply to all POs. The terms and conditions may be supplemented or amended by specific terms and conditions incorporated on a specific PO.
- Vendor must be aware of expected ship dates and specific shipping contract instructions (per the Amscan Traffic Manager). Vendor must execute against the terms and conditions (including the ship to location on the PO) on each individual PO.

Changes to Vendor Information

Documentation must be e-mailed or faxed, and signed by a senior officer of your company. All changes must be received 14 days prior to their effective date. Changes would include, but are not limited to:

- Change in remittance address
- Change in company name
- Change in company ownership: If a change in ownership occurs and the new owner is not currently in our vendor file as an authorized vendor, the company will be considered a new vendor and will be required to complete a New Vendor Package - NVP.
- Change in legal structure

Section – 1b (Wholesale)

- Bankruptcy Filings
- Change in “Return to Vendor” address
- Change in Shipping address

The letter communicating changes must contain the following information:

- Your company name and Amscan vendor number
- Statement of the change being communicated
- Signature of a senior vendor officer or agent

Written notification of changes must be sent to:

Amscan Inc.

Attn: Julie Ulacco

Coordinator- Vendor Relations

80 Grasslands Road

Elmsford, NY 10523

Do not send any vendor updates or changes to Amscan Product Managers. Amscan Product Managers cannot approve or process any vendor changes.

Amscan reserves the right to hold payments pending receipt of this documentation.

Changes to Product Information

Any changes (i.e. to the pricing, product, UPCs, case packs, inner packs, product dimensions, shipping case dimensions, or packaging) must be stated in writing or e-mail and presented to the appropriate Product Manager for approval. Nettie Thompson must also be copied on any changes to product packaging at nthomps@amscan.com.

Changes to PO Information

Any changes to the Purchase Order ship date needs the approval of the Inventory manager who issued the Purchase Order.

Purchase Order Cancellation

Amscan reserves the right to cancel a Purchase Order or request expedited shipping if the PO ship date is not met at vendor’s expense.

UPC Usage Requirements

Accurate item information is critical for Amscan to service our customers and effectively manage inventory. A scannable UPC must be securely attached or clearly printed on every item or item package, inner pack and master carton.

New Product Quoting Process

Vendors are required to submit all new product quotes to the Amscan Product Development team on the appropriate standard Product Quote form. (see appendix for Product Quote form for Amscan and Grasslands Road)

Section – 1b (Wholesale)

Product Development, Product/Package Approval Process

Depending upon Product Development Team – Please see I for Amscan and II for Grasslands Road

I. Amscan Product Development Approval Process

In an effort to better facilitate the development and sourcing process a coloring system to guide the vendors through the development/sourcing at different stages has been established. Vendors are required to follow these requirements when making a submission. Unacceptable or inappropriate labeling, quantity, or samples will be rejected and resubmission will be required.

White Tag

At this stage vendors are required to submit preliminary samples close to our design concepts or formats. Samples may be submitted in substitute color, material, size or even construction. All samples must have a white manila tag or with a white label attached with an accompanying quote. The quote must be sent on the Amscan standard template where vendors are required to fill in the necessary columns. Samples processed through the Hong Kong office will have the samples and costs sent to product managers for screening and selection by Amscan. Samples not processed through the Hong Kong office are to go directly to the appropriate product manager in the United States.

In some cases where there is a potential safety hazard, vendor may be requested to submit existing testing report for review. Items including cosmetic or firework power composition require a Material Safety Data Sheet (MSDS) be sent for review prior to sending samples for selection.

Yellow Tag

At this stage product managers will confirm sample and cost with final vendor selection. Artwork will be sent directly to vendors via the FTP site or by Compact Disc, dependent on vendor's request. Upon receipt of the artwork, vendors are to confirm final quote based on the artwork specifications. Vendor must immediately communicate and explain any cost variations. Vendors must follow the mechanical art for both product and package in order to proceed with creation of samples for final approval. It is expected all vendors will submit samples no more than 2 weeks upon receipt of the artwork. Vendors are to label the samples with yellow manila tag or yellow label.

If the Hong Kong office is involved with the development of an item, they will help review the yellow tag samples and confirm the sample matches item specification prior to sending samples to product managers for final approval. Rejected samples will require the vendor to re-submit the sample.

During the same time period samples will be requested for Plan O Grams and testing. The Plan O Gram requests are 12 pieces for bulk and 3 sets for packaged items. For testing, the requirement is six pieces, refer to the Quality Assurance section for more information. These samples do not need to be Yellow Tagged but need to be marked for its intended purpose upon sending.

When yellow tag samples are approved by product managers in the U.S. office, an approval/comment sheet will be sent to vendors via email. This document will specify one of the three statuses for the product or package:

- **Approved** – product/package is approved as is and the vendor can proceed with production.

Section – 1b (Wholesale)

- **Approved With Changes** – the vendor must make the requested changes detailed in the proof sheet and may then proceed with production without first sending a new sample for approval. This is only when time is of the essence and another round of samples/proof sheets will slow production and jeopardize the delivery window.
- **Requires Changes** – the vendor must make the requested changes detailed in the proof sheet and submit another sample for approval. **The product/package is not yet approved for production.**

When the Hong Kong office initiates the development of an item, they will sign and send back to the vendor one piece of an approved sample for vendor to follow for production and inspection reference.

Green Tag

At this stage, vendors are to go into production and are also required to take samples from the production line and send to the Hong Kong office for review. Vendor is to label the samples with green manila tags or green labels for submission. The green tag samples will be compared against the approved yellow tag samples and checked for any variance that may occur during production stage. For production samples with a variance falling within an acceptable limit, the Hong Kong office will sign and return one unit of a green tag sample to vendors as an inspection reference. If the variance falls beyond the acceptable limit, the U.S. office will provide final determination and advise of the results back to vendors. No initial shipment of an item is allowed without the green tag approval.

Our target is to finalize the testing with pass result prior to initial production. Vendor is obliged to make sure the product meets all US Federal safety regulations. No shipment is allowed without a pass testing report from an approved testing facility (i.e.: BV Labs, MTS or SGS), refer to section 4 Quality Assurance. The only exception to this is for items that do not have a testing protocol and do not need to be tested for compliance with the CSPC. We will advise if an item does not require testing.

Stage 3:

Vendor goes into production, pulls ten (10) samples out of production and sends them to the New York office. The approved sample will become the target for all produced pieces, if the variance between the target and the production sample falls beyond an acceptable range, the New York office will provide final determination and advise of the results back to the vendor.

Our target is to finalize the testing with pass result prior to initial production. Vendor is obliged to make sure the product meets all US Federal safety regulations. No shipment is allowed without a pass testing report from an approved testing facility (i.e.: BV Labs, MTS or SGS), refer to section 4 Quality Assurance. The only exception to this is for items that do not have a testing protocol and do not need to be tested for compliance with the CSPC. We will advise if an item does not require testing.

Inner Sample

For the initial shipment of an item, one full inner must be sent to the U.S. office to the attention of the appropriate product manager, at the time of production.

II. Grasslands Road Product Development Approval Process:

A. Product development, from concept to delivery, is facilitated through the Product Development teams to all vendors, working with the HK office as liaison. Product is approved for design once all specs are

Section – 1b (Wholesale)

met. Each vendor is to work with the Product Development team, Packaging team and HK Merchandiser throughout the entire development process. This may involve repeat sampling until the design is approved. PPS samples will be signed by the HK Merchandiser and approved by the Product Manager and Product Designer. The vendors are to follow the PPS samples as reference to execute the production run. The Product Development teams and HK Merchandiser will address all product execution issues prior to producing the product. As product is approved for packaging once the item is quote approved and all packaging specs have been met.

B. Grasslands Road Packaging Production Approval Process:

Stage 1:

Artwork is sent via FTP or courier to the Hong Kong office to corresponding merchandising manager. The manager reviews artwork for any discrepancies. If changes are needed they will contact the New York office and notify them of any problems. The printed art and CD which contains the digital art, is forwarded to the vendor for production. Once the Vendor receives the art, they have two (2) days to review the art and forward all questions to the packaging department in New York.

Stage 2:

The vendor has three (3) weeks to produce a packaging sample, which is then sent to the Hong Kong office for review. If, at this point there are no major discrepancies, the samples are sent to the New York office for review. If the vendor needs more than the allotted three (3) weeks, notification via e-mail must be made to the New York office within the first week. Once samples are received by the New York office, an approval/comment sheet will be sent to the vendor via e-mail. This document will specify three statuses for the packaging:

- **Approved** – packaging is approved as is and the vendor can proceed with production.
- **Requires Changes** – the vendor must make the requested changes and submit another sample for approval. The packaging is not yet approved for production.
- **Approved with changes** – the vendor must make the requested changes and may proceed with production without first sending a new sample for approval. This is only when time is of the essence and another round of samples will slow production and jeopardize the delivery date. Vendor must send New York office a sample for their records.

Sample Costs

Amscan will not pay for samples or any courier charges.



Section – 2 (Retail only)

Electronic Data Interchange

Overview – Party City (includes Party City, Party America and The Paper Factory)

Electronic Data Interchange (EDI), with our trading partners establishes standardization of information for accurate product flow from our trading partners to our customers. It is a standard format for exchanging business data between different companies using AS2 communication for direct connects, networks, such as Value Added Networks or the Internet. The American National Standards Institute (ANSI) formed the Accredited Standards Committee (ASC) X12 to define EDI standards of communication. All Party City EDI transactions are ANSI X12 version 4010.

All trading partners must be capable of exchanging information via Electronic Data Interchange (EDI). All Party City Corporate stores will use EDI. Franchise stores will continue to use faxed POs and paper invoices unless informed otherwise by Party City EDI.

All EDI Guidelines and mapping requirements are available on the Party City Vendor Website at <http://www.partycityvendors.com/>.

There are several EDI software providers who can help provide the tools to transmit data via EDI. Party City and PCFG do not require a sole source solution, but offers alternatives to facilitate cost-effective electronic trade. For more information, you may contact either Nancy Higgins or Patty Madden who can be reached at the phone numbers or email addresses listed below.

All trading partners must communicate any modifications of their EDI or back office systems to Party City's EDI team, in writing, 60 days before such modifications are implemented. Trading partners must work with Party City's EDI Team to validate all documents affected by modifications.

For EDI requirements you may contact members of the Party City EDI Team:

Nancy Higgins	EDI Specialist	973-453-8641	nhiggins@partycity.com
Patty Madden	EDI Coordinator	973-453-8765	pmadden@partycity.com

Benefits

EDI eliminates supply chain inefficiencies by:

- Improving Data Integrity: The automated exchange of information improves data integrity by reducing human error and ensures data is complete, consistent and accurate.
- Reducing Operational Costs: The long-term return on investment, due in part to decreased operational expenditures and misallocated resources, offsets the initial start-up and ongoing costs of EDI.
- Improving Customer and Trading Partner Relations: The electronic transfer of time sensitive documents results in expedient delivery of product to store shelves, improving customer satisfaction and increasing sales.

Methods of Communication

There are three methods of communication to send and receive EDI data between Party City and our trading partners. There is a short description below of these methods. The trading partner must decide which one is applicable to their business or system capabilities. AS2 is Party City's preferred method of electronic trading of business documents. Trading partners are encouraged to take advantage of this means of transferring data.

1. Direct Connection - AS2

Direct connection with a trading partner eliminates kilo character charges and the costly expense of subscribing to a VAN. However, direct connection adds responsibilities otherwise covered by a VAN, such as: security to limit system access, and the ability to handle a variety of protocols and transmission rates. AS2 is the required method for direct connection. The trading partner is responsible for their AS2 license fees. Trading partners must provide a current AS2 certificate for communicating using AS2. It is the trading partner's responsibility to provide their updated certificate upon certificate expiration.

2. Value Added Network (VAN)

A Value Added Network (VAN) eliminates the need to interface with each trading partner individually. The transfer of information is analogous to correspondence one might exchange through a post office box or slot. The network accepts messages from all participants and stores them in the appropriate slots, where only the assigned users may access them. A trading partner subscribing to a VAN need only interface with the trading partner's assigned mailbox. A VAN will count kilocharacters per transaction and charge the subscriber (trading partner) for transactions being sent as well as received. **If a trading partner chooses to use a VAN, the trading partner is responsible for all kilocharacter charges for data sent and received.**

3. Internet

A web-based solution generally involves manual or automatic data entry onto a web form provided by a third party. Party City strongly encourages non-EDI capable trading partners to fully evaluate a web-based solution. It is a cost efficient, easy to implement, secure EDI solution minimizing ongoing transactional kilocharacter charges associated with a traditional EDI VAN provider.

Each of the aforementioned communication methods can be integrated with the trading partner's current system or exist as a stand-alone system. *Integrated systems* are able to pass data received into other applications without manual intervention. Reduced manual entry is one of the greatest Returns on Investment (ROI) of EDI. *Stand-alone systems* primarily receive data and require the trading partner to manually enter the data into other applications.

Section – 2 (Retail only)

If a trading partner chooses to utilize a VAN or direct connection, software is required to translate the trading partner’s internal data into the EDI format and to translate data received from a trading partner. The software also performs editing and control functions to ensure the data meets the ASC X12 specifications. A trading partner can choose to use any of the following translation software options:

- Commercial translation packages
- Core business turnkey application software including EDI translation
- Value Added Networks/service providers

EDI Mapping Guidelines

The EDI Mapping guidelines, located on our website at <http://www.partycityvendors.com/>, provide the requirements for each EDI transaction set and detail specifications of the data exchanged between Party City and our trading partners. Party City mandates all trading partners follow the published EDI Mapping Guidelines for each of the EDI transaction sets. Deviations from the guidelines are not acceptable. Deviations from the guidelines may result in EDI transmission failure and may incur reimbursement charges as outlined in this guide. Refer to Section 8, Reimbursement and Waiver Policy section, for more information.

EDI Transaction Sets

Per the EDI standards, each supported document, as listed below, is given an identifier known as a Transaction Set. For instance, a Purchase Order document is referred to as “PO 850.”

Party City requires all trading partners to be able to receive or send the following EDI Transaction Sets:

Outbound/Inbound from Trading Partner’s Point of View	EDI Transaction Set Number	Document Description
Inbound	850	Purchase Order
Outbound	856	Advance Ship Notice
Outbound	810	Invoice
Outbound/Inbound	997	Functional Acknowledgement

The following websites provide useful information about EDI and the Standards:

www.disa.org	Data Interchange Standards Association
www.gs1us.org	Uniform Code Council
www.ansi.org	American National Standards Institute

Section – 2 (Retail only)

850 Purchase Order

The 850 transaction set is used to place purchase orders. The transaction set will not be used to convey purchase order changes or purchase order acknowledgment information. The 850 PO transaction set contains all information contained on a hard copy PO. In addition, the 850 PO will contain the terms (payment and shipping) the trading partner must use for the order. Invoicing with terms other than those contained on the 850 (PO) will be subject to reimbursement charges. Refer to Section 8, Reimbursement and Waiver Policy section, for more information.

POs are transmitted Monday thru Sunday, between the hours of 7 AM and 2 AM. Trading partners are required to transmit a 997 Functional Acknowledgement for all 850s within 24 hours of receipt.

The following are the Data fields for the 850 PO:

850 (PURCHASE ORDER) DATA FIELDS	
Header Fields	Detail Fields
<ul style="list-style-type: none"> • PO Number • Buyer Code (Department Code) • AP Terms • PO Notes - 60 Char. • PO Policy • PO Date • Ship to - Store Name • Ship to - Store Number • Ship to - Ship Address • Ship to - City, State, Zip • Ship Via - usually TRG • Bill to Name and Address • Do not deliver before date • Cancel if not delivered by date • Vendor Number • Vendor Name • FOB - CC for Collect or PP for Prepaid 	<ul style="list-style-type: none"> • PO Line Number • UPC • Case Pack ID • SKU • Vendor Product Description • Qty Ordered - selling units • UOM • Unit Price - 3 decimals • Total Purchase Order Amt

Please note, any issues with your Party City PO in regards to the following should be addressed by a member of the respective Merchandising team within 24 hours of receipt of documents:

- Pricing/Cost
- Vendor Item Number
- Vendor UPC
- Orders not meeting minimums
- Unavailability of product
- Cancelled Pos
- Delivery date

The EDI team should only be notified if there is a transmission error.

Section – 2 (Retail only)

The Department code is sent on the 850 in the PER Segment. The descriptions for those Department codes are:

<u>Dept Code</u>	<u>Department code description</u>
#CSSTK	CASE STACK PRESENTATION
#36CH	CHINESE NEW YEAR
#31	CHRISTMAS
#44CH	CHRISTMAS CANDY
#36CI	CINCO DE MAYO
#22	COMMUNION
#55	COSTUME ACCESSORIES
#27	COSTUME SHOP
#27BK	COSTUME BULK
#21	EASTER
#44EA	EASTER CANDY
EVERY	EVERYDAY
#28	FALL
#23	GRADUATION
#24BK	GRADUATION BULK
#26	HALLOWEEN
#26BK	HALLOWEEN BULK
#44HA	HALLOWEEN CANDY
#30	HANUKKAH
#44HK	HANUKKAH CANDY

<u>Dept Code</u>	<u>Department code description</u>
WEB	Internet Store
#56	MARDI GRAS
#56BK	Mardi Gras Bulk
#NS	NEW STORES
#32	NEW YEARS
#36PA	PASSOVER
#24	PATRIOTIC
#36PU	PURIM
REPLN	REPLENISH
#7	SPRING
#20	ST PATRICK'S DAY
#25	SUMMER
#25BK	SUMMER BULK
#18	SUPERBOWL
#29	THANKSGIVING
#44VA	VAL CANDY
#19	VALENTINES

856 Advance Ship Notice

The 856 transaction is used to provide Party City with advance data on the shipments of products so Party City may better plan workloads and receipt processing. The ship notice may be sent no later than the time the shipment leaves the trading partner's shipping area. The ship notice must reflect exactly the product and quantities by carton being sent on the truck as it leaves the trading partner shipping area. Party City requires one PO be associated with each ASN, however, you may have multiple ASN's associated to one PO. The ship notice **must arrive electronically before the physical shipment arrives at the store**. Refer to the Packaging and Packing Instructions section 3 for UCC-128 label requirements for the 856 (ASN). Please take note, batching processes may delay receipt of an ASN to Party City. Shipments received without an ASN are subject to significant reimbursement charges as defined in the Reimbursement and Waiver Policy section 8. The ship notice does not exceed the scope of the bill of lading (BOL), nor does it replace the bill of lading. All small parcel shipments must contain tracking numbers.

In order to systematically match an ASN receiving transaction to its corresponding invoice, we will be adding a new Ref Si field requirement to the 856 and the 810. This field will be used to identify a received carton from a specific ASN shipment to its exact intended invoice. This is particularly useful in situations where there are multiple shipments/invoices against a single PO. The Ref Si field will be the same for the ASN (856) and the Invoice (810) and must be unique to each shipment.



Section – 2 (Retail only)

For example:

ASN Data		
PO #	ASN Carton #	ASN Ref Si
1234567	123400000000000000000001	1234567A
1234567	123400000000000000000002	1234567A
1234567	123400000000000000000003	1234567A
1234567	123400000000000000000005	1234567B
1234567	123400000000000000000006	1234567B
1234567	123400000000000000000007	1234567C
1234567	123400000000000000000008	1234567C

Invoice Data	
Invoice #	ASN Ref Si
98766	1234567A
98766	1234567A
98766	1234567A
98777	1234567B
98777	1234567B
98888	1234567C
98888	1234567C

You will be contacted individually by PC EDI in regards to usage of this new field on the 856 and 810. This field will become mandatory on or around June 1, 2009.

All cartons associated with an ASN must have the Party City approved UCC-128 label that matches the carton ID on the ASN. Missing or incorrect carton labels are subject to significant reimbursement charges as defined in the Reimbursement and Waiver Policy section 8.

ASNs must be received and processed by Party City prior to shipment arrival at receiving facility. If trading partner's ASN has not been acknowledged, trading partner must follow up immediately to ensure the EDI document has been received at Party City prior to shipments arriving at the Party City location.

The following are the Data Fields on the 856 Advanced Ship Notice (ASN):

856 (ASN) DATA FIELDS	
Header Fields	Detail Fields
<ul style="list-style-type: none"> • Vendor Number • Vendor Name • Shipment Number • Shipment Date • Shipped Date • Carrier Details • FOB Shipment Method of Payment • FOB Description • Ship Point Zip Code • Scheduled Receipt Date • Pro Number/Tracking Number • Bill of Lading Number • Invoice Number • Number of Cartons • Weight • SCAC Code • Ship to Store Number • Ship to Address • PO Number • New: Shipment to Invoice ID (Ref Si) • PO Date • FOB - CC for Collect or PP for Prepaid 	<ul style="list-style-type: none"> • Carton Number (Pack Level) • Line Number • Vendor Item Number • UPC • QTY • Unit of Measure

810 Invoices

The 810 Invoice is used for the billing of goods and services provided. All purchase orders received via EDI, must be invoiced using the 810 EDI transaction containing the following information:

The new Ref Si field that is included in the ASN must also be included in the Invoice and must be unique to each shipment. Each Invoice will have the Ref Si populated to match to its specific ASN shipment. That Ref Si field identifier should only be used for a PO one time and be included on the ASN and the Invoice. A new Ref Si number will be needed for any subsequent shipments against a PO and included on both the ASN and the Invoice.

810 (Invoice) Data Fields	
Header Fields:	Detail Fields
<ul style="list-style-type: none"> • Invoice Date • Invoice number • PO Date • PO Number • New: Shipment to Invoice ID (Ref Si) • Ship to Name • Ship to Store Number • Vendor Name • Vendor Number • Terms Discount Percent • Terms Discount Due Date • Terms Net Due Date • Terms Description (Exact Description from 850 Document) • Terms Discount Days • Terms Net Days • Invoice Notes • Transaction Set Purpose Code • Date Shipped • FOB Method • FOB Description • Bill of Lading/ PRO Number • SCAC Code 	<ul style="list-style-type: none"> • Line Sequence Number • Quantity Invoiced • Unit of Measure (UOM) • Unit Price • Vendor Item Number • UPC • Allowance or Charge Indicator • Allowance Code • Allowance/Charge Amount • Method of Handling • Total Invoice Amount • Transportation Code • Number of Units Shipped • Routing • Weight

Transmission Errors

When errors are detected on inbound EDI documents, trading partner will be notified. After notification, trading partner is required to correct and re-send the documents within 24 hours. Trading partner must notify Party City the corrected documents have been re-sent.

997 Functional Acknowledgement

Functional Acknowledgements (FA) are required for each functional group transmitted. The FA must be sent by the receiver of the functional group, to the sender, by the close of the next business day after receipt. The FA transaction provides a positive response informing the sender if the contents of the transmission are syntactically correct. *Failure to transmit acknowledgements within 24 hours of receipt of*

Section – 2 (Retail only)

transmission, will result in reimbursement charges being assessed in accordance with the Reimbursement and Waiver Policy section 8. If the FA is not received within 24 hours after the document is sent, the sender must contact the Party City EDI team to identify issues if they exist. The FA is not an acknowledgement of any application data such as terms, discounts, SKU or UPC numbers.

Getting Started

Exchange of EDI and AS2 information

The first step in setting up the trading partner relationship is the EDI TP Questionnaire which is located on our website at <http://www.partycityvendors.com/>, under the section EDI Specifications and Guidelines. This form must be filled out and sent to the EDI Team at Party City, Nancy Higgins, nhiggins@partycity.com or Patty Madden, pmadden@partycity.com. If EDI is outsourced, please consult your provider when completing the AS2 portion of the form. Please note the AS2 certificate is part of the information exchange.

A test schedule will need to be established to meet the two week requirement for completion of testing AS2 connectivity, 850, 810, 856, and 997 and providing a copy of the UCC-128 label.

A complete system test is required with the trading partner and Party City verifying the accuracy of the exchange of data. This test also determines compliance with any unique conditions that have been mutually agreed upon by the partners.

From a technical standpoint, the purpose of the complete system test is to verify the following capabilities:

- The ability to send and receive transmissions to and from the trading partner
- The translation of documents to and from trading partner
- The ability to process the output from the translation process
- The generation of the Functional Acknowledgment (997)
- UCC-128 Label compliance

The testing process will consist of Party City sending an 850 (PO) to verify the data is correct and the mapping is able to translate the data correctly. The 850 (PO) must be accepted and the 997 Functional Acknowledgement must be returned to Party City. Additionally, Party City requires each PO/Shipment be accompanied by the 856 (ASN) and the 810 (Invoice) EDI documents and the UCC-128 label.

When testing is complete and all parties have agreed to the successful exchange of data, an EDI live date will be established to trade documents in production. Upon completion of testing, all tested document types must be transmitted via EDI.

Once in production charge backs for non-compliance will be assessed for failure to transmit any documents via EDI.

Section 3A Retail Packaging & Packing Instructions

Overview – Party City (includes Party City, Party America and The Paper Factory)

As business partners driving mutually beneficial supply chain efficiencies, this section contains detailed instructions on packaging, carton labeling and marking, and shipment documentation for merchandise shipped to Party City. Amscan/Party City is committed to working with our vendor partners to improve product packaging/handling and to increase automation efforts.

It is expected all vendors will comply with the requirements set forth in this Vendor Standards Manual. Non-compliance will result in reimbursements to Party City for processing expenses incurred due to non-compliance. Reimbursements are outlined in Reimbursement and Waiver Policy, Section 8.

All labels applied directly to product must include a removable adhesive so product is not damaged. Placement of labels should not block the UPC or otherwise interfere with operating or product care instructions, as well as any other pertinent product information.

Packaging Instructions for Merchandise

In order to expedite the receiving of cartons and maintain a high level of accuracy in processing, the following guidelines have been established:

- Only one PO per carton is permitted.
- Each selling unit must contain a valid, scannable, Universal Product Code (UPC) clearly visible and affixed.
- Carton weight should not exceed 45 pounds, unless the product itself weighs more than 45 pounds. If so, a sticker indicating the product exceeds 45 pounds must be attached and clearly visible.
- Seal shipping cartons with tape or light adhesive. Do not use staples or bands.
- Package merchandise in new sturdy cartons capable of withstanding normal shipping and handling.
- PO should be shipped utilizing the least number of cartons while maintaining shipping container integrity and not incurring additional freight charges.
- Do not use loose fill in shipments such as foam chips, shredded paper or straw like material without obtaining prior written approval from the Amscan Logistics Department. If approval is obtained, clearly identify on the cases with loose fill, in clear writing, that **“loose fill is contained within”**.
- Location address, including store number, and PO number are to be CLEARLY marked on the outside of each carton. A Party City approved UCC 128 label is required for all DSD shipments for corporate stores.
- When multiple carton shipments are made, cartons are to be marked 1 of X, 2 of X, ... X of X.
- Packing slip is to be enclosed in or affixed to the lead or last carton. If it is enclosed within a carton, the carton must be clearly labeled indicating the packing slip is enclosed. Clearly labeled is defined as a label with a minimum size of 2" x 3" and lettering of at least a size 22 font. Multiple PO's shipped on the same day must be packed individually.

Section 3A Retail

Unless granted advance written approval from the Amscan/Party City Logistics Department, shipments not meeting the minimal requirements may be refused upon delivery and returned to the vendor at the vendor's expense. When shipping small packages consolidate to the largest carton size available to minimize # of cartons shipped. Only master cartons should have the UCC-128 label, containing information for all inner cartons.

CONEG: Packaging Requirement

Manufacturers and suppliers of packaging and packaging components are required by law to furnish a certificate of compliance to customers upon request (refer to the introduction section). This applies only to companies who actually put their products in the package and does not apply to the retailer or the individual consumer. The public and state also have access to these certificates.

Should there be any problems after cartons are received, or there is non-compliance with the above criteria, a redesign will be done to comply. Watch this very carefully so that this process and potential charge backs can be avoided. Failure to meet the Quality Control guidelines will result in penalties as listed in Section 8 (Reimbursement And Waiver Policy) and Section 9 (Terms and Conditions)

Traceability

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.

Marking/Labeling of Cartons

Party City's EDI Team will oversee the approval of the UCC-128 label. Vendors must follow these guidelines for labeling cartons:

Prior to ASN Certification, vendors must include the following on their labels:

- Store Number
- Purchase Order Number
- Store Name and Address (see the Ship To Bill To (S2B2) file for accurate information)
- When multiple carton shipments are made, cartons are to be marked 1 of X, 2 of X, ... X of X.
- All master cartons must be clearly marked with a label no smaller than 2" x 3" and no larger than 3" x 4" containing the department description, such as: Halloween, Valentine's Day, Replenishment, Everyday, etc. For example, Halloween merchandise should read, "HALLOWEEN" on the outside of the carton. The font must be no smaller than 48 point font and must fit on the label used.

Upon ASN Certification, vendors are responsible for the following:

Effective for all shipments on the date of ASN certification, carton labels for all Party City shipments must be a 4" x 6" UCC-128 shipping label. Each vendor is responsible for supplying UCC-128 labels (as outlined later in this section). These labels may be made in-house with bar-code software or vendors may outsource this responsibility. Party City reserves the right to make future label changes should it be deemed necessary.

Section 3A Retail

ASN Certified vendor labels must include the following:

- All Party City Purchase Order (PO) numbers must not be modified and must be human readable.
- All Party City SKUs must be human readable.
- The quantity must always be human readable. The quantity must reflect the number of selling units. For example, if shipping 24 units of an item, the quantity would be 24. No decimals are used.
- The Party City department number must be human readable. The Department No. is provided on all Party City POs. If unclear of the Department No., contact the Party City Planning and Allocations team to identify the Department No.
- UCC-128 labels must be placed on the lower right hand corner of the longest side of the master carton approximately two inches from the carton edges. There should be no labels on the inner cartons. All ASN information for inner cartons should be contained under the label on the master carton.
- When multiple carton shipments are made, cartons are to be marked 1 of X, 2 of X, ... X of X.
- All merchandise must be clearly marked with the department description, such as: Halloween, Valentine's Day, Replenishment, Everyday, etc. For example, Halloween merchandise should read, "HALLOWEEN" in box 5 of the UCC 128 label. The font must be no smaller than 48 point font and must fit on the label used. Refer to the label format examples in this section for more information. If unclear of the department, contact the Party City Planning and Allocations team.

The department information is sent on an 850 EDI PO in the PER Segment as a Department Code. The descriptions for those Department codes are:

<u>Dept Code</u>	<u>Department code description</u>
#CSTK	CASE STACK PRESENTATION
#36CH	CHINESE NEW YEAR
#31	CHRISTMAS
#44CH	CHRISTMAS CANDY
#36CI	CINCO DE MAYO
#22	COMMUNION
#55	COSTUME ACCESSORIES
#27	COSTUME SHOP
#27BK	COSTUME BULK
#21	EASTER
#44EA	EASTER CANDY
EVERY	EVERYDAY
#28	FALL
#23	GRADUATION
#24BK	GRADUATION BULK
#26	HALLOWEEN
#26BK	HALLOWEEN BULK
#44HA	HALLOWEEN CANDY
#30	HANUKKAH
#44HK	HANUKKAH CANDY

<u>Dept Code</u>	<u>Department code description</u>
WEB	Internet Store
#56	MARDI GRAS
#56BK	Mardi Gras Bulk
#NS	NEW STORES
#32	NEW YEARS
#36PA	PASSOVER
#24	PATRIOTIC
#36PU	PURIM
REPLN	REPLENISH
#7	SPRING
#20	ST PATRICK'S DAY
#25	SUMMER
#25BK	SUMMER BULK
#18	SUPERBOWL
#29	THANKSGIVING
#44VA	VAL CANDY
#19	VALENTINES



Section 3A Retail

Label Format



Labels must include the following information and must be in the format specified by Party City. Remember to include the field identifier numbers when bar-coding.

BOX 1	FROM	Vendor name and address where the merchandise ships from
BOX 2	TO	"Party City", store number, address and zip code that merchandise is being sent to or the destination as specified on the PO.
BOX 3	SHIP TO POST	Ship to zip code must be human readable and bar-coded.
BOX 4	CARRIER INFORMATION	SCAC code and one of the following: Tracking number, PRO number, Bill of Lading (BOL) number.
BOX 5	DENOTE DEPARTMENT DESCRIPTION	The vendor must input the department description. Department Code is obtained from the PO.
BOX 6	DEPARTMENT	Party City department in which the vendor product is categorized. Department information is obtained from PO.
BOX 7	SKU UPC DESCRIPTION OR MIXED	The Party City SKU number must be human readable. Should also contain UPC and the Party City Item description. If more than one SKU per carton, the SKU should read "MIXED", UPC should be blank, and the Description should be blank.
BOX 8	PO NUMBER PARTY CITY VENDOR NUMBER	The PO# appearing on the Party City PO. PO# must be human readable. The vendor number is the Party City assigned vendor number.
BOX 9	QUANTITY	The quantity must be human readable. The quantity is the total number of selling units in a carton. Field must be blank if more than one SKU in carton.
BOX 10	MARKED FOR	Final destination of the merchandise. The store number is four digits in length, must be human readable. Must use the full address of the final destination. Please use larger font for store no. (48).
BOX 11	SSCC-18 STANDARD UCC-128 BAR CODE	Carton serial number, which must be unique and never repeated on any cartons or shipments. This must be human readable and bar-coded for a total of 20 digits. "00" is the application identifier. Position 18- must use "0" to indicate the shipping container is a case or carton. Position 17 – "0" indicates your company has a unique number assigned by the UCC. Positions 16 through 11 - indicate the unique number assigned to your company by the UCC. Positions 10 through 2 – indicate the sequential numbering of cartons, unique for each carton and not repeated for 2 years. Position 1 – Modulo 10 check digit.

Party City UCC-128 Label Format
Carton Label Requirements
Single SKU Label Format
For Direct to Store Shipments

Box 1	From: XYZ Party Supply 123 Party Place Anytown, NJ 07866	To: Party City Store #0012 321 Main St. Anytown, NJ 07866	Box 2
Box 3	07866 	Carrier Information	Box 4
Box 5	<h1>Halloween</h1>		
Box 6	Dept. 26	SKU: 12345	Box 7
Box 8	PO #: 123456789	UPC: 021300147097	
	Vendor #: 111	Description: Party City Item	
Box 9	Quantity 0024	#0012 321 Main St Anytown, NJ 07866	Box 10
	 (00) 0 06 14141 123456789 0		Box 11

Party City UCC-128 Label Format
Carton Label Requirements
Multi - SKU Label Format
For Direct to Store Shipments

Box 1	From: XYZ Party Supply 123 Party Place Anytown, NJ 07866	To: Party City Store #0012 321 Main St. Anytown, NJ 07866	Box 2
Box 3	07866 	Carrier Information	Box 4
Box 5	<h1>Halloween</h1>		
Box 6	Dept. 26	SKU: MIXED	Box 7
Box 8	PO #: 123456789	UPC:	
	Vendor #: 111	Description:	
Box 9	Quantity	#0012 321 Main St Anytown, NJ 07866	Box 10
	 (00) 0 06 14141 123456789 0		Box 11



Party City UCC-128 Label Format

Carton Label Requirements



Single SKU Label Format

For "Ship To - Marked For" Shipments

(By-Pass or Consolidation)

Box 1	From: XYZ Party Supply 123 Party Place Anytown, NJ 07866	To: Party City Store #0999 123 State St. Anytown, PA 06543	Box 2
Box 3	06543 	Carrier Information	Box 4
Box 5	Halloween		
Box 6	Dept. 26	SKU: 12345	Box 7
Box 8	PO #: 123456789	UPC: 021300147097	
	Vendor #: 111	Description: Party City Item	Box 10
Box 9	Quantity 24	#0012 321 Main St Anytown, NJ 07866	
	 (00) 0 06 14141 123456789 0		Box 11

Party City UCC-128 Label Format
Carton Label Requirements
Multi-SKU Label Format
For "Ship To - Marked For" Shipments
(BY-Pass or Consolidation)

Box 1	From: XYZ Party Supply 123 Party Place Anytown, NJ 07866	To: Party City Store #0999 321 Main St. Anytown, NJ 07866	Box 2
Box 3	06543 	Carrier Information	Box 4
Box 5	<h1>Halloween</h1>		
Box 6	Dept. 26	SKU: MIXED	Box 7
Box 8	PO #: 123456789	UPC:	
	Vendor #: 111	Description:	
Box 9	Quantity	#0012 321 Main St Anytown, NJ 07866	Box 10
	 (00) 0 06 14141 123456789 0		Box 11

Section 3A Retail

Packing Slips

Party City requires a packing slip for all shipments. Only 1 packing slip per PO # shipped. The packing slip must contain the following information:

- Party City PO number
- Party City Store Number
- Number of cartons
- Item descriptions, SKU # (only if EDI certified)
- Item quantities
- Grand total units

For common carrier shipments, insert packing slips into a removable pouch and place on the outside of a "Lead Carton" (1 of X) or "Last Carton" (X of X) for each shipment. Indicate "Lead Carton" on carton or place in a "Packing Slip Enclosed" preprinted pouch. In addition, the packing slip can be placed inside a "Lead Carton" or "Last Carton" where the carton is clearly labeled "Packing Slip Enclosed" on the outside of the carton. The carton containing the packing slip must be placed on the top layer of the pallet with the clearly marked "Packing Slip Enclosed" area facing out.

For parcel shipments, the carton labeled 1 of X is the "Lead Carton," and the carton labeled X of X is the "Last Carton." Follow the instructions described above for packing slip placement.

Packaging & Packing Instructions

Amscan packing and packaging requirements

TOPS and its importance

Packaging is designed using Total Optimization Packaging and Palletization Software (TOPS). Every new product is put through the TOPS program to determine the most efficient use of space (dimensions), as well as effective carton weight. For existing products, the inner pack dimensions and weight may be used to develop new master carton packaging. The program will generate several inner and master carton packaging options and pallet designs based on desired parameters.

Five key reasons why it is important for you to follow the requested packaging:

1. If the master carton is too large, it will not fit into the flow racks and the inners will have to be hand-stacked. Flow racks have an opening of 17". The width of the master carton must be under 17".
2. If the flap orientation is not as requested, a cut to the side of the master carton open in the flow racks, which can lead to damaged product.
3. Master carton weight can not be above 40 lbs. For safety and efficiency, the weight and inner carton quantity may need to be reduced.
4. Inner pack quantity must be as requested.
5. Packaging too large for the product may result in crushed cartons when stacked which in turn will cause wasted space and possibly damages.

For most products, only one each is available for packaging design. In this case, we will generate estimated packaging dimensions and weights. This packaging is developed as a guideline to illustrate our desired inner pack quantity and orientation in the master carton. Flap orientation of the master carton is important. A 1" variance in any dimension on the master carton is acceptable. Penalties will be assessed with variances over 1" if the dimensions are not approved by warehouse management. If your packaging is not within this tolerance, please contact the Tops Engineer with your suggested dimensions. Your recommendations will be evaluated for acceptance or you will be instructed to re-design the master carton based on your inner pack dimensions. **These dimensions must be approved by Amscan prior to purchasing packaging materials.**

Pallet Loads

Palletized loads are not to exceed the maximum height of 54" including the pallet. Any items requiring pallet stacks higher than 54" must get approval from the Amscan Distribution Center prior to shipping. Only GMA standard wooden pallets 40" x 48" grade B or higher should be used. TOPS shows recommended pallet designs based on calculated master carton dimensions. Please refer to this pallet design to ensure proper pallet configuration. A variance of 1" in one or more dimensions of the master carton may not allow for the desired pallet configuration. Please notify the Tops Engineer if you cannot fit at least the specified master carton quantity on a pallet. There should be no overhang front to back; there can be some overhang side-to-side but no more than 1" unless otherwise approved. All pallet loads should be secured and wrapped appropriately for the product to arrive at the Distribution Center intact. Double stacked pallet loads are acceptable for domestic shipments, unless damages are occurring. Amscan may exercise the right to require vendors to single stack, add corner supports, slip-sheets, or other securing methods for future shipments, this will minimize your damages and enable us to lessen the double handling of product. In the event shipments arrive at the DC and are not compliant with

Section – 3b (Wholesale)

Pallet load specifications, damaged or require restacking, vendors will be charged back for additional handling and/or the shipment refused.

Existing product with TOPS specifications

Please check your files thoroughly. If for any reason, on a specific item number you need any additional copies of the TOPS form, please let the TOPS Engineer know immediately. You will need to verify this list and let the TOPS Engineer know of any discrepancies or additional information needed within the next thirty (30) days. In any case where there is differing information on the Amscan purchase order, please contact your product manager and the TOPS Engineer to confirm the correct quantities.

Existing product without TOPS specifications

On any other product you are shipping to us, please continue shipping as you have been. Any changes you wish to make on existing product must be communicated to and approved by Amscan.

We are reviewing all current product in our distribution center. Any item which is an issue due to weight or size causing us undue material handling may be reviewed and reassessed. In that case, a TOPS form will be forwarded to you.

We are charging you as our business partner, with the responsibility of understanding and complying with Amscan's TOPS program on all new product moving forward. This pertains to all product sold to Amscan.

How to read a TOPS form

Once a TOPS form has been created, it will be emailed to you by the TOPS Engineer. You will need to review the TOPS form and advise the TOPS Engineer that you agree to the packing that is shown in the form. If you do not agree to the packing method, contact the TOPS Engineer to resolve any problems before the item is shipped to avoid any penalties.

TOPS examples are shown on the next three pages. The first page is in English units of measure (inches and pounds) and the second page is in Metric units of measure (millimeters and kilograms).

Section **A** shows the packing of the eaches in the inner carton and identifies the number of eaches per inner. The dimensions are also listed. In the example, the eaches are packed in a poly-bag inner. If the eaches are in a corrugate inner box, this will be visible in the picture.

Section **B** shows the packing of the inners in the master carton and lists the number of inners per master. The dimensions are also listed. The master carton will always be shown as corrugate carton. Please note the orientation of the inners in the master.

Section **C** - This section is only for vendors shipping product to us on pallets and for warehouse use.

Section **D** is a summary of the carton information. "Carton (OD)" is the measurements of inner carton. "Shipper (OD)" is the measurements of the master carton. (Ln = Length, Wd=Width, Ht=Height, and Grs=Gross Weight)

Notes: Any additional packing notes are listed in this section. If the inner is a poly-bag, this will be noted in this section. This section will list all of the items that this form applies to.



Section – 3b (Wholesale)

The third page shows an example where the number of eaches in the inner is equal to the number of eaches in the master. Since there are no inner cartons, only the master carton is shown. This carton should have a master carton label with a 300 series (inner carton) barcode.

Please contact the TOPS Engineer for any questions concerning packing requirements that are not listed in the TOPS form.

TOPS Engineer

Nettie Thompson

E-mail : nthomps@amscan.com

Phone: 845-572-2151

TOPS Manager

Paula Kochon

E-mail : pkochon@amscan.com

Phone: 845-469-9116 ext. 2133

EXAMPLE OF ACTUAL TOPS FORMS

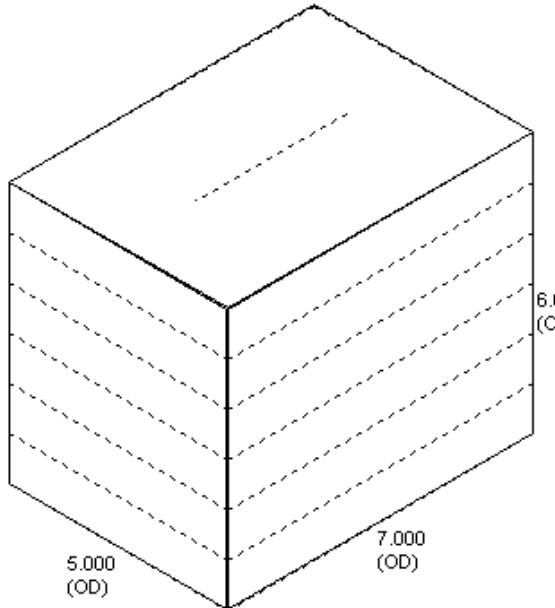
Section – 3b (Wholesale)

123456-PARTY ITEM

Tops Engineering

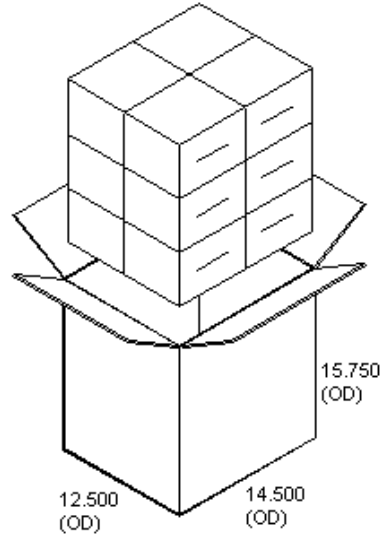
8/5/2005

A.



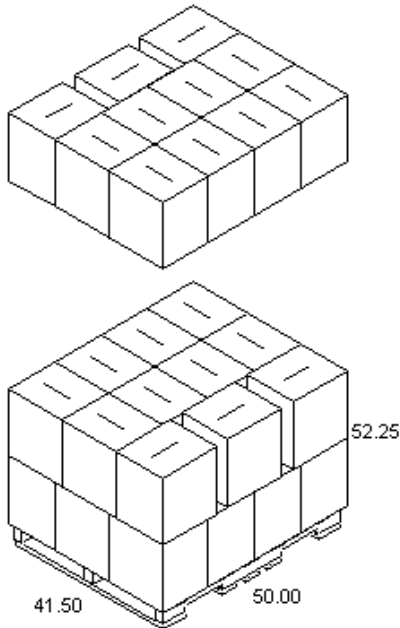
6 EACHES PER INNER

B.



12 INNERS PER MASTER

C.



D.

GMA (Notched) 48.00x40.00x5.00

	Carton (OD)	Shipper (OD)	Unit Load (Incl. Pal)
Ln:	7.000 in	14.500 in	50.00 in
Wd:	5.000 in	12.500 in	41.50 in
Ht:	6.000 in	15.750 in	52.25 in
Net:	0.000 lb	0.000 lb	0.000 lb
Grs:	2.547 lb	31.619 lb	1093.439 lb
Cube:	210.00 in ³	1.6520 ft ³	62.7423 ft ³
	Height Vert	Height Vert	
Carton:		72	2376
Carton:		12	396
Shipper:			33
Area Efficiency:		97.2 %	103.8 %
Cubic Efficiency:		96.4 %	96.2 %
Cases per layer:			11
Layers/load:			3
Pattern:		2x2x3	Interlock
RSC Area:		10.59 ft ²	350 ft ²

Notes: Inner is a polybag. Close and securely tape the polybag to prevent the eaches from falling out. This form applies to items 123456 and 123457. All measurements are approximate.

3:41 pm

Nettie Thompson, Page 2

Vendor Acceptance of Design: _____ Date: _____

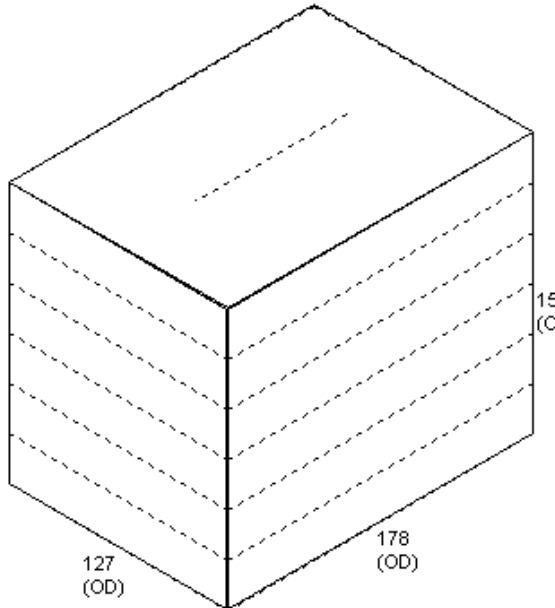
Section – 3b (Wholesale)

123456-PARTY ITEM

Tops Engineering

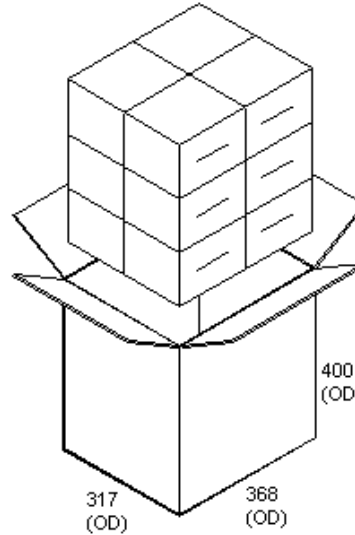
8/5/2005

A.



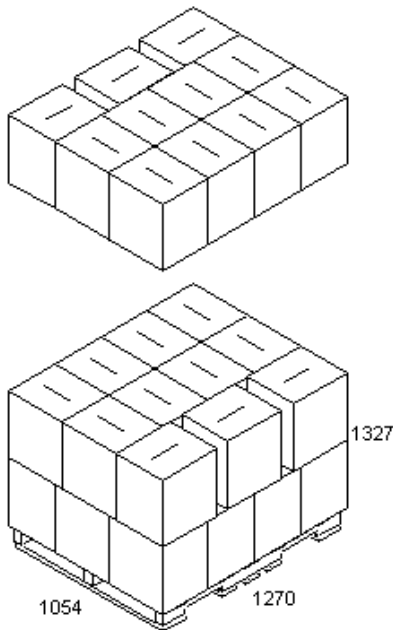
6 EACHES PER INNER

B.



12 INNERS PER MASTER

C.



D.

GMA (Notched) 1219x1016x127

	Carton (OD)	Shipper (OD)	Unit Load (Incl. Pal)
Ln:	177.80 mm	368 mm	1270 mm
Wd:	127.00 mm	317 mm	1054 mm
Ht:	152.40 mm	400 mm	1327 mm
Net:	0.00 kg	0.000 kg	0.000 kg
Grs:	1.16 kg	14.342 kg	495.973 kg
Cube:	3.4 l	0.0468 m ³	1.7767 m ³
	Height Vert	Height Vert	
Carton:		72	2376
Carton:		12	396
Shipper:			33
Area Efficiency:		97.2 %	103.8 %
Cubic Efficiency:		96.4 %	96.2 %
Cases per layer:			11
Layers/load:			3
Pattern:		2x2x3	Interlock
RSC Area:		0.98 m ²	32 m ²

Notes: Inner is a polybag. Close and securely tape the polybag to prevent the eaches from falling out. This form applies to items 123456 and 123457. All measurements are approximate.

8:43 pm

Nettie Thompson, Page 2

Vendor Acceptance of Design: _____ Date: _____

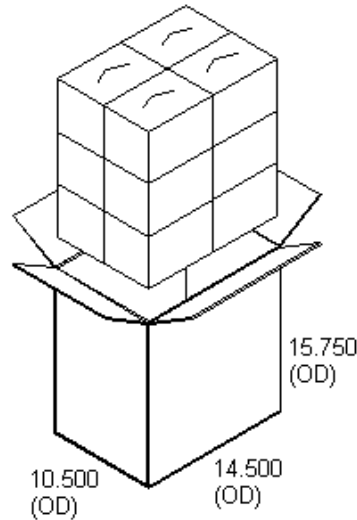
Section – 3b (Wholesale)



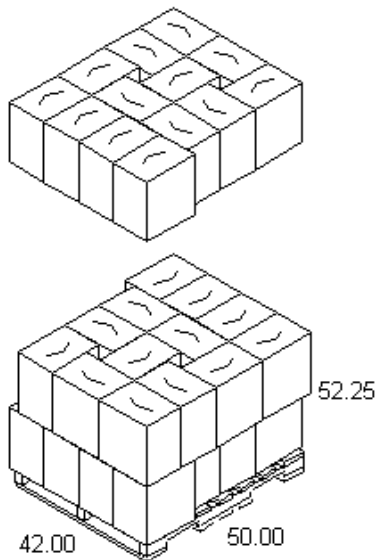
Tops Engineering

12345-PARTY ITEM INNER=MASTER

Date Printed : 4/10/2007
Last Saved : 4/10/2007



12 EACHES PER INNER, INNER CARTON = MASTER CARTON



GMA (Notched) 48.00x40.00x5.00

	Carton (OD)	Shipper (OD)	UnitLoad (Incl. Pal)
Ln:	7.000 in	14.500 in	50.00 in
Wd:	5.000 in	10.500 in	42.00 in
Ht:	5.000 in	15.750 in	52.25 in
Net:	0.000 oz	0.000 lb	0.000 lb
Gr:	32.000 oz	24.911 lb	1036.547 lb
Cube:	175.00 in ³	1.3877 ft ³	63.4983 ft ³
	Height Vert	Height Vert	
Carton:		12	468
Shipper:			39
Area Efficiency:		96.9 %	103.1 %
Cubic Efficiency:		96.1 %	95.5 %
Cases per layer:			13
Layers/load:			3
Pattern:		2x2x3	Diagonal
RSC Area:		9.11 ft ²	355 ft ²

Notes: The inner/master must be a strong double walled corrugate carton. All measurements are approximate.

Vendor Acceptance of Design: _____ Date: _____

Quality Control guidelines

In addition to our TOPS Program, Quality Control is another issue of paramount importance.

The following are Quality Control guidelines all Vendors must adhere to. While many of these guidelines seem like good, practical common sense, the daily abuse encountered at all of Amscan Distribution Centers warrants the reiteration of the guidelines below. Failure to comply with any of the below requirements will result in charge backs (see section 8 Reimbursement and Waiver Policy).

Labeling Requirements

- Labeling is checked on the master, inner, and eaches.
- Julian Date Coding is required on the master carton, inner pack and eaches.
- Labeling for master carton, inner pack and eaches must all have a scannable bar code.
- Each label has its own set of specifications. Refer to the separate sections for label requirements.

UPC/Bar Code Requirements

- UPC's are checked for scannability and for the correct readable digits printed below the bar (human readable).
- Bar Codes are scanned for correctness. All bar codes must scan and verify against ANSI standards with a grade of "C" or better.
- It is the vendor's responsibility to ensure correct scannability of all bar coding.

Packaging

- Packaging is checked to make sure that inners per master, eaches per inner, and eaches per master are correct according to Amscan's specifications.
- Packaging is checked to make sure correct packaging is used for each product if required (example: bubble wrap, corrugated inserts, special packaging if required / necessary).
- If poly-bags are to be used for inners, they must be a minimum of a 3 mil polyethylene bag.
- No strapping to be used on master cartons (do not strap 2 master cartons together).
- No staples to be used on master cartons.
- No sub masters are ever to be used.

Quality/Artwork

- Product is checked against the approved sample by the Product Manager or catalog copy.
- Item packaging is checked for new artwork and color schemes.
- Any quality defects are the responsibility of the maker. Chargebacks will be issued for any product which requires re-working or replacement.

Dimensions & Weight

- Measurements and weights are checked by the Cubiscan team and must meet all Amscan and TOPS requirements.
- No master carton should exceed the weight of 40 lbs. You must have approval from warehouse management prior to shipment being made if the weight of the master carton exceeds 40lbs.
- **MINIMUM MASTER CARTON SIZE:** 12" Length x 12" Width x 12" Height (prior approval is needed for any master carton deviating from the minimum carton size)
- **MAXIMUM MASTER CARTON SIZE:** 20" Length x 17" Width x 16" Height. (prior approval is needed for any master carton deviating from the maximum carton size)
- Final weights and dimensions of master cartons must be supplied to Amscan no later than 2 weeks prior to shipment.
- For items where the number of pieces in the inner is equal to the number of pieces in the master, the dimension requirements do not apply.

Master Carton

- Carton should always be made of durable, double-walled, shippable corrugate.
- Masters weighing up to 20 lbs, the minimum requirements are a 200 lbs per square inch (14.1 kg per square cm) bursting test or a 32 lbs per inch (5.7 kg per cm width) edge crush test.
- Masters weighing over 20 lbs, the minimum requirements are a 200 lbs per square inch (14.1kg per square cm) bursting test or a 48 lbs per inch (8.6 kg per cm width) edge crush test.
- You may not mix SKUs in a Master.
- **MASTER CARTON PACKS:** This should be done in an even number amount of inners. (i.e.: 4, 6, 12, 18, 36, etc.) Variances must be approved prior to shipment. We will not accept 2 inners per master. These items should either be changed to 3 inners per master or the inner should equal the master.

CONEG: Packaging Requirement

Manufacturers and suppliers of packaging and packaging components are required by law to furnish a certificate of compliance to customers upon request (refer to the introduction section). This applies only to companies who actually put their products in the package and does not apply to the retailer or the individual consumer. The public and state also have access to these certificates.

Should there be any problems after cartons are received, or there is non-compliance with the above criteria, a redesign will be done to comply. Watch this very carefully so that this process and potential charge backs can be avoided. Failure to meet the Quality Control guidelines will result in penalties as listed in Section 8 (Reimbursement And Waiver Policy) and Section 9 (Terms and Conditions).

Traceability

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.

Amscan Labels

Master Carton Labels

Amscan uses a sophisticated warehouse management system. The labeling of all master cartons according to the following guidelines will assist in maintaining accurate inventory levels at our distribution centers and will make it easier to service our customers. All efforts to meet these specifications must be made. Any questions regarding this should be handled with Kim O’Shea at fax number: 845-572-2178.

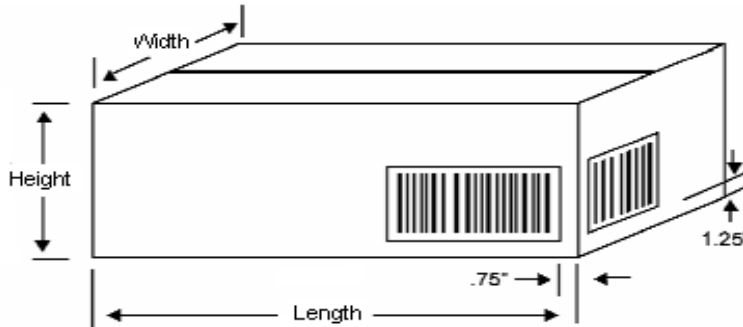
Master Carton Label Guidelines

- White labels with Black print are to be used unless specifically directed otherwise.
- Bar Code is interleaved 2 of 5, 14 digits or standard subset, 6 symbology.
- Bar Code must be scannable.
- Width of the narrow bar and space between bars to be a minimum of .015” (or 15mil).
- Minimum bar code height is ½”
- The bar code must be printed on the label to allow at least ¼” white zone around the entire perimeter of the bar code.
- Label Size: 6” x 4” minimum; 6” x 6” maximum. (If label size is larger than the master carton, smaller labels may be used upon approval.)
- Use 2 labels per carton on adjacent sides
- Do not place label over sealing tape where box flaps join.
- Labels MUST be in type, NO handwritten labels
- The following information must be on all Master Carton labels:
 - Amscan Item Number
 - Unit of Measure Conversion:
 - EA/IP = Eaches per Inner pack (retail units per selling unit)
 - IP/MC = Inner pack per Master Carton (selling units per purchasing unit)
 - Total number of eaches in the Master Carton
 - Amscan Item Description
 - Amscan Purchase Order Number
 - Your Amscan Vendor Number
 - Country of Origin
 - Amscan name and locations
 - The 14 digit interleaved 2 of 5 Bar Code with the horizontal lines all printed.
 - Human readable digits of the Bar Code printed directly underneath bars
 - Production code printed below the Bar Code – (Julian Date Code) Example - June 1, 2009 to read as follows 09152.

Master Carton Label Placement

The location of the Interleaved 2 of 5 (SCC 14) Bar Code on each side is as follows:

- Bottom of the bars must be be 1.25" (+/-0.25") from the bottom of the carton.
- The clear areas on the sides of the bar code must be at least 0.75" from both edges of the carton.
- Interleaved 2 of 5 (SCC-14)
- See diagrams below for label placement



Master Carton Label Example

58011
10 INNERS X 12 PKGS = 120/MSTR
PANSIES 9 oz CUP
PO# 999999 VENDOR # 999999
MADE IN USA Amscan Inc. Elmsford NY 10523 USA
Canada Dorval PQ H9P 2T8
England Milton Keynes MK10 0DA

50048419078680
09152

* 500-Series bar code denotes this carton is a Master.

When the number of pieces in an inner carton equals the number of pieces in the master carton or the distribution will be done only by the complete Master Carton, the barcode should be the 300 series with all master carton information as shown on the example below.

123456

1 Inner X 12 eaches = 12/master

4" X 6" vertical window frame

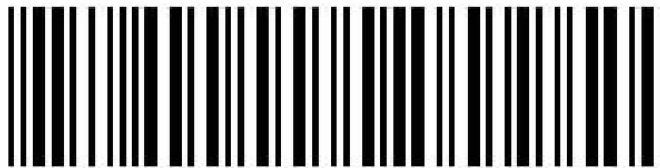
PO#55555

Vendor #999

Made in China

----- Amscan Inc.

Elmsford, NY 10523 USA
Canada Dorval PQ H9P 2T8
England Milton Keynes MK10 0DA



30048419648209

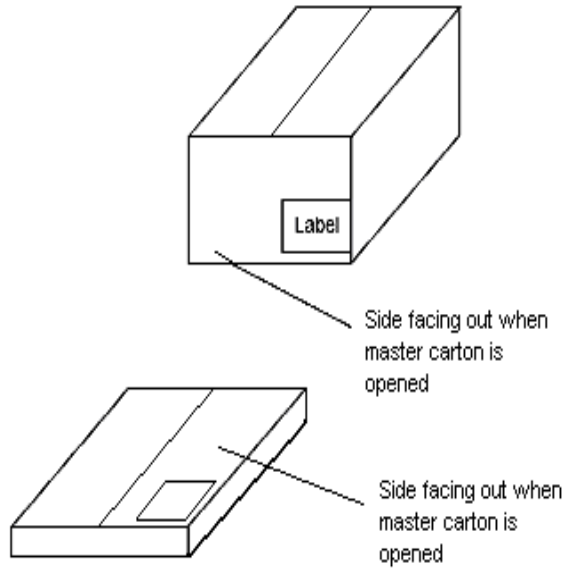
09152

Inner Carton Labels

Inner Carton Label Guidelines

- White labels with Black print are to be used unless specifically directed otherwise
- Bar Code must be scannable
- Label Size: 4 5/8" Wide x 3 1/2" High (If label size is larger than the inner carton, smaller labels may be used upon approval.)
- Place label on the inner carton so that the inner label is showing when the master carton is opened. If the side that is facing out when the master carton is opened is too small to fit the label, the largest size may be used.
- The following information must appear on the label:
 - Amscan Item Number
 - Number of packages in the inner
 - Amscan product description
 - Amscan name and locations
 - Bar Code, interleaved 2 of 5, 14 digits
 - Human readable digits of the Bar Code printed directly underneath bars
 - Production code printed below the Bar Code – (Julian Date Code) Example - June 1, 2009 to read as follows 09152.

Inner Carton Label Placement



Inner Carton Label Example

390505 **6 PKG**
45MM PSYCHEDLIC BOUNCE BALL HC
Amscan Inc. Elmsford NY 10523 USA
Canada Dorval PQ H9P 2T8
England Milton Keynes MK10 0DA



30048419614143
09152

* 300 – Series bar code denotes this carton is an Inner.

Eaches Labels

The correct printing of clear UPCs is of primary importance due to market sensitivity. If an incorrect UPC is printed, or the UPC is un-scannable, there will be a chargeback without warning due to the ramifications of the error.

All barcodes appearing on the label printed for Amscan’s use shall meet the specifications contained herein.

In most cases, Amscan provides the UPC artwork (included with the each packaging artwork) to our vendors. Whether or not Amscan supplies eaches label artwork, the vendor should pay specific attention to the following guidelines.

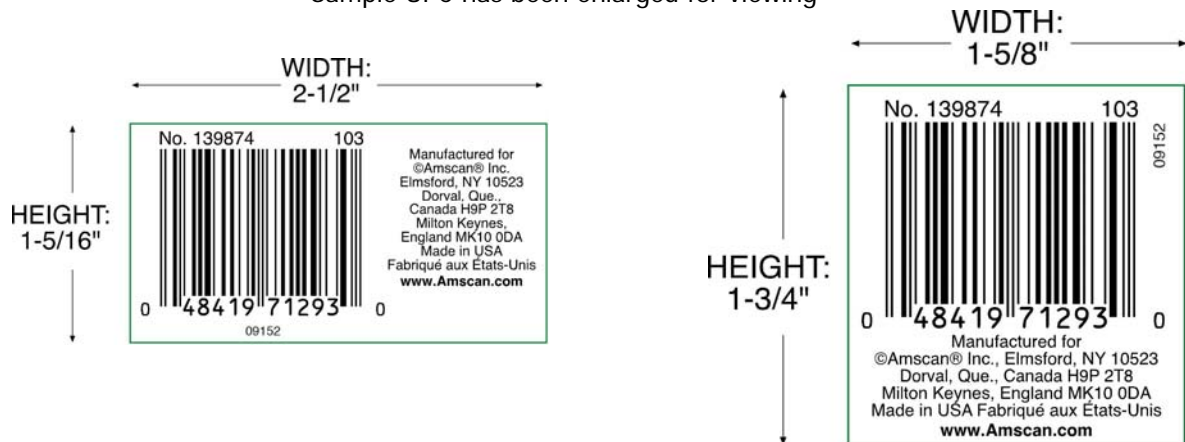
Eaches Label Guidelines

- White labels are to be used unless specifically directed otherwise
- Print in black
- All UPC's should be in standard UPC-A format and scan at the grade level of "C" or better
- Barcode must be scannable
- Label size needs to be an appropriate size for the item (no over hang)
One label is to be used unless the item/each come in a box, container, or display. In this case the box, container, or display AND the piece must each have the label.
- The following information needs to be on the labels
 - Amscan item #
 - Your Amscan Vendor Number
 - Country of origin
 - UPC/barcode
 - Human readable version of the bar field must appear directly below the barcode
 - Amscan name and locations (if applicable)
 - Production code printed below or to the side the Bar Code – (Julian Date Code)
 - Example – June 1, 2009 to read as follows 09152.

Eaches Label Examples

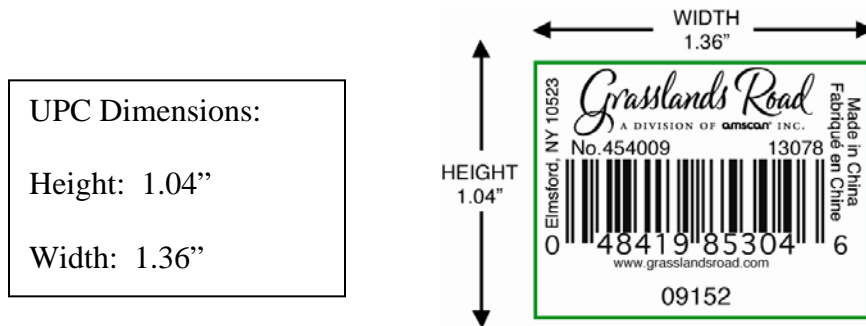
EXAMPLE OF AMSCAN ITEM UPC LABEL

Sample UPC has been enlarged for viewing



EXAMPLE OF GRASSLANDS ROAD ITEM UPC LABEL

Sample UPC has been enlarged for viewing



PACKAGING/LABELING FOR CANDY PRODUCTS

DATE CODE REQUIREMENT

For all candy products, we have instituted a specific date code requirement to identify the production date of the candy. This 10 digit identification number is referred to as the Lot Number.

The Lot Number consists of the calendar date of production placed between 2 pairs of numbers as follows:

Position #s start from left to right

- Positions 9 & 10: will list as 99 and will not change
- Positions 7 & 8: represents the month
- Positions 5 & 6: represents the day
- Positions 3 & 4: represents the last 2 days of the year
- Positions 1 & 2: will list as 00 (a constant number for now – however, this could potentially change if needed in the future)

An example of the Lot Number with the calendar date of January 1, 2008 would be listed as:

9901010800

An example of the Lot Number with the calendar date of April 25, 2008 would be listed as:

9904250800

Master Carton Lot Number

The Lot Number must be printed directly onto the Master Carton as large as possible. It must be printed on the top right hand corner on each side of the Master Carton. Please refer to the following example.

i.e. LOT # 9901010800



Inner Carton Lot Number

The Lot Number must be printed on the inner carton label as large as possible underneath the inner UPC code. Please refer to the following example.

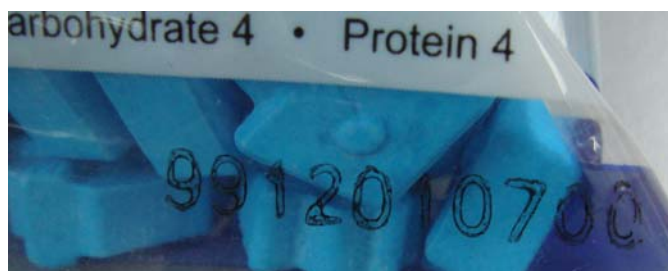
i.e. LOT # 9901010800



Package Lot Number

The lot Number must be printed directly onto the package at the lower right corner of the package as legible as possible. Please refer to the following example.

i.e. 9912010700



Manual calculation of the check digit for Amscan labels

Symbology for Inner and Master Label

Both use the Interleaved 2 of 5 (I 2/5) symbology with 14 digits of numeric data. The data looks like this:

13 12 11 10 9 8 7 6 5 4 3 2 1 CH

where

digit #	definition
13	for the Inner, it is always a 3; for the Master, it is always a 5
12	always a zero
11 – 1	left most 11 digits from the UPC #
CH	check the digit calculated based on the other 13 digits

Calculation of the check digit:

1. Sum of the digits in the ODD positions and multiply the result by 3
2. Sum the digits in the EVEN positions and add to the above result
3. Find the digit to add to the result of 2. Above so that the new number ends in zero. That digit is the checksum digit.

Example: 43030.01 7" PLSTC PLATE 20 CT-REGL BLUE UPC 012795107581

Inner Box Bar Code

3 0 0 1 2 7 9 5 1 0 7 5 8

1. $3 + 0 + 2 + 9 + 1 + 7 + 8 = 30$
 $30 * 3 = 90$
2. $0 + 1 + 7 + 5 + 0 + 5 = 18$
3. $90 + 18 = 108$
 $108 + CH = 110$; $CH = 110 - 108 = 2$

Therefore, the Inner Box Bar Code is: 30012795107582

Master Box Bar Code

5 0 0 1 2 7 9 5 1 0 7 5 8

1. $5 + 0 + 2 + 9 + 1 + 7 + 8 = 32$
 $32 * 3 = 96$
2. $0 + 1 + 7 + 5 + 0 + 5 = 18$
3. $96 + 18 = 114$
 $114 + CH = 120$; $CH = 120 - 114 = 6$

Therefore, the Master Carton Box Bar Code is: 50012795107586

Section – 4a (Retail)

Product Safety and Quality Assurance

Introduction & Overview

Vendors shipping product directly to any retail entity of AHI, Inc. (The Company), including Party City, Party America, the Paper Factory, Factory Card & Party Outlet and Halloween USA locations, shall be required to have previously tested their products to meet all applicable local, state and federal regulations. All test results shall be made available upon request and sent to sp.retailtestreports@amscan.com before shipment. It is expected that all vendors will have testing information on file for their product and be compliant with respect to the terms and conditions outlined in the Vendor Standards Manual (section 9). In the event testing results are not available, the retail entity will require that your product be sent to a third party, independent testing laboratory which is approved by the Consumer Product Safety Commission to test products in accordance with the Consumer Product Safety Improvement Act of 2008 (CPSIA), for testing at your expense.

The Consumer Product Safety Improvement Act of 2008 and the Consumer Product Safety Acknowledgement is also on the Party City Vendor Website and needs to be signed and returned.

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.

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 such as wearing apparel and art materials. You need to submit the GCC with the shipping documents for items imported into the country and also send via email a copy (for all applicable items) to the Amscan database at the email addresses listed at the bottom of the GCC document enclosed at the end of this Section 4a.

The GCC needs to be included with every shipment into the country and every applicable item needs to have at least one GCC on file.

Section – 4a (Retail)

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.



Section – 4a (Retail)

CPSIA and Safety Requirement Guidelines Acknowledgement

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 Product Safety 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 enclosed on the following page.

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* in Section 4a 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 or FCPO only vendor, need to send to their Product Safety contact as well as a copy to Cindy Belmont at PC.

Party City, Party America, The Paper Factory, Factory Card & Party Outlet and Halloween USA
Guidelines for Children's & Other Products
 Revised 3/6/2009

			PC, PA, TPF, FCPO, HUSA Requirement	Effective Date for Shipment Receipt by PC, PA, TPF
Packaging (CONEG-Toxics in Packaging)				
	Lead, Cadmium, Mercury, Hexavalent Chromium	May not contain an aggregate total of these chemicals in excess of:	100 ppm	Already in Effect
Art Materials				
	Non-Toxic, TRA, LHAMA Compliant	Crayons, markers, paints, etc may not contain total lead in excess of:	100 ppm	Already in Effect
Children's Items (Toys, Party Favors, etc for ages 0-14 yrs)				
	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
Other Heavy Metals (soluble, surface coating)				
	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 Already in Effect
Phthalates: DINP, DIDP, DNOP, DEHP, BBP, DBP (3)	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
Phthalates – DEHP, BBP, DBP (3)	Accessible(1) Components of all other Toys and Childcare Articles		Under 0.1% (under 1000 ppm)	Already in Effect
(1) Accessibility of a component determined before and after use & abuse testing (2) For definition of "mouthable" See EC Guidance Document at http://ec.europa.eu/enterprise/chemicals/legislation/markrestr/guidance_document_final.pdf (3) Limits apply to reusable or secondary packaging. Also note that for phthalate replacements, <ul style="list-style-type: none"> • Manufacturers must use the least toxic alternative; • 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 • Manufacturers cannot replace the phthalate(s) with substance(s) on the California Proposition 65 list. 				

Party City, Party America, The Paper Factory, Factory Card & Party Outlet and Halloween USA
Guidelines for Children's & Other Products
 Revised 3/6/2009

		PC, PA, TPF, FCPO & HUSA Requirement	Effective Date for Shipment Receipt by PC, PA, TPF
(Other Non-Children's Products): 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
Jewelry – Children (0-14yrs): ▪ 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
Jewelry – Adults: ▪ 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
Food Contact Material	For a definition of food contact material and the applicable limits see:	www.fda.gov/ora/compliance%5Fref/cpg/cpgfod/ and Prop 65	Already in Effect
Cosmetics	May not contain lead and other ingredients defined by:	FDA (10ppm) and Prop 65 (5 ppm)	Already in Effect
Mercury (mercury-free batteries, etc..)	May not contain Mercury	No Detectable Level	Already in Effect
Brominated Fire Retardants	May not contain Penta BDE and Octa BDE	No Detectable Level	Already in Effect
Formaldehyde – Children's Apparel	May not have levels in excess of:	Sizes 0-5T: 20ppm Sizes 4-20: 75 ppm	Already in Effect
Formaldehyde - Products made from Composite Woods: 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
Traceability: 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.			
For Additional Information or questions, please contact:			
Cindy Belmont: cbelmont@partycity.com John Kupsch: jkupsch@amscan.com Mitchell Kase (USA): mkase@amscan.com			

GENERAL CERTIFICATE OF CONFORMITY FOR CONSUMER PRODUCTS

CERTIFICATE DATE:

CERTIFIED BY:

MANUFACTURER NAME:

ADDRESS:

CITY:

STATE/PROVINCE:

COUNTRY:

PHONE#:

Importer: (Name, Address & Phone #)

Importer: (Record Keeping Contact)

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

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

<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: **SKU#_Vendor#_Certificate Date with MMDDYYYY** (For example, SKU 123456 from vendor number 999 made on November 12, 2008 would be 123456_999_11122008.doc) to the following distribution: sp.gcc.ahiretail@amscan.com.

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.



Section - 4b (Wholesale)

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.



Section - 4b (Wholesale)

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.

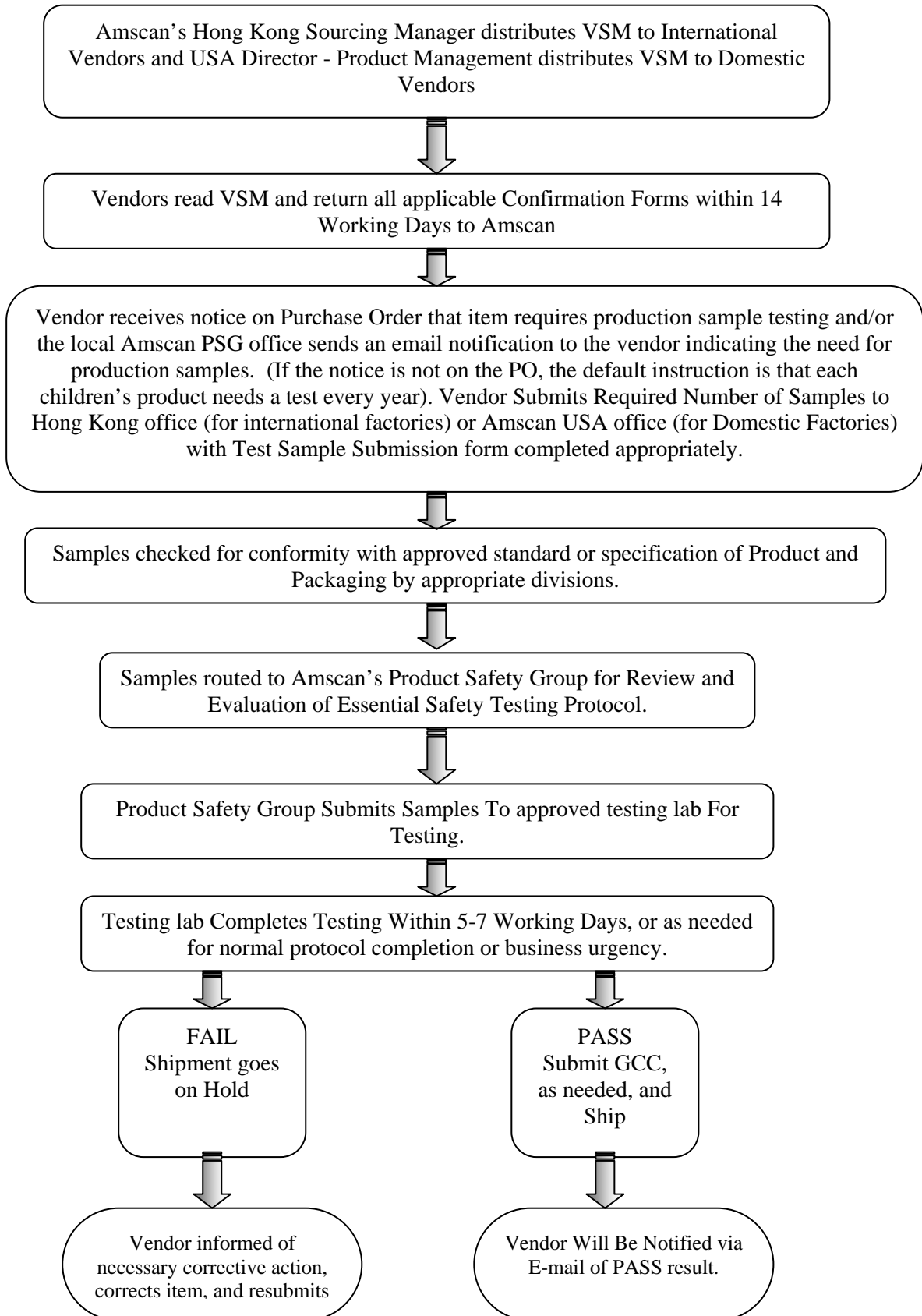
Random Testing and Inspection

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.



Section - 4b (Wholesale)

- 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
---	---

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 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 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, 3rd Party Auditing firm) that incorporates the standards of the applicable retail customer, license brand or other 3rd 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 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 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 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 or fax to 914-345-3886.

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

			Amscan Requirement	Effective Date for Shipment Receipt by Amscan
Packaging (CONEG-Toxics in Packaging)				
	Lead, Cadmium, Mercury, Hexavalent Chromium	May not contain an aggregate total of these chemicals in excess of:	100 ppm	Already in Effect
Art Materials				
	Non-Toxic, TRA, LHAMA Compliant	Crayons, markers, paints, etc may not contain total lead in excess of:	100 ppm	Already in Effect
Children's Items (Toys, Party Favors, etc for ages 0-14 yrs)				
	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
Other Heavy Metals (soluble, surface coating)				
	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
Phthalates: DINP,DIDP,DNOP,DEHP, BBP, DBP (3)	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
Phthalates – DEHP, BBP, DBP (3)	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 & abuse testing (2) For definition of "mouthable" See EC Guidance Document at http://ec.europa.eu/enterprise/chemicals/legislation/markrestr/guidance_document_final.pdf (3) Limits apply to reusable or secondary packaging. Also note that for phthalate replacements,</p> <ul style="list-style-type: none"> • Manufacturers must use the least toxic alternative; • 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 • Manufacturers cannot replace the phthalate(s) with substance(s) on the California Proposition 65 list. 				

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

		Amscan Requirement	Effective Date for Shipment Receipt by Amscan
(Other Non-Children's Products): 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
Jewelry – Children (0-14yrs): ▪ 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
Jewelry – Adults: ▪ 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
Food Contact Material	For a definition of food contact material and the applicable limits see:	www.fda.gov/ora/compliance%5Fref/cpg/cpgfod/ and Prop 65	Already in Effect
Cosmetics	May not contain lead and other ingredients defined by:	FDA (10ppm) and Prop 65 (5 ppm)	Already in Effect
Mercury (mercury-free batteries, etc..)	May not contain Mercury	No Detectable Level	Already in Effect
Brominated Fire Retardants	May not contain Penta BDE and Octa BDE	No Detectable Level	Already in Effect
Formaldehyde – Children's Apparel	May not have levels in excess of:	Sizes 0-5T: 20ppm Sizes 4-20: 75 ppm	Already in Effect
Formaldehyde - Products made from Composite Woods: 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
Traceability: 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.			
For Additional Information or questions, please contact:			
John Kupsch: jkupsch@amscan.com or Frank Chung (Hong Kong): fchung@amscanhk.com.hk or Mitchell Kase (USA): mkase@amscan.com			



GENERAL CERTIFICATE OF CONFORMITY FOR CONSUMER PRODUCTS

CERTIFICATE DATE:

CERTIFIED BY:

MANUFACTURER NAME:

ADDRESS:

CITY:

STATE/PROVINCE:

COUNTRY:

PHONE#:

Importer: (Name, Address & Phone #)

Amscan Inc.
80 Grasslands Road
Elmsford, NY USA
914-784-1910

Importer: (Record Keeping Contact)

VP - Product Safety
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) | <table border="1" style="width: 100%;"><tr><td> </td></tr></table> | |
| | | | |
| <input type="checkbox"/> | Other (please specify) | <table border="1" style="width: 100%;"><tr><td> </td></tr></table> | |
| | | | |

"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 .

Section 5 – Wholesale Only Imports

Overview

Amscan is a worldwide importer and seeks to follow international trade guidelines. Due to the complex routing and documentation procedures of Imports, Amscan encourages vendors to read and follow instructions thoroughly. Note shipping guidelines are generalized and may vary with each vendor, country of origin, or PO. Contact the Amscan Logistics team with any questions. Please note, with the merger of AHI and Party City, many of the Party City/Party America vendors will now be ordered through Amscan. We appreciate your cooperation in complying with the standards established for Amscan's Import program.

Review all sections in the Import section, as it thoroughly explains the documents required and when each must be forwarded to various designated parties.

10+2 Initiative

US Customs and Border Patrol will be implementing a new initiative called 10+2. US Customs will now require the following ten data elements to be sent electronically to them before the container is allowed to be loaded aboard a vessel. The information will be needed 24-48 hours before loading therefore we will need the information 5 days before the freight is available to pick up at your location. Amscan will furnish #7 and #10 on the purchase order.

1. Manufacturer Name and Address: the last factory to 'finish' the goods
2. Seller Name and Address: last known entity by whom the goods are sold
3. Buyer Name and Address: last known entity by whom the goods are sold
4. Ship To Name and Address: name of first delivery
5. Container Stuffing Location Name and Address: physical location where the container was stuffed
6. Consolidator Name and Address: the party who arranged the stuffing
7. Importer of Record Number: Amscan IRS#
8. Consignee Number: who's account merchandise is shipped
9. Country of Origin: where the goods were made
10. HTS#: require up to the 6th digit of the HTS for each item

Steamship lines will be required to furnish these next two items:

1. Vessel Stow Plan: Customs will require this 48 hours after departure
2. Container Status Message

General Conformity Certificate (see section 4 for more information and forms)

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. (GCC form is at end of this section and in section 4). 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. Items requiring the GCC will be specified on our purchase orders.

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 local office for test submission or directly to the lab

Section 5 – Wholesale Only

for testing. On the applicable items, a PASS test report will need to have been received or verified, and the GCC completed, before shipping the item. The GCC needs to be submitted with the shipping documents and a copy must also be sent via email to the Amscan database at the email addresses listed at the bottom of the GCC document. The email certificate may be sent 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 for phthalates, ASTM 963, and lead in surface & substrate.

Amscan receives international shipments through three methods of transport:

1. Free on Board (FOB) also known as Port of Origin (POO) (CY-CFS-By Pass or EDC)

Vendors are responsible for delivery to Amscan's designated freight forwarder or one of three contracted direct ocean carriers. Amscan is responsible for import freight costs and customs clearance and takes possession of goods upon Forwarder Cargo Receipt (FCR) issuance. This includes full container loads, less than container load (LCL), cargo, air, and ocean shipments. Vendor is to contact Amscan Logistics Import team for local forwarder/ocean carrier information. Any deviation from the policy will result in the reimbursement charges.

Air shipments, where Amscan is responsible only for the ocean charges, will be calculated based on the applicable rates for container shipments on the date of the shipment. Calculations based on LCL rates or carton dimensions are not acceptable.

The Import team must approve air shipments where Amscan is responsible for all charges before the PO is shipped. No charges will be paid unless vendors seek approval from the Import team in advance. All approvals must be in writing or e-mail.

2. Delivered Duty Paid (DDP) Delivered to DC

Vendors are responsible for delivery to the Amscan Distribution Center door, including all freight costs, duties, and customs clearance under vendor's own importer of record number. Amscan takes possession of goods upon receipt at our DC locations.

3. Landed Duty Paid (LDP) also known as Port of Entry (POE)

Vendors are responsible for delivery to the port of entry and can include the terminal railhead located nearest to the Amscan DC destination. LDP includes all freight costs and customs clearance under the vendor's own importer of record number. Amscan takes possession of the goods after clearing customs.

The majority of import purchase orders will be sent through Amscan's agents. It may be beneficial to employ the agents' services for accuracy and efficiency. However, the option is left up to each vendor and the vendor incurs all additional costs. Refer to the EDI section (2) in this Vendor Standards Manual for more information regarding Amscan's EDI requirements. Vendors will be responsible for providing Advanced Ship notices (ASN 856) if requested by Amscan.

Section 5 – Wholesale Only

Import Shipping/FOB

1. All terms are FOB vendor warehouse, FOB consolidator's warehouse or FOB Forwarder's warehouse. The Amscan Logistics Import team will nominate a forwarder/consolidator/ocean carrier for all shipments. Location will be listed on the PO. Instructions will be given once country of origin and port of loading is confirmed.
2. Any shipper not delivering cargo to the designated consolidator/forwarder, or contacting the nominated ocean carrier, will be assigned a penalty and will be considered a DDP shipment. Please refer to the Reimbursement and Waiver Policy Section in this manual.
3. Merchandising/Product managers may not change/assign routing or importation terms. All requests for changes to routing or terms for carriage must be sent to the Amscan Logistics Import Manager or Vice President of Transportation and Supply Chain in writing at least **fifteen (15)** business days prior to the vendor ship date.
4. Factory loads are to be made through the Amscan designated freight forwarder or ocean carrier. Vendors must seal factory container loads using industry standard seals. All loads must not exceed the U.S. weight restrictions.
5. In the future, all factories will be required to be Customs-Trade Partners Against Terrorism (C-TPAT) certified. Notifications will be done by the Amscan Logistics Import team.
6. Containers must meet Cubic Meter (CBM) minimum requirements. All LCL shipments require written approval from the Amscan Logistics Import team. Vendors are financially responsible for under-utilized containers based on minimum CBM requirements as listed below.

Container	Cubic Meter
20 (TEU)	28 CBM
40 (FEU)	58 CBM
40H (FEU)	65 CBM
45 (FEU)	68 CBM
48 (FEU)	72 CBM

7. Vendors must strictly adhere to consolidation cut-off times and check with the specified consolidator or carrier's office in advance if a "late gate" is needed. If cargo does not make the designated vessel's departure and is outside of the PO ship window, the Product Development Manager or P&A Manager may request a routing change from the Import team or cancel the PO. All additional freight costs and penalties will be at the vendor's expense. Penalties and reimbursements are defined in the Reimbursement and Waiver Policy.
8. All loads must ship from original country of origin.

Section 5 – Wholesale Only

9. Failure to comply with marking requirements will result in a deduction of full expenses incurred by Amscan, or our third parties, to meet import requirements.

Cartons must be clearly marked with the following information (Customs requirements):

- Country of Origin
 - PO#
 - Model and SKU or Item Number
 - Quantity
10. Cartons with shippable inner quantities must be marked 'Re-Pack' with a bright label. Additionally, each inner carton must have the following information (Customs Requirements):
 - Country of Origin
 - PO#
 - Model and SKU or Item Number
 - Quantity

FOB Import Document Path

1. Vendors must place booking at least ten business days prior to the required ship date with the Amscan designated Consolidator/Forwarder/Ocean carrier.

Note: Vendors must provide the following information to the designated freight forwarder at the time of booking; otherwise booking will not be released:

- Shipper's name
 - Shipper's full address
 - Consignee name
 - Detailed commodities description (no generic description)
 - Harmonized Tariff Number (HTS #) and category
 - Destination
 - Carton count, quantity in carton, weight, and measurement
 - Country of origin
 - Final packing list
 - General Certificate of Conformity for Children's Products
2. The Consolidator/Forwarder/Ocean carrier will issue an original Forward Cargo Receipt (FCR) and Express BOL in return for surrender of appropriate documents and cargo. The FCR will NOT be issued unless all required documents are presented.
 3. All original documents and a four-copy set must be surrendered to the consolidator/forwarder at the time the cargo is surrendered or no more than **three (3)** business days after cargo is tendered. Failure to comply will result in reimbursement charges as defined in the Reimbursement and Waiver Policy.
 4. All shipments will be given an express Bill of Lading unless previously authorized. Only when authorized by Amscan, will the consolidator/forwarder prepare an original Ocean Bill of Lading (OBL) or allow the OBL to be used as the negotiable instrument. Shippers will NOT be given an OBL by the consolidator unless authorized by Amscan's Logistics Import team.

Section 5 – Wholesale Only

5. VISA documents may not be available at the time of booking due to some countries' export procedures. Proof must be furnished that the quota is available to the shipper at time of booking. However, a document verification certificate or a cargo receipt will NOT be issued until Amscan's Logistics Import team verifies the actual VISA documents. It is required the VISA document be supplied prior to the shipment arriving at the first U.S. port of discharge, or costs for storage will be deducted from the shipper's remittance.

VISA And/Or Special Documents Required For Specific Items

In addition to general procedures and documents, some products are subject to special import restrictions, permits, licenses, standards, and/or procedures. To the best of our knowledge, below are the subject products Amscan may be importing:

Apparel or items containing textile

- Original VISA stamped document
- Manufacturer's Textile Declaration with authorized signature
- Denim Exclusion Statement for woven cotton garments on manufacturer's stationary with authorized signature
- Down detail statement-for items with down

Children's Products

- General Certificate of Conformity

Art Materials

- General Certificate of Conformity

Wearing Apparel

- General Certificate of Conformity

Composite Wood Products

- chain of custody documentation which certifies use of compliant raw materials in accordance with the requirements of the California Air Resource Board (CARB) Airborne Toxics Control Measure (ATCM)

Footwear

- Interim footwear invoice

Leather items, leather shoes, parts, and finished leather footwear

- Manufacturer's statement of "PCP" free declaration

Radio Items

- FCC Form 740

Eyeglasses and Sunglasses

- FDA 510K Form with Certificate of Impact Resistant test report
- Devise #

Items made of vegetable material; i.e., bamboo, straw, rattan, etc.

- Certificate of Fumigation

Section 5 – Wholesale Only

Shell Products

- U.S. Fish and Wildlife Service Permit

Chemical substances; i.e., resins, dyes, glues, ink etc.

- TSCA certificate signed by manufacture's shippers stationary with authorized signature
- Lab report certifying TSCA standard has been met

Wood packing materials and other unmanufactured wood products; i.e. wood crates

- Shipments must certify that no solid wood packing material is present. The certifying statement, "THIS SHIPMENT CONTAINS NO SOLID WOOD PACKING MATERIAL", must be placed on company letterhead and Invoice and/or Bill of Lading.

Bamboo products, treated decorative wood items, wood turning planks, etc.

- Fumigation Certificate or Phytosanitary Certificate

Water resistant items

- AATCC certificate

Electric items with plugs

- UL certificate, or equivalent, e.g., ETL or CSA

Foam certificate

- Registration number and certificate of new foam

Bill of Lading

Vendors are required to follow the instructions below regarding the proper information for the Bill of Lading:

1. **Port of Discharge:** East Coast shipments should read "New York"; West Coast shipments should read "Los Angeles".
2. **Place of Delivery:** East Coast shipments should read "Chester, NY"; West Coast shipments should read "Fontana, CA".
3. **Commodity:** use "party goods"; some vendors may use "kitchenware", "ceramic mugs", "vinyl sheeting", etc.
4. **Consignee:**
Amscan
80 Grasslands Road
Elmsford, NY 10523
5. **Notify Party:** Designated forwarder information as confirmed prior to shipment from Amscan Logistics Import Team.

Section 5 – Wholesale Only

Packing List

Amscan requires a packing list as provided in the sample below:

Packing List

Page 1 of 1

Shipper:
JCS Hong Kong Ltd.
Room 1108 11/F Mirror Tower
61 Mody Road
Tsim Sha Tsui East
Hong Kong

Bill To:
Factory Card & Party Outlet
2727 Diehl Road
Naperville, IL 60563

Ship To:
Amscan c/o Salson
888 Doremus Ave
Newark, NJ 08619
973-986-0200

Country of Origin: China

Date: 20090416
PL#: PL-0411-09
CI #: 411086910633151
BOL #: 6910633151

Container #: HMMU9000125

Seal#: 1238522

Item #	Description	MID #	UOM	Cartons	Units	Weight (kgs)	Cube (cbm)
243292	MASTER CAULDRON ASST 3 FC	CNCALCOS83HON	6	52	312	124.80	5.33
243255	HAND MEAT MARKET FC	CNYUJTOYSHE	3	6	18	9.99	0.11
243090	MASTER RUSTED CAULDRON 1 FC	CNRUIDASHE	3	56	168	126.23	5.26
243254	BRAIN MEAT MARKET FC	CNYUJTOYSHE	3	6	18	12.76	0.25
243256	HRT MEAT MARKET FC	CNYUJTOYSHE	6	6	36	13.07	0.27
243199	REALISTIC FOAM SKULL FC	CNSINCOM158SHE	12	7	84	16.23	1.30
243241	SLIMLINE TOMBSTONE 22IN FC	CNHDKPLA56XIA	18	16	288	233.54	2.33
243242	SLIMLINE SKLL CRSSBN TOMB FC	CNHDKPLA56XIA	9	10	90	8.23	0.86
243244	RIP TMBSTN/SKLTN BAT FC	CNHDKPLA56XIA	9	18	162	12.53	1.54
243298	BRONZE REAPER TOMBSTONE FC	CNHDKPLA56XIA	10	10	100	8.97	0.92
243093	MASTER RUSTED CAULDRON 2 FC	CNRUIDASHE	8	34	272	215.56	4.65
243190	WHT ANGL OF DTH CHST AST FC	CNYUJTOYSHE	6	12	72	11.54	1.15
243249	GRIM REAPER HNG 6FT FC	CNKOL8SHE	12	17	204	197.54	2.05
Totals				250	1824	990.99	26.024

The packing list is a critical item. The list is used by the shipper or forwarding agent to determine the total shipment weight, volume and overall cargo accuracy. Moreover, customs officials (US and foreign) may use the list to review the cargo. Inaccurate or missing information may result in reimbursement charges as defined in the Reimbursement and Waiver Policy.

Section 5 – Wholesale Only

Documentation Distribution

Vendor must email a full set of original documents to chbimport@partycity.com.

Also required is a full set of non-negotiable documents be emailed to our customs house broker as designated by Amscan Logistics Import Team.

Document Origination	Type of Document	To Amscan		To Vendor		To Forwarder / Consolidator / Ocean Carrier	
		# of originals	# of copies	# of originals	# of copies	# of originals	# of copies
Forwarder / Consolidator / Ocean Carrier	Express BOL	1	1		1		
	Forwarder Cargo Receipt (FCR)		1	3			
	Container Manifest		1				
	Commercial Invoice	1	1			2	1
	Packing & Weight List	1	1			2	1
	Export Permit	1	1			2	1
	Manufactures Labor Certificate	1	1			2	1
	Merchandise Testing Report from accepted CPSC lab	1	1			2	1
	GCC, as applicable	1	1			2	1
Vendor / Shipper Government Documents	Detailed Footwear Invoice/Wearing Apparel Invoice/Textile	1	1			2	1
	FCC Grant of Certification	1	1			2	1
	Country of Origin Certificate (Form A)	1	1			2	1
	VISA Export License	1	1			2	1
	Single/Multiple Country Declaration (if Applicable)	1	1			2	1
	No Wooden Pallet Statement	1	1			2	1

All documents must be submitted to Amscan for payment.

All documents and document distribution must be received on time and accurately or reimbursement charges will apply as defined in the Reimbursement and Waiver Policy.

Section 5 – Wholesale Only

Delivered Duty Paid (DDP)

For a DDP shipment, Vendors are responsible for delivery to the Amscan DC door, including all freight costs, duties, and customs clearance under the Vendor's own importer of record number.

Amscan requires all DDP shipment to be routed as "Pre-Paid Amscan location". All freight, duty, and drayage should be prepaid and any demurrage is the responsibility of the Vendor.

All DDP shipments delivered to Amscan require a delivery appointment. Vendors must have a delivery appointment prior to delivery, (see routing instructions for making appointments with the DC's). It is the vendor's responsibility to calculate and manage all free days on all DDP containers. The designated drayage agent is up to the discretion of the vendor.

Amscan Distribution Centers:

East Coast DC (ECD):

Amscan
47 Elizabeth Dr
Chester, NY 10918

Tel: 845.469.9116
Fax: 845.572.2120
Keith Knoell Ext 2703
Margaret Ferris Ext 2701

Vendors are responsible for all containers, including the pick-up of empty containers whether a return delivery is made or not. Containers MUST be picked up within 24 hours of Amscan fax notification.

If for some reason you cannot comply with these requirements, contact the Amscan Logistics team immediately to avoid reimbursement charges.

Landed Duty Paid Deliveries (LDP)

For an LDP shipment, Vendors are responsible for delivery to the port of entry determined by the Amscan Logistics Import team, including all freight costs and customs clearance under the vendor's own importer or record number. Amscan take possession of the goods after they have cleared customs.

Amscan prefers DDP shipments to LDP shipments. If Amscan issues a LDP order, the vendor must:

- Notify Amscan's Import team at least five business days prior to container arrival at the port of entry.

Vendors must contact Amscan's Logistics Import team to determine the port of entry. Vendors are responsible for any freight charges if Amscan port selection is not followed or failure to obtain approval of delivery port.

Failure to comply may result in charge backs for demurrage, additional freight charges or other issues as defined in the Reimbursement and Waiver Policy section 8.

Section 5 – Wholesale Only

Contact information:

Logistics - Imports		
Fran Clark	fclark@amscan.com	914.784.4135
Peggy O'Brien	mobrien@amscan.com	973.453.8788
Lea Hale	lhale@amscan.com	973.453.8719
Logistics		
Cheryl Fleishman	cfleishman@amscan.com	973.453.8691
Ed Wtulich	ewtulich@amscan.com	973.453.8796
Andrew Medrick	amedrick@amscan.com	973.453.8613

FOB Vendor Payment

Wire Transfer

Wire Transfer is the preferred method of payment for all import POs (FOB/DDP/LDP). The Product Manager determines vendor payment terms and forwards all required payment request forms via fax at 914-345-8684/8685 Attn: Rose DeRosa . Please furnish in the format below(sample) wire transfer instructions with each shipment.

The following wire transfer example outlines requisite information:

SAMPLE Wire Transfer Instructions

Please provide all requisite Beneficiary information

From: China Supply and Consolidations Ltd.

RE: Banking Information



Beneficiary Name	China Supply and Consolidations Ltd.
Beneficiary Address in Full	55/F, CommMutual Tower, 27, Worchester Road Wanchai, Hong Kong
Beneficiary Account Number	457- 0- 068311 - 3 (USD)
Beneficiary Bank Location	Hong Kong
Beneficiary Bank Name	Hong Kong Peoples Bank (Hong Kong) Ltd.
Beneficiary Bank Address in Full	66 Dos Voeux Road Branch 66 Dos Voeux Road Central Hong Kong
Beneficiary Bank ID (Swift Address)	HKPBHKHH

Section 5 - DC-Bypass

Imports – DC-Bypass

DC Bypass

The DC Bypass process allows for product to move directly to the Party City and Party America stores in an efficient and time-saving manner to meet the set dates for the stores' peak selling season.

If a purchase is written for the DC By-Pass process, you will be notified with the purchase order direction to ship to our CFS (consolidated freight station / warehouse) at Origin.

Purchase Orders

Amscan will create a Bulk PO; delivery will be to the CFS designated on the PO, along with the ship date. Ship-by date should be 10 days prior to a CY (direct to warehouse) ship-by date because time is needed to receive freight, sort, label, pack and load containers at origin.

If Ship Date cannot be met, the following people must be notified immediately:

PO Changes - Notification Contacts			
Name	Title	Email	Tel#
Karen Knecht	Inventory Manager	kknecht@amscan.com	914.784.4120
Peggy O'Brien	Import Specialist	mobrien@amscan.com	973.453.8788
Cheryl Fleishman	Logistics Administrator	cfleishman@amscan.com	973.453.8691
Ed Wtulich	Sr. Logistics Analyst	ewtulich@amcan.com	973.453.8796
Lea Hale	Customs Coordinator	lhale@amscan.com	973.453.8719
Andrew Medrick	VP Supply Chain & Transportation	amedrick@amscan.com	973.453.8613

Import Documents

Commercial Invoice

The Commercial Invoice must include the following:

- Detailed commodities description
- Harmonized Tariff Number (HTS#)
- Factory Address FOR EACH ITEM
- MID# (details on MID# may be found near the end of this section)
- Master carton quantity, cost, and piece count
- One (1) Purchase Order per Invoice, attention Maryann Sabia, cc: Logistics
- Item number

Section 5 - DC-Bypass

Packing List

The packing list must include the following:

- Individual net, legal tare and gross weights
- Total weight of all packages
- Measurements for each package
- Package markings with the shipper and item #
- Total quantity of packages
- General description of goods
- Amscan PO number
- SKU number, item number and quantity of each
- Item number

Packing List is to be included with freight delivered to the CFS.

Carton markings

The following information must appear on each master carton. For the DC Bypass program you may print directly on the master carton:

1. Amscan Item No.
2. Description
3. Country of Origin
4. Case Pack Quantity

UPC/Bar Code Requirements

- UPC's are checked for scanability and for the correct readable digits printed below the bar (human readable).
- Bar Codes are scanned for correctness. All bar codes must scan and verify against ANSI standards with a grade of "C" or better.
- It is the vendor's responsibility to ensure correct scanability on all bar coding.

Master Carton

- Carton should always be made of durable, double-walled, shippable corrugate.
- For Masters weighing up to 20 lbs, the minimum requirements are 200 lbs per square inch (14.1 kgs per square cm) bursting test or 32 lbs per inch (5.7 kg per cm width) edge crush test.
- For Masters weighing over 20 lbs, the minimum requirements are 200 lbs per square inch (14.1 kgs per square cm) bursting test or 48 lbs per inch (8.6 kg per cm width) edge crush test.
- You may not mix SKUs in a Master.
- If cartons are received damaged at the CFS the vendor will need to supply new cartons and will incur labor charges for repackaging.

Packaging

- Packaging is checked to make sure that inners per master, eaches per inner, and eaches per master are correct according to Amscan's specifications.
- Packaging is checked to make sure correct packaging is used for each product if required (example: bubble wrap, corrugated inserts, special packaging if required / necessary).
- No strapping is to be used on master cartons.
- No staples are to be used on master cartons.

Section 5 - DC-Bypass

- No sub masters are ever to be used.

Labeling Requirements

- Labeling is checked on the master, inner, and eaches.
- Each carton must be labeled with the corresponding Amscan item #, description, Country of Origin and case pack quantity.
- Labeling for inner pack and eaches must all have scannable bar code and UPC printed in black on a white label with human readable digits underneath the bar code.
- Each piece of merchandise must have a UPC, item number, and country of origin.

Traceability

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.

Delivery to CFS (Consolidated Freight Station or EDC)

Delivery of freight is the responsibility of the vendor. If fulfillment should be completed for by pass prior to shipping to U.S. All freight must be cleared by (country of origin) Customs prior to ship date. **For visibility purposes, whenever possible, bookings (for delivery to CFS) shall be made online.**

Vendor Booking Procedures with CFS (unless otherwise noted by CFS instructions):

- Vendor must fax or email all details / PO information to CFS Origin office using CFS Shipping Order Form.
- All bookings must be submitted to the CFS origin no later than 7-10 days prior to cargo ready date.
- All shipments should be delivered to CFS.
- No shipment approval is required from CFS. Shipping order can be released by CFS to vendor for cargo delivery within 24 hours upon receipt of completed booking.
- Only one shipping order per delivery to CFS.
- Daily booking cutoff time is 15:00 (3:00 PM); if the booking is received after 15:00, it will be processed the next working day.
- The Shipper Name shown on shipping order is the Shipper Name shown on FCR.
- Once the shipping order is released, any amendment to the shipping order must be communicated to CFS origin office for validation.
- If the Vendor declares "no wood packing material", the vendor must include this statement on the shipping order, or by submitting a "no wood packing material declaration" on their company letterhead to CFS origin.

Section 5 - DC-Bypass

CFS Cargo Receiving Procedure, unless otherwise noted by CFS instructions:

- CFS will advise the closing date on the shipping order.
- Origin Warehouse will check carton marking / dimensions according to the Shipping Order.
- Origin Warehouse will check the condition and quantity of the cartons. The following conditions are not allowed without consignee's consent:
 - Wet cartons
 - Damaged cartons
 - Carton marking by paper label
- Vendor must deliver cargo by Shipping Order, by item number, by manufacturer style number (if not, a sorting charge will be incurred).
- Vendor needs to notify CFS of partial delivery. All partial shipments must be delivered within three days of first delivery date.
- If vendor has any questions on our measurement, please contact our gatehouse for carton re-measurement within one day noted on "Cargo dimension discrepancy sheet".
- If there is no problem of receiving, tallymen will sign and record actual receiving information on the mate's receipt.
- For late cargo delivery, vendors must obtain approval from CFS. Notification methods may vary by CFS. For example, some accept fax; others may utilize an online notification system.

Forwarder's Cargo Receipt (FCR)

- The shipping documents will be provided by Amscan, unless otherwise noted (CFS may have capability to produce shipping documents).
- Draft FCR will be prepared within 48 hours by cargo receiving date after the cargo has been successfully transferred to the consignee title.
- Vendor has to return back the draft FCR confirmation to CFS Origin.
- The original; FCR will be ready to pick up at our counter office with 48 hours after receipt of draft FCR confirmation from vendor.
 - **Required document for FCR exchange:**
 - Original Mate's Receipt
 - Check
 - Company Chop (Official Stamp)
 - Letter of Indemnity (if necessary)
 - If the vendor does not pick up the FCR in person, vendor must issue an authorization letter on the company letterhead, with authorized signature, to the nominated person who picks up the Original FCR.
 - General Certificate of Conformity

Section 5 - DC-Bypass

Terms

1. The Amscan Logistics Import team will nominate a forwarder/consolidator/ocean carrier for all shipments. Location will be listed on the PO. Instructions will be given once country of origin and port of loading is confirmed.
2. Any shipper not delivering cargo to the designated consolidator/forwarder will be assigned a penalty and will be considered a DDP shipment. Please refer to the Reimbursement and Waiver Policy Section in this manual.
3. Merchandising/Product managers may not change/assign routing or import terms. All requests for changes to routing or terms for carriage must be sent to the Amscan Logistics Import Manager or Vice President of Transportation and Supply Chain in writing at least **fifteen (15)** business days prior to the vendor ship date.
4. Vendors must strictly adhere to consolidation cut-off times and check with the specified consolidator's office in advance if a "late gate" is needed. If cargo does not make the designated vessel's departure and is outside of the PO ship window, vendor must contact from list at beginning of this section "PO Changes – Contacts". Late shipments will be handled on an individual bases. All additional freight costs and penalties will be at the vendor's expense. Penalties and reimbursements are defined in the Reimbursement and Waiver Policy.
5. All loads must ship from original country of origin. This includes the address of the CFS and relative Port. Goods must be shipped to the port/address in the original quoted price to Amscan. Port changes must be approved by Amscan and all fees associated are the Vendor's responsibility. Goods must be delivered within an agreed-upon timeframe if port change is accepted.
6. Case Pack: The vendor is responsible for matching the case pack identified in the PO. Any costs incurred (including freight and storage fees) as a result of incorrect case pack is the responsibility of the vendor.
7. Booking appointments with the CFS must be done ONLINE, based on availability. This is critical for visibility purposes. If vendor does not use the online booking tool, based on availability, additional costs will be incurred based on inconvenience and extra labor costs to extract data.
8. Damaged merchandise will need to be repacked or replaced, at the vendor's time, labor and expense.
9. Failure to comply with marking requirements will result in a deduction of full expense incurred by Amscan, or our third parties, to meet import requirements.
10. The CFS checks all merchandise for accuracy, including labeling, case weight and pack and dimensions. If there are discrepancies, vendor will be charged.
- 11. Failure to meet any of the above terms will result in chargebacks to the vendor. VISA and/or Special Documents Required For Specific Items**

Section 5 - DC-Bypass

In addition to general procedures and documents, some products are subject to special import restrictions, permits, licenses, standards, and/or procedures. To the best of our knowledge, below are the subject products Amscan may be importing:

Apparel or items containing textile

1. Original VISA stamped document
2. Manufacturer's Textile Declaration with authorized signature
3. Denim Exclusion Statement for woven cotton garments on manufacturer's stationary with authorized signature
4. Down detail statement-for items with down

Footwear

- Interim footwear invoice

Leather items, leather shoes, parts, and finished leather footwear

- Manufacturer's statement of "PCP" free declaration

Children's Products

- General Certificate of Conformity

Art Materials

- General Certificate of Conformity

Wearing Apparel

- General Certificate of Conformity

Composite Wood Products

- chain of custody documentation which certifies use of compliant raw materials in accordance with the requirements of the California Air Resource Board (CARB) Airborne Toxics Control Measure (ATCM)

Radio Items

- FCC Form 740

Eyeglasses and Sunglasses

- FDA 510K Form with Certificate of Impact Resistant test report
- Devise listing number

Items made of vegetable material; i.e., bamboo, straw, rattan, etc.

- Certificate of Fumigation

Shell Products

- U.S. Fish and Wildlife Service Permit

Chemical substances; i.e., resins, dyes, glues, ink, etc.

- TSCA certificate signed by manufacture's shippers stationary with authorized signature
- Lab report certifying TSCA standard has been met

Wood packing materials and other unmanufactured wood products; i.e. wood crates

- Shipments must certify that no solid wood packing material is present. The certifying statement, "THIS SHIPMENT CONTAINS NO SOLID WOOD PACKING MATERIAL", must be placed on company letterhead and Invoice and/or Bill of Lading.

Section 5 - DC-Bypass

Bamboo products, treated decorative wood items, wood turning planks, etc.

- Fumigation Certificate or Phytosanitary Certificate

Water resistant items

- AATCC certificate

Electric items with plugs

- UL certificate, or equivalent, e.g., ETL or CSA

Foam certificate

- Registration number and certificate of new foam

Section 5 - DC-Bypass

Rules for constructing the manufacturer code, "MID":

These instructions provide for the construction of an identifying code for a manufacturer or shipper from his name and address. The code can be up to 15 characters in length, with no inserted spaces. However, it may be thought of as five "pieces" as follows:

1 - COUNTRY (Piece 1: 2 characters)

Use the ISO code for the country, such as "PE" for Peru.

2 / 3 - MANUFACTURER NAME (Pieces 2 and 3: up to 3 characters each)

Use of the first three characters from each of the first two words of the name. There will be no third piece if the name is one word. Amalgamated Plastics Corp. would give "AMAPLA"; Bergstrom would give "BER".

If there are two or more initials together, treat them as a single word. For example, ABC Company, A.B.C. Company, or A B C Company would all yield "ABCCOM."

4 - ADDRESS LINE WITH STREET NAME and/or BOX NUMBER (Piece 4: up to 4 characters)

Find the largest number on this line and use up to the first four digits. For example, 11455 Main Street Suite 9999 would yield "1145". A suite number or a post office box should be used if it contains the largest number. However, use no number in the case of One Hundred Century Plaza. There will be no fourth piece if there is no numeric on the address line.

When numbers are separated by commas or hyphens, ignore all punctuation and use the number that remains. For example, either "12,34,56 Akasaka Road" or "12-34-56 Akasaka Road" would yield "1234". Note that the address line on the invoice may be after the line containing the city and zip code (or equivalent). For example, German invoices frequently place the city and its numeric code before the street address. Be sure to identify the address line numeric and use it, not the city numeric.

5 - CITY (Piece 5: up to 3 characters)

Use the first three letters from the city name. Tokyo would be "TOK," St. Michel would be "STM."

Apply these general rules to construct a manufacturer code

1. Ignore all punctuation, such as commas, periods, ampersands.
2. Ignore all single character initials, such as the "S." in Thomas S. Delvaux Company.
3. Ignore the English words "a", "an", "and", "of", "the".
4. In the case where multiple company names and/or addresses appear on the invoice, use the name and address associated with the corporate headquarters as opposed to the division, office, etc.

Examples of some manufacturer names and addresses and their codes:

THE E.K. RODGERS COMPANIES One World Trade Center London, England SWLY 5HQ	GBEKRODLON
--	------------

THE GREENHOUSE 45 Royal Crescent Birmingham, Alabama, 35204	USGRE45BIR
---	------------

CARDUCCIO AND JONES 88 Canburra Avenue Sidney, Australia	AUCARJON88SID
--	---------------



Section 5 - DC-Bypass

Wire Transfer

Wire Transfer is the preferred method of payment for all import POs. The Product Development Manager determines vendor payment terms and forwards all required payment request forms via fax at 914-345-8684/8685 Attn: Rose DeRosa. See the example on page 9 for more information.

Product Invoicing

Invoices are to be submitted to the address below. Product must be invoiced one PO# per invoice. Invoice is to be submitted in Master cases with the master case cost, and formatted to match the sample the below.

**Amscan Inc.
80 Grasslands Road
Elmsford, NY 10523**

Attn: Accounts Payable / MaryAnn Sabia

Sample of Commercial Invoice on Following page:



Section 5 - DC-Bypass

Commercial Invoice

Page 1 of 1

Shipper: Vendor Name Vendor Address 1 Vendor Address 2 City, Province, State Country

Bill To: Amscan 47 Elizabeth Drive Chester, NY 10818

Ship To: Amscan 47 Elizabeth Drive Chester, NY 10818

Port of Entry: Newark Incoterms: FOB Yantian Container: HMMU9000125

Comm Inv #: 411088910833151 Date: 4/18/2008 Bill of Lading #: 8910833151

Table with columns: Item #, Description, MID #, HTS Code (Tariff Code), Country of Origin, UOM, Cartons, Case Cost (USD), Total Cost (USD). Includes 17 rows of item data and a Totals row.

Must provide accurate MID # and HTS Code, the above is for example only and are not valid



GENERAL CERTIFICATE OF CONFORMITY FOR CONSUMER PRODUCTS

CERTIFICATE DATE:

CERTIFIED BY:

MANUFACTURER NAME:

ADDRESS:

CITY:

STATE/PROVINCE:

COUNTRY:

PHONE#:

Importer: (Name, Address & Phone #)

Amscan Inc.
80 Grasslands Road
Elmsford, NY USA
914-784-1910

Importer: (Record Keeping Contact)

VP - Product Safety
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

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

<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 .

Transportation Routing Guide

Overview - Party City (includes Party City, Party America, and The Paper Factory)

The Transportation Routing Guide (TRG) provides information for merchandise and non-merchandise items destined to all Party City locations. Destinations include corporate and franchise stores, unless the PO specifies otherwise. Effective transportation management is a vital component in successfully managing our mutual supply chain. Our goal is to manage product flow, ensuring your merchandise reaches our customers while managing transportation transit times and operating at the lowest possible cost. The use of this Routing Guide (TRG) results in a streamlined method of moving products through our mutual supply chain contributing to our goal of providing excellent value and superior customer service.

Our goal is to ensure the most effective and efficient transportation modes are used for every shipment. This includes optimization of store inventory service level requirements, minimum transit days, and transportation/handling expenses. The LTL routing matrix may change from time to time, therefore it is your responsibility to check on updates to the VSM and TRG.

Contacts for Amscan/Party City Logistics: Routing@partycity.com/routing@amskan.com

Jaime Perez
Tel: 973.453.8600
Fax: 973.983.6012
Email: jperez2@amskan.com

Jamie Wohlrabe
Tel: 973.453.8600
Fax: 973.983.4971
Email: jwohrabe@amskan.com



Note: Failure to follow the instructions outlined in this TRG will serve as your agreement to absorb freight expenses as per the Reimbursement and Waiver Policy, Section 8.

SHIPPING LOCATIONS

The following is a list of Amscan / Party City shipping methods. There is a Party City Store locations file (Ship-to-Bill-to) or (S2B2) which can be found on the internet at www.partycityvendors.com

Direct Store Delivery (DSD)

Vendor sends all freight directly to the store assigned on the PO. Vendor must follow all guidelines listed in the DSD Shipping Instructions section of this TRG. This can be collect or prepaid based on the VPA terms.

Distribution Center (DC)

Vendor sends all freight directly to the Distribution Center assigned on the PO. Vendor must follow all guidelines listed in the DC Shipments section of this TRG. This can be collect or prepaid based on the VPA terms.



Section – 6a (Retail)

DSD SHIPPING INSTRUCTIONS

(Party City locations)

The following shipping instructions are to be used for all direct to store shipments.

Vendor Paid Freight

The cost of transportation/freight is included in the cost of goods. As the vendor is responsible for 100% of freight charges, vendor determines carrier selection.

Party City will not accept pre-paid and add to invoice, unless approved by the Amscan / Party City Logistics Team.

If a shipment does not meet vendor minimums as defined in Section 1, Merchandise Information, vendor must ship the order as Freight Collect using the appropriate carrier as per this TRG.

Vendor must have carton count listed on BOL and note store must sign for carton count upon delivery. For LTL deliveries selected carrier must call store for appointment or delivery is subject to being rejected.

Party City will chargeback for services required by vendors, or not requested by Party City, which are additional services and are billed to Party City. Carriers must contact the Amscan/Party City Logistics team to approve additional services requested by the store. *Please check our Accessorial Charges Section for the list of Charges that can be approved by Party City Logistics team.

Party City Paid Freight - Domestic Shipment (48 Contiguous States)

Any freight shipping from Canada or other non Domestic origins you must contact Logistics for routing.

Freight Collect

This term must be noted on the BOL when shipping to a Franchise Store that is assuming responsibility for the freight costs. Please check the "Ship to Bill to" file (S2B2) when verifying if the franchise has a billing address different then the receiving address. If billing address is different then the shipping location then you must label the shipment 3rd party collect with the address of the franchise billing address, other locations will be labeled "Freight Collect". Vendors shipping LTL collect must adhere to the Routing Matrix found on page 7 through 9 of this TRG.

Third Party

This term must be noted on the BOL when shipping to a Corporate Store or during a Company Wide Roll-Out that is being paid for by Party City Corporate. The bill to address must be stated exactly as noted below.

**Party City Corporation
c/o Logistic Concepts, Inc.
PO Box 362
Cuyahoga Falls, OH 44222-0362**



Section – 6a (Retail)

Please note for any Ad Fund or marketing shipments you must contact the Logistics Team for special shipping instructions.

Air/Express Shipments

Stores using these services to another store or customer must have store manager approval to ship.

Air/Express refers to shipments that must be expedited from a vendor to any Party City location. Each vendor must use Amscan / Party City's preferred carrier partner. For corporate shipments, you must be in receipt of a valid PO requesting express shipping; otherwise, the vendor must call the Party City Logistics Team to obtain approval. Franchisees will request service on POs or provide separately in writing; otherwise vendor must call the Franchisee to obtain prior approval. Refer to the Reimbursement Policy section (8), for information on failure to obtain prior approval.

10 cartons or less (1-10 cartons) or 400 lbs. or less (1-400 lbs.) If an individual carton weighs more than 40 LBS please call Logistics department before shipping.

Carrier	Customer Service Phone #	Web Site
UPS	1-800-742-5877	www.ups.com

You will need to contact Amscan / Party City's Logistics Team in advance to obtain appropriate account information to utilize UPS express services.

Greater than 10 cartons (11 cartons +) or greater than 400 lbs. (401 lbs. +)

Carrier	Customer Service Phone #	Web Site
Advantage Global	800.635.0430	www.AdvantageGlobal.net

All BOL requirements as outlined previously apply to Air Bills for Advantage Global shipments.

Parcel Shipments

Applies to shipments weighing less than 500 lbs. (1-499 pounds) AND 40 cartons or less (1-40 cartons)

Please note that we are in the process of transitioning our provider to UPS. If you are a current user of FedEx in the near future UPS will schedule to meet with your Logistics team to provide the equipment and procedures on how to ship to our locations. Please contact the Amscan/ Party City Logistics team if you have any immediate concerns or questions.

Shipments must be routed utilizing UPS Ground. Individual cartons cannot exceed 130 inches in girth with a maximum of 108 inches in length per package. If package exceeds 60 inches on a single side you must contact Amscan/ Party City Logistics team before shipping. The maximum weight of any single carton to a Party City location should not exceed 70 lbs.

Payment method selection for collect parcel shipments must be sent either "UPS Ground Collect" or "Third Party" Billing. The determination of which payment method to use will be located on the "S2B2" next to the UPS account numbers for that location which must be entered when shipping either method. Do not add freight charges or handling charges to the invoice. UPS Ground barcode labels and shipping supplies can be obtained from UPS Ground by calling 800 PICK UPS (800.742.5877).

Section – 6a (Retail)

For UPS Ground Freight Collect Shipments (Do not use FedEx, DHL-Airborne, or USPS):

1. Use of shipping automation is required. This can be obtained by using www.ups.com homepage, UPS World Ship or any approved vendor manifest system. In the case none of these options are available please contact Rita Wall at 732-537-2221 or ritawall@ups.com and she can best accommodate the exceptions.
2. UPS Ground will bill Party City directly for transportation charges. You must refer to the Ship-to-Bill-to (S2B2) to have the correct term used by store. If collect is listed for a store you must list collect as the billing method. If third party bill to is listed for a store you must list third party bill to as the billing method with the billing address for the store listed. It is possible for the shipping address to be identical to the billing address for certain stores.
3. Allow 24 hours for pickup if you are not a regular UPS Ground customer. Call 800-PICK-UPS (800.742.5877) to request a pickup or go online to www.ups.com. Just provide **your** UPS account number.

UPS contact regarding the Amscan / Party City account: **Angelo Pira**, Tel: 201.913.6154

Note: If you determine your Freight Collect shipment should be routed via parcel carrier, contact UPS to arrange for pickup. You can find information about UPS on their website, www.ups.com, or by calling UPS Customer Service at 800 PICK UPS (800.742.5877).

Note: For Freight Collect or 3rd party parcel shipping, all packages are automatically covered (insured) for up to \$100 per package. Packages shipped via UPS Ground Collect or 3rd party valued over \$100 must be insured according to the small package declared value regulations at the vendor's expense. All industry standard weekly pickup charges and liability for loss (claims) are the vendors' responsibility.

Note: Non-compliance will result in reimbursement to Amscan/Party City as described in the Reimbursement and Waiver Policy, section 8.

Parcel Documentation Requirements

The following elements are the only accepted form and must be included on each parcel carton label under the supplied reference fields: This information is found on the EDI 850 transmission sent by Party City to the vendor.

1. Reference field 1 "PO number" – total 14 digits
Example 4 digits followed a "-" and then 9 digits: 0001-123456789
2. Reference field 2 "Store number" – total 4 digits
Example 4 digits:
 - Store 2 would be 0002
 - Store 15 would be 0015
 - Store 200 would be 0200
 - Store 1505 would be 1505

Less Than Truckload (LTL) Shipments

Applies to shipments weighing between 500 and 5,000 lbs. and up to 8 pallets. Anything larger please call the Amscan/ Party City Logistics Department.

For Freight Collect shipments vendor must use Amscan / Party City's **LTL Carrier Routing Matrix** section to determine which LTL carrier to utilize. From the **LTL Carrier Routing Matrix** (see page 7 through 8 of this section), use the State of Origin and State of Destination to select the carrier and ensure the designated carrier services the pickup and delivery locations as direct points. If carrier does not service your location as a direct point, contact Amscan / Party City's Logistics Team for assistance.

Note: All LTL shipments are **REQUIRED** to have delivery appointments.

Carrier	Customer Service Phone #	Web Site
Daylight Transport	800.468.9999	www.dylt.com
Old Dominion Freight Lines	800.432.6335	www.odfl.com
New England Motor Freight	800.847.2728	www.nemf.com
UPS Freight	800.333.7400	www.upsfreight.com
EDI Express	800.365.0100	www.edi-express.com

Delivery Appointment Scheduling

In order to better plan receiving functions at each store, all common carrier and vendor fleet shipments must be shipped with a Bill of Lading (BOL) clearly stating an appointment is required for delivery. We recommend the following verbiage:

“Appointment required for delivery. Call for appointment”

The store contact number is available in your Ship-to-Bill-to (S2B2) information. Updated S2B2 information can be found at www.partycityvendors.com. It is the responsibility of each vendor to ensure all information contained in the Party City vendor database is accurate by completing the Vendor Participation Agreement (VPA). If you have any questions regarding the contents of the S2B2 file, contact Amscan / Party City's Logistics Team.

Our stores generally have three (3) business days to schedule an appointment from the time a call for appointment is received. It is your responsibility (and your carrier's responsibility) to provide adequate time to schedule an appointment for seasonal shipments to arrive within the seasonal shipping window. A call for an appointment within the last two days of the seasonal receiving window could cause your shipment to be late.

LTL Documentation Requirements

The following elements must be included on each Bill of Lading (BOL), as applicable:

REQUIRED FOR MERCHANDISE BOL

1. The Purchase Order (PO) number for every PO on the shipment
2. Accurate carton and pallet count for the shipment
3. Accurate total shipment weight
4. Correct NMFC freight class for each item on the PO
5. Address and telephone number of shipping location
6. Address and telephone number of recipient location and **Store number**
7. Freight terms (prepaid or collect), **NEVER COD**
8. Third party billing address, if shipment is collect for Corporate store or Corporate paid roll-out, as listed:

**Party City Corporation
c/o Logistic Concepts, Inc.
PO Box 362
Cuyahoga Falls, OH 44222-0362**

9. Pick-up date/ Ship date (date shipment leaves vendor dock)
10. Carrier name
11. Carrier's PRO or tracking number
12. The statement, "Appointment required for delivery. Call for appointment." or date and time of advance appointment

Accessorial Charges

Party City will chargeback for services required by vendors, or not requested by Party City, which are additional services and are billed to Party City. Vendors must contact the Amscan/Party City Logistics team to approve additional services requested by the store. If approved it must be noted on the BOL or carrier must have store sign that service was completed.

Examples of additional services are:

- Driver and equipment are required to wait more than two hours past the scheduled appointment time to be loaded.
- Inside pick up or Delivery
- Lift gate
- Truck ordered not loaded

Shipping New Store Orders

Please contact Amscan/Party City Logistics Department before shipping begins.

- For Freight Collect- FOB Destination shipments, all new store POs from a specific shipping location must be consolidated to a maximum one shipment, the initial shipment, per new store location to minimize freight costs. Order must be shipped utilizing carrier information as outlined in Transportation Routing Guide (TRG) and Distribution Centers (DC), Section 5.
- **All back orders on new store POs must be shipped as freight Prepaid, regardless of freight terms, or order minimums on file in VPA.**
- A packing slip must be inside, or attached to the lead carton (1 of X) for parcel deliveries or last carton (X of X). If inside, carton must be marked on the outside with the words **"Packing Slip Enclosed"**.
- If shipping via common carrier or a vendor fleet, deliveries can have a packing slip inside, or attached to the lead carton (1 of X) or end carton (X of X). If inside, carton must be marked on the outside with the words **"Packing Slip Enclosed"**.
- If shipping via common carrier or a vendor fleet, the Bill of Lading (BOL) must clearly state, **"Delivery Appointment Required – Call for Appointment"**. Each PO has a contact name and phone number, which can be found on the cover sheet sent with the PO. You must use the contact person and phone number for all delivery appointments.
- Carrier or vendor must call for appointment no later than the day the shipment leaves the vendor's dock, with a minimum of three business days in advance of store receipt, allowing maximum time for store to fit into receiving calendar.
- Lift gate delivery services are required on all common carrier shipments or vendor fleet shipments of 3 pallets or greater.
- All shipments must meet requirements (labeling, packaging etc.) as outlined in Packaging and Packing Instructions, section 3. Deviations require a written waiver **in advance** from Amscan/Party City's Logistics Department as described in Reimbursement and Waiver Policy, section 8.
- Re-delivery, storage and other accessorial fees will be charged back to vendor if deviations from new store shipping/delivery requirements occur.
- Problems in transit, or deviations from original shipping information submitted to Amscan / Party City, must be immediately brought to the attention of Party City's New Store Merchandise Coordinator.

Section – 6a (Retail)

LTL Carrier Matrix		
Origin	Destination	Carrier
Alabama	ALL STATES	UPS Freight
Arkansas	ALL STATES	UPS Freight
Arizona	ALL STATES	UPS Freight
California	Southern CA (LA, SD)	Gilbert West
	CT, MA, ME, NH, NY, RI, VT	Daylight
	AR, DC, DE, FL, GA, IL, IN, KS, LA, MD, MI, MN, MS, NC, NJ, OH, OK, PA, SC, TX, VA,	EDI Express
	Northern CA, OTHER STATES	UPS Freight
Colorado	ALL STATES	UPS Freight
Connecticut	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, AZ, CA, FL, IN, KS, LA, MI, MN, NM, NV, OK, TX	EDI Express
	OTHER STATES	UPS Freight
Delaware	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, CA, LA, OK, OR, TX, WA	Daylight Transport
	OTHER STATES	UPS Freight
District of Columbia	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, CA, LA, OK, OR, TX, WA	Daylight
	OTHER STATES	UPS Freight
Florida	CA, CT, MA, ME, NH, NJ, NY	EDI Express
	OTHER STATES	UPS Freight
Georgia	ALL STATES	Old Dominion Freight Lines
Idaho	ALL STATES	UPS Freight
Illinois	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	OTHER STATES	UPS Freight
Indiana	ALL STATES	UPS Freight
Iowa	ALL STATES	UPS Freight
Kansas	ALL STATES	Old Dominion Freight Lines
Kentucky	ALL STATES	Old Dominion Freight Lines
Louisiana	ALL STATES	Old Dominion Freight Lines
Maine	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	OTHER STATES	UPS Freight
Maryland	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, CA, LA, NM, OK, OR, TX, WA	Daylight
	OTHER STATES	UPS Freight
Massachusetts	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, AZ, CA, FL, IN, KS, LA, MI, MN, NM, NV, OK, TX	EDI Express
	OTHER STATES	UPS Freight
Michigan	ALL STATES	UPS Freight
Minnesota	ALL STATES	UPS Freight
Mississippi	ALL STATES	Old Dominion Freight Lines
Missouri	ALL STATES	Old Dominion Freight Lines
Montana	ALL STATES	UPS Freight
Nebraska	ALL STATES	Old Dominion Freight Lines
Nevada	ALL STATES	UPS Freight
New Hampshire	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, AZ, CA, FL, IN, KS, LA, MI, MN, NM, NV, OK, TX	EDI Express
	OTHER STATES	UPS Freight
New Jersey	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, AZ, CA, FL, IN, KS, LA, MI, MN, NM, NV, OK, TX	EDI Express
	OTHER STATES	UPS Freight

Section – 6a (Retail)

LTL Carrier Matrix		
Origin	Destination	Carrier
New York	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, LA, OK, OR, TX, WA	Daylight Transport
	OTHER STATES (Covers pick ups in Upstate NY)	UPS Freight
New Mexico	ALL STATES	UPS Freight
North Carolina	ALL STATES	UPS Freight
North Dakota	ALL STATES	UPS Freight
Ohio	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	OTHER STATES	UPS Freight
Oklahoma	ALL STATES	UPS Freight
Oregon	ALL STATES	UPS Freight
Pennsylvania	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	OTHER STATES	UPS Freight
Rhode Island	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	OTHER STATES	UPS Freight
South Carolina	ALL STATES	UPS Freight
South Dakota	ALL STATES	UPS Freight
Tennessee	ALL STATES	Old Dominion Freight Lines
Texas	ALL STATES	UPS Freight
Utah	ALL STATES	UPS Freight
Vermont	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	AR, AZ, CA, FL, IN, KS, LA, MI, MN, NM, NV, OK, TX	EDI Express
	OTHER STATES	UPS Freight
Virginia	CT, DE, DC, IL, MA, MD, ME, NH, NJ, NY, OH, PA, RI, VA, VT	New England Motor Freight
	OTHER STATES	UPS Freight
Washington	ALL STATES	UPS Freight
West Virginia	ALL STATES	UPS Freight
Wisconsin	ALL STATES	UPS Freight
Wyoming	ALL STATES	UPS Freight

Section – 6b (Wholesale) Transportation Routing Guide

DISTRIBUTION CENTER SHIPPING INSTRUCTIONS

The section of the Transportation Routing Guide (TRG) provides information for merchandise and non-merchandise items destined to all Amscan Distribution Centers. In order to plan receiving functions at each Distribution Center, all shipment pick-ups must be requested utilizing the "Pickup Request – Freight Collect Vendors" form. The form is available electronically and can be e-mailed. The form is also available in hard copy form for faxing. Sample of the form is included in the Appendix of this VSM.

Freight Collect

Amscan / Party City is responsible for 100% of the freight charges and for specifying which carrier to use. Our preferred carrier partner will bill Amscan / Party City separately.

Freight Collect Vendors must utilize the "Pickup Request – Freight Collect Vendors" form to advise Amscan / Party City Logistics Department that a freight collect shipment is ready for pick-up. Amscan / Party City Logistics Department will send the "Pickup Request – Freight Collect Vendors" form back to the vendor with the carrier information. The selected carrier will call to make a pick up appointment with the vendor. The vendor will be responsible to e-mail or fax the packing list as soon as possible but no later than the actual pick up date to the following people.

For Chester Location

Joan Itzla
Tel: 914.784.4022
Fax: 914.345.8684
Email: jitzla@amscan.com

Jean Zaccagnino
Tel: 914.784.4026
Fax: 914.345.8684
Email: jzaccagnino@amscan.com

Note: When emailing the packing list please include both contacts on the email.

For Naperville location

Dave Sanchez
Tel: 630.579.2067
Fax: 630-579-2467
Email: dsanchez@factorycard.com

"Pickup Request – Freight Collect Vendors" forms must be sent to:

E-mail pickup request to:

Routing@Partycity.com or routing@amscan.com Email is preferred.

If you do not have e-mail ability you may fax to: 973.983.4767

If you have any questions regarding the "Pickup Request – Freight Collect Vendors" form, contact Jaime Perez at Amscan / Party City at jperez2@amscan.com or 973.453.8718 or Jamie Wohlrabe jwohlrabe@amscan.com or 973.453.8786. Business hours of the Amscan / Party City Logistics Department are Monday-Friday 8:00 AM – 5:30 PM Eastern Standard Time.

Section – 6b (Wholesale)

Requests must be filed on a separate “Pickup Request – Freight Collect Vendors” form by DC locations..

Note: For all vendor locations for freight collect shipments assumed to operate in a SLC (shipper load and count) environment, vendor must provide seal & documentation.

Note: Vendors must accurately and comprehensively complete the forms, as Amscan / Party City will assign carriers, capacity, time and labor based on the shipment details (Date, cube, weight, pallets, etc.) provided on the form. In an event that any of the information is entered incorrectly and results in additional charges the vendor will receive a chargeback.

Amscan will provide pick-up information within three (3) business days of receiving a “Pickup/Delivery Request” form (carrier, pick up date, etc). It is your responsibility (and the carrier’s responsibility) to provide adequate time to schedule an appointment. Vendors are encouraged to contact Amscan/Party City Logistics as far in advance as possible to avoid delays and/or congestion on your dock.

Shipment Documentation Requirements

The following elements must be included on each Bill of Lading (BOL), as applicable:

REQUIRED FOR MERCHANDISE BOL:

1. The Purchase Order (PO) number for every PO on the shipment
2. Accurate carton and pallet count for the shipment
3. Accurate total shipment weight
4. Correct NMFC freight class for each item on the PO
5. Note if pallets are stackable
6. Address and telephone number of shipping location
7. Address and telephone number of actual recipient DC location as follows:

DC Locations

**Amscan
47 Elizabeth Drive
Chester, NY 10918**

845.469.9116 (Scheduling)

**Amscan C/O FCPO
2727 Diehl Road
Naperville, IL 60563**

630.579.2067 (Scheduling)

8. Freight terms (prepaid or collect), NEVER COD
9. If shipment is freight collect, mark bill to as follows:

**Bill To: Amscan c/o Party City Corporation
25 Green Pond Road, Suite 1
Rockaway, NJ 07866
Attn: Logistics Department**

Section – 6b (Wholesale)

10. Pick-up date/ Ship date (date shipment leaves vendor dock)
11. Carrier Name
12. Carrier's PRO or tracking number
13. The delivery appointment date and time of advance appointment provided by Amscan
14. Amscan/Party Logistics Routing #

Accessorial Charges

Party City will chargeback for services required by vendors, or not requested by Party City, which are additional services and are billed to Party City. Vendors must contact the Amscan/Party City Logistics team to approve additional services requested by the store. If approved it must be noted on the BOL and carrier must have store sign that service was completed.

Examples of additional services are:

- Driver and equipment are required to wait more than two hours past the scheduled appointment time to be loaded.
- Inside pick up or Delivery
- Lift gate
- Truck ordered not loaded

Freight Prepaid

The cost of transportation/freight is included in the cost of goods. As the vendor is responsible for 100% of freight charges, vendor determines carrier selection.

Amscan will not accept pre-paid and add to invoice, unless approved by the Amscan / Party City Logistics Department.

If a shipment does not meet vendor minimums as defined in Section 1, Merchandise Information, vendor must ship the order as Freight Collect using the appropriate carrier as per this TRG.

Freight Prepaid vendors must fax or e-mail the packing list to the DC contacts below before the merchandise ships from the vendor's dock. Failure to submit packing list of shipped product will result in a vendor chargeback. On Freight Prepaid orders it is the vendor or vendor's carrier responsibility to secure an appointment with Amscan scheduling.

Freight Prepaid Shipments to Chester, NY – Must call for appointments:

Scheduling Desk: Margaret Ferris
Tel: 845.4699116
Fax: 845.572.2120

If you have any questions regarding a prepaid shipment to the East Coast DC, contact Jaime Perez at Amscan / Party City at jperez2@amscan.com or 973.453.8718 or Jamie Wohlrabe at jwohlrabe@amscan.com or 973.453.8786.

Due to limited appointments per day carriers will need to call to schedule an appointment as soon as possible.

Section – 6b (Wholesale)

Business hours are Monday through Friday from 8:00 AM – 5:00 PM PST.

Receiving hours are Monday through Friday from 8:00 AM – 4:00 PM PST.

Prepaid Shipments to Naperville, IL - Must call for appointments:

Scheduling Desk: Dave Sanchez
Tel: 630.579.2067
Fax: 630.579.2467

If you have any questions regarding a prepaid shipment to the DC, contact Jaime Perez at Amscan / Party City at jperez2@amscan.com or 973.453.8718 or Jamie Wohlrabe at jwohrabe@amscan.com or 973.453.8786.

Due to limited appointments per day carriers will need to call to schedule an appointment as soon as possible.

Business hours are Monday through Friday from 8:00 AM – 5:00 PM CST.

Receiving hours are Monday through Friday from 6:00 AM – 2:30 PM CST.

Note: Vendors must accurately and comprehensively fax the packing list, as Amscan will base their receiving documents on the shipment details (Date, cube, weight, pallets, etc.) provided on the packing list. Failure to provide packing list before delivery will result in a vendor chargeback.



Section – 7a (Retail)

Accounts Payable

Overview – Party City (includes Party City Corporate, Party America Corporate, TPF and Party City Franchise Group [PCFG]). Collectively, these groups will be indentified as the “Company”.

This section outlines important information for invoice requirements and processing policies. Accurate information will ensure timely processing of payments.

Direction for the processing of independent franchise orders, shipments and invoices will be given by the management of the individual franchise stores. You will be notified in advance if there are any changes to this process for any store or store group.

Invoice Requirements

Party City requires all merchandise vendors to submit invoices electronically (EDI 810) unless approved, in writing, for manual invoice submissions. (See EDI invoice requirements in Section 2, EDI. If you are not able to send invoices electronically, please contact Don Chapin, Director of Merchandise Payables, to avoid non compliance charges and to determine actions required to become EDI compliant).

ASN (Advanced Shipping Notice) Data

In addition, vendors are required to transmit ASN data electronically (EDI 856). (See EDI requirements in Section 2, EDI.) ASN data is a key component of the store receiving process and invoices can not be paid if ASN data is not provided. **Failure to provide ASN data within 24 hours of shipment will result in a charge of \$25 per shipment and \$5.00 per carton.**

Purchase Order and Invoice Data relationship and requirements

After a valid PO (EDI 850) is received from Party City, follow these procedures to ensure your invoices are paid on a timely basis:

1. Verify the accuracy of all PO details including unit cost*, payment terms, minimum order quantities, etc. Do not ship merchandise until all discrepancies on the PO have been corrected and the Merchandising Manager or the P&A Manager provides proof of correction to you in the form of a new PO.

***The unit cost on the invoice must not exceed the unit cost on the PO. Party City/Party America will not recognize any vendor price increase effective after the date of a PO. If a PO is accepted and the order is filled, the unit cost on the PO will be the basis of the liability for units received, not in excess of the order quantity.**

Telephone orders, and verbal commitments will not be considered binding.

2. Vendors are required to create one invoice per PO, per shipment, per shipping point and per “ship to” point. In other words, one invoice per PO delivery from one vendor location to one retail customer location. You may have multiple invoices per PO but you may not combine multiple POs on one invoice.

The following information must be included on the EDI invoice:

Section – 7a (Retail)

- The complete PO number, in its exact format with no changes (Do not combine PO numbers and/or locations on the same invoice).
- Your company or division name, as well as your Party City or Party America vendor number
- Your unique invoice number and invoice date (which must not be prior to the actual date the merchandise was shipped). There must be a unique invoice for each location and PO number.

Invoice numbers MUST NOT be reused. (See EDI invoice requirements in Section 2, EDI).

- Terms of the sale for the invoice (must be the same terms as provided on the PO)
- Ship to address and store number
- The item number along with a detailed item description
- The unit quantity shipped, unit cost and extended cost for each item
- The reference that links the invoice to the shipment (same number provided on the ASN document)
- Shippers PRO bill number, LCC number, or other tracking number to be used in obtaining Proof of Delivery
- Line item details, when totaled, must agree to header record of EDI invoice.
- Off invoice allowances and charges must be provided as separate line items and must be coded using Party City approved codes only. (See page 6 for listing of valid codes. If a new code is needed to support a different charge or allowance type, please contact Don Chapin, Director of Merchandise Payables)
- All invoices must be sent within 24 hours of shipment of goods.

Manual Invoices (If approved means of submission)

If manual invoices must be sent, all off-invoice allowances and charges not reflected on a Party City PO (included in the net cost) must be individually identified at summary level. Provide a net total dollar (US Dollars) of all allowances on the last page. Do not include allowances within the line item detail (as per example). This applies to manual invoices only. Each charge and allowance type must appear as a separate line on the invoice.

EXAMPLE				
Item	Description	Units	Cost	Extended Cost
12345	Party Goods	12	2.95	\$ 35.40
23456	Party Supplies	24	1.15	\$ 27.60
	Merchandise Total			\$ 63.00
	Allowances – specific			\$ (6.30)
	Other Charges – specific			\$ 9.95
	Total Invoice Amount			\$ 66.65

The invoice number MUST appear on each page of a hard copy multi-page invoice.

Provide a bill of lading with the invoice, or list the following on the invoice:

Section – 7a (Retail)

- Number of cases shipped
- Carrier Name
- Carrier's PRO/LCC number or BOL #
- Freight terms (FOB Destination, Collect, Vendor Truck, or Customer Pickup)

Send all manual invoices and billing related documents for Corporate stores to:

Party City Corporation
Attn. Accounts Payable Department
Vendor ID# _____
25 Green Pond Rd Suite 1
Rockaway, NJ 07866

Send all manual invoices and billing related documents for PCFG stores to:

Party City Franchise Group
Attn. Accounts Payable Department
Vendor ID# _____
25 Green Pond Rd Suite 1
Rockaway, NJ 07866

Invoice Processing Policies

Unless other agreements are made, deductions will be taken from invoices with quantity variances caused by shipment/picking errors, concealed shortages, carton shortages, concealed damages and overshipments. In addition, discrepancies in pricing will also create a deduction, if the invoiced cost is higher than the PO cost. These deductions will be identified on the remittance advice. The reference will be the original invoice number followed by "DM", identifying this as a debit memo.

The invoice due date will be based on receipt of goods and upon the most favorable of the invoice, PO or VPA terms. The system will age invoices based on the PO terms so it is important that the correct PO terms are on the purchase order.

Cash discounts and allowances will be calculated based on the gross amount of the invoiced merchandise and based upon the most favorable of the invoice, PO or VPA terms.

The company reserves the right to deduct, from vendor payable balances, amounts for allowances, rebates, bill backs, returns, non-compliance charges, post audit claims and other receivables. Where balances cannot be collected timely, the company reserves the right to request payment by check on balances due.

Remittance Advice

The corporate office in Rockaway will issue a single corporate check for Party City Corporate, Party America Corporate and Party City Franchise Group approved invoices.

The following information will be provided on the check and remittance advice:

- Vendor Number
- Vendor and/or Factor name
- Vendor/Factor remittance address
- Check number
- Check date

Section – 7a (Retail)

- Invoice number
- Invoice date
- PO number
- Cash Discount
- Net amount of invoice

Remittance Example:

PARTY CITY CORPORATION				No. 43125	
Date: 27-OCT-03		Vendor Name: ABC COMPANY		Vendor No. 123	
Invoice Number	Invoice Date	Description	Gross Amt	Discount	Net Amount
DC26336	30-SEP-03	538-99567	180.00	1.80	178.20
DC26338	30-SEP-03	528-88565	150.00	1.20	148.80
DC26338DM	30-SEP-03	518-33943	(120.00)		(120.00)
			<hr/>		
			210.00	3.00	207.00

Vendor Inquiries & Correspondence

Vendor inquiries regarding A/P transactions, balances and discrepancies must be directed to the Merchandise Payables Department at the address referenced above (25 Green Pond Rd, Suite 1, Rockaway, NJ 07866). All correspondence must include your vendor number.

Vendors must state the situation in writing, attach supporting documentation to their written inquiry and send the package to Party City’s A/P Department at the address referenced above. Allow 2 to 4 weeks for a response.

Vendors may send inquiries via email to merchandisepayables@partycity.com.

The Merchandise Payables group phone number is (973) 453 – 8736.

The group fax number is (973) 983 – 4988.

Inquiries will be processed in the order received.

Changes to Vendor Information

Documentation must be e-mailed or faxed, and signed by a senior officer of your company. All changes must be received 14 days prior to the effective date. Changes would include, but not limited to:

- Change in remittance address
- Change in Company Name
- Change in ownership: If a change in ownership occurs and the new owner is not currently in our vendor file as an authorized vendor, the company will be considered a new vendor and will be required to complete all the documents required of a new vendor.
- Change in legal structure
- Bankruptcy filings
- Change in “Return to Vendor” address

Section – 7a (Retail)

- Change in Shipping locations

The letter communicating changes must contain the following information:

- Your company name and Party City vendor number
- Statement of the change being communicated
- Signature of a senior officer (if mailed or faxed). If communication is emailed, it needs to be emailed from the senior officer.

The mailing address for changes is:

Party City Corporation
Attn. Merchandise Payables
Vendor ID# _____
25 Green Pond Rd Suite 1
Rockaway, NJ 07866

Post Audit Policy

The company may conduct Post Audits of all merchandise transactions. The company reserves the right to file claims within 48 months of the event. The company's auditors will submit all claims in writing and allow vendor 30 days to review and respond to the claims before any deduction is taken for those transactions that are more than 12 months old. Claims for transactions less than 12 months old will be deducted as discovered.

Overages

The company, as a matter of policy, does not condone the shipment of overages. Overages will be processed. The vendor may be charged for the cost of processing the overage, a deduction for the cost of the goods, plus an administration fee as outlined in the Reimbursement and Waiver Policy section (8).

The company does not acknowledge any changes, which causes an overage if they are not communicated via a new PO. No handwritten notes, verbal, phone or faxed agreements will be accepted.

The company reserves the right to return product at vendor's expense in addition to any expenses incurred for inbound freight, and/or administrative charges if terms are Freight Collect-FOB Destination.

Statement of Account

All vendors are required to send a complete statement of account of all open items, including all open invoices and credits to the Merchandise Payables department on a monthly basis. If the statement of account shows a Zero balance, still send this statement reflecting this for our records.

The preferred method of receiving the statement is as follows:

1. Email an Excel or text electronic file of statement to statements@partycity.com.
(You do not need to cc anyone)
2. Fax to: 973-983-4988 Attn: Merchandise Payables
3. Mail to 25 Green Pond Rd Suite 1,
Rockaway NJ 07866
Attn: Merchandise Payables

Section – 7a (Retail)

CODE	ALLOWANCE DESCRIPTION
B800	CREDIT(RETURNED MERCHANDISE-PURCHASES)
F800	PROMOTIONAL ALLOWANCE
A260	ADVERTISING ALLOWANCE (I.E.. AD DISCOUNT)
A250	ADVANCES(PREPAYMENT)
B950	DAMAGED MERCHANDISE
C300	INV LOSS VENDOR DAMAGE CREDIT
F970	REBATE
C000	NO RETURN CREDIT ALLOWANCE
H000	SPECIAL ALLOWANCE(MARKDOWN ALLOWANCE)
I530	VOLUME
E730	NEW ITEM
E740	NEW STORE
E750	New Store Discount
E760	New Warehouse Discount
C310	Discount
F810	OTHER DISCOUNTS/ALLOWANCES
A170	ALLOWANCE ADJUSTMENTS
G240	Refund
G860	Shrink Allowance (CLR)

CODE	CHARGE DESCRIPTION
D240	FREIGHT
H730	Tax
A170	CHARGE ADJUSTMENTS
D920	INSURANCE FEE(FREIGHT INSURANCE)
D500	HANDLING(UNDER MINIMUM ORDER)
G470	RESTOCKING CHARGE(OVER ORDER)
G160	REDELIVERY
H600	TANK RENTAL
F730	(OVERNIGHT) PRIORITY SERVICE (I.E.. 2ND DAY AIR)
B240	COD Charges
C420	Drayage
C440	Driver Assisted Unloading
D270	Fuel Surcharge
D820	Inside Delivery
H400	Stopcharge
H750	Louisiana Tax
I500	Vendor Freight
C090	Deposit for bottles
C640	Energy Charge



Section – 7b (Wholesale)

Accounts Payable

Overview - Amscan/Grasslands Road

This section outlines important information for invoice requirements and processing policies. Accurate information will ensure timely processing of payments.

Invoice Requirements

Amscan requires all merchandise vendors to submit paper invoices

After a valid PO is received from Amscan, follow these procedures to ensure your invoices are paid on a timely basis:

Verify the accuracy of all PO details including unit cost, payment terms, minimum order quantities, etc. Do not ship merchandise until all discrepancies on the PO have been corrected and the Inventory Manager provides proof of correction to you in the form of an e-mail notification or a new PO.

Telephone orders, and verbal commitments will not be considered binding.

Domestic Vendors

Domestic Vendors are required to create one invoice per PO, per shipment, per shipping point and per "ship to" point. Invoices are not to be sent prior to shipping.

The following information must be included on the invoice:

- The complete PO number, in its exact format with no changes (Do not combine PO numbers and/or locations on the same invoice).
- Company or division name
- Unique invoice number and invoice date (which must not be prior to the actual date the merchandise was shipped). There must be a unique invoice for each location and PO number.

The invoice number MUST appear on each page of a hard copy multi-page invoice. Invoice numbers MUST NOT be reused.

- The terms of the sale for the invoice must be clearly indicated
- Remit-to address
- Ship to address
- Amscan item number along with a detailed item description
- The Master Carton (MC) quantity shipped, MC unit cost and extended cost for each item
- Gross cost summation

Domestic Vendors are required to provide a bill of lading with the invoice, or list the following on the invoice:

- Number of cases shipped
- Carrier Name
- Carrier's PRO/LCC number or BOL # or other tracking number to be used in obtaining proof of delivery
- Freight terms (FOB Destination, Collect, Vendor Truck, or Customer Pickup)

Send all manual invoices and billing related documents to:



Section – 7b (Wholesale)

Amscan Inc.
Attn. Accounts Payable Department
80 Grasslands Road
Elmsford, NY 10523

Foreign Vendors

Foreign Vendors can combine PO numbers on one invoice but they must group the PO numbers together with the items. For example, list the first PO number followed by the item numbers, then the 2nd PO number followed by those item numbers, etc. Documents are to be sent at the time of shipment.

EXAMPLE ONLY

Table with 7 columns: ITEM NO., ITEM DESCRIPTION, QTY, MASTER CARTON, TOTAL QUANTITY, M/C PRICE, TOTAL. Includes three P.O. NO. sections with item details.

The following information must be included on the invoice:

- The complete PO number, in its exact format with no changes (Do not combine locations on the same invoice).
• Company or division name
• Unique invoice number and invoice date (which must not be prior to the actual date the merchandise was shipped). There must be a unique invoice for each location.

The invoice number MUST appear on each page of a hard copy multi-page invoice. Invoice numbers MUST NOT be reused.

- The terms of the sale for the invoice must be clearly indicated
• Remit-to address
• Ship to address
• Amscan item number along with a detailed item description
• The "Each" quantity shipped, "Each" unit cost and extended cost for each item
• The Master Carton (MC) quantity shipped, MC unit cost and extended cost for each item
• Gross cost summation

Foreign Vendors must provide quantity shipped and cost information both ways – Eaches for Customs purposes and Master Carton for accounting purposes.

Foreign vendors are required to provide a Bill of Lading with the invoice. The following information must be included on the Bill of Lading:



Section – 7b (Wholesale)

- Number of cases shipped
- Carrier Name
- Carrier's BOL #

Foreign vendors are required to provide a packing list to accompany the invoice and Bill of Lading. The following information must be included on the Packing List:

- PO number
- Container number
- Item number
- Item description
- Total "each" quantity shipped by item number
- Total Master Carton quantity shipped by item number
- Net weight of each Master Carton by item number
- Cubic measurement of Master Carton by item number

Foreign vendors are required to fax a complete set of shipping documents – Invoice, Bill of Lading and Packing List – to the Import Traffic Manager at the time of shipment. The original set of shipping documents should also be sent to the address below -

Amscan Inc.
Attn. Import Traffic Manager
80 Grasslands Road
Elmsford, NY 10523

Invoice Processing Policies

Deductions will be taken from invoices with quantity variances caused by carton shortages, merchandise cost differences, and/or non-compliance due to improperly labeled or unlabeled product, non-compliant cartons, and/or non-compliant pallets.

Domestic Vendors

Deductions will be identified on the remittance advice. The reference number will be the original invoice number followed by a CM. A copy of the exception report will be included with the remittance.

Cash discounts will be calculated based on the gross amount of the invoiced merchandise.

Foreign Vendors

Deductions will be listed on a wire remittance sheet and faxed to the vendor when payment is made. All supporting documentation for deductions will be faxed to the vendor.

Remittance Advice

Domestic Vendors

Amscan will issue a single corporate check for multiple invoices. The following information will be provided on Amscan's check and remittance advice:

- Amscan Vendor Number
- Vendor name
- Vendor remittance address
- Check number



Section – 7b (Wholesale)

- Check date
- Reference number (Invoice number)
- Reference date (Invoice date)
- Gross Amount
- Discount Amount
- Net amount of invoice

Foreign Vendors

Foreign Vendors are paid by electronic transfer. Amscan will transfer a single amount for multiple invoices paid by wire. The following information will be provided on a wire transfer sheet faxed to the vendor:

- Vendor Invoice
- Invoice amount

Any deductions will also be listed and all supporting documentation will be faxed to the vendor.

Vendor Inquiries & Correspondence

Vendor inquiries regarding A/P transactions, balances and discrepancies must be directed to the A/P Department at the address below:

Amscan Inc.
Attn: Accounts Payable Dept.
80 Grasslands Road
Elmsford NY 10523



Section - 8 Reimbursement and Waiver Policy

Overview

This section lists our reimbursement policies and charges by category for non-compliance issues for both retail (Party City, Party America and Paper Factory) and wholesale organizations (Amscan and Grasslands Road). All prior waivers are null and void as of December 31, 2008, unless another expiration date has been given on the waiver. Please see below for the approved waiver policy. **No telephone conversations, verbal agreements or any other agreements made will be honored unless the waiver policy is followed.**

Reimbursement Charges

The following chart lists non-compliance issues, the related organization type and the corresponding expense reimbursement charge:

Expense Offset Reductions			
CATEGORY	RULE #	NON-COMPLIANCE ISSUES	REIMBURSEMENT CHARGES
TRANSPORTATION RETAIL/WHOLESALE	100	NO LTL DELIVERY APPOINTMENT (Only if delivery is accepted, and not rescheduled)	\$50 PER SHIPMENT AND REDELIVERY CHARGES IF APPLICABLE
RETAIL/WHOLESALE	101	INCORRECT CARRIER USED/ FAILURE TO ROUTE ACCORDING TO THE TRANSPORTAION ROUTING GUIDE	\$25 PER INVOICE + FULL FREIGHT
RETAIL/WHOLESALE	102	UNAUTHORIZED ACCESSORIAL CHARGES (Notification, lift gate, etc.)	\$25 + ADDITIONAL COST
RETAIL/WHOLESALE	103	UNAUTHORIZED AIR SHIPMENTS	\$25 + FREIGHT CHARGES

CATEGORY	RULE #	NON-COMPLIANCE ISSUES	REIMBURSEMENT CHARGES
PACKING/LABELING/ VENDOR DIRECT to STORE RETAIL/WHOLESALE	200	REQUIRED LABEL NOT ON CARTON, INCORRECT LABEL OR INCORRECT LABEL PLACEMENT	\$5 PER CARTON
RETAIL/WHOLESALE	201	NO PACKING SLIP WITH SHIPMENT OR IF THE PACKING SLIP ARRIVES AFTER THE SHIPMENT	\$25 PER SHIPMENT
RETAIL/WHOLESALE	202	MULTIPLE POs PER CARTON	\$25 + \$10 PER CARTON
RETAIL/WHOLESALE	203	INCORRECT OR MISSING PO NUMBER ON REQUIRED DOCUMENTATION	\$25 PER SHIPMENT
RETAIL	204	UCC-128 LABEL NOT SCANNABLE/POOR QUALITY	\$5 PER CARTON
TICKETING/UPC RETAIL/WHOLESALE	205	INCORRECT UPC ON PRODUCT OR PACKAGE	\$100 PER UPC
RETAIL/WHOLESALE	206	NO UPC TICKET	\$25 PER OCCURANCE + \$.50 PER REATIL SELLING UNIT
RETAIL/WHOLESALE	207	UPC NOT SCANNABLE/POOR QUALITY	\$25 PER OCCURANCE + \$.50 PER RETAIL SELLING UNIT
RETAIL/WHOLESALE	208	ITEMS INCORRECTLY PRE-PRICED	\$25 PER OCCURANCE + COST OF DIFFERENCE PER SELLING UNIT
RETAIL/WHOLESALE	209	MISSING JULIAN DATE, INCORRECT FORMAT OR PLACEMENT	\$25 PER OCCURANCE + \$.50 PER RETAIL SELLING UNIT OR \$5.00 PER INNER/MASTER CARTON ERROR

CATEGORY	RULE #	NON-COMPLIANCE ISSUES	REIMBURSEMENT CHARGES
LOGISTICS RETAIL/WHOLESALE	300	INCORRECT OR MISSING PO NUMBER ON REQUIRED DOCUMENTATION	\$100 PER SHIPMENT
WHOLESALE	301	INCORRECT, MULTIPLE OR MISSING PO #s or VENDOR #s ON MASTER CARTON	\$100 PER SHIPMENT + \$5 PER CARTON
RETAIL/WHOLESALE	302	CARTON LABEL MISSING OR NOT SCANABLE (POOR QUALITY)/UCC-128 LABEL MISSING OR NOT SCANABLE (POOR QUALITY) OR INCORRECT UPC ON INNER/MASTER CARTON OR OTHER INCORRECT INFORMATION	\$5 PER CARTON
WHOLESALE	303	PALLETS NOT SHRINKWRAPPED	\$25 PER PALLET
WHOLESALE	304	LABEL PLACEMENT INCORRECT (INNER OR MASTER)/LABELS NOT FACING OUT ON SHRINK WRAPPED PALLETS	\$.50 PER CARTON
WHOLESALE	305	UNACCEPTABLE OVERHANG ON PALLET/PALLET EXCEEDS ALLOWED HEIGHT OR DIMENSIONS (TOPS)	\$20 PER PALLET
WHOLESALE	306	INCORRECT PALLET SIZE	\$50 PER PALLET
WHOLESALE	307	UNACCEPTABLE PALLET QUALITY	\$75 PER PALLET
WHOLESALE	308	INCORRECT CASE PACK DIMENSIONS (TOLERANCE +/-1 inch), PALLET QUANTITY OR PRODUCT NOT SHIPPED IN CARTONS NUMBER, CASE PACK, UPC OR OTHER PERTINENT INFORMATION SUBMITTED ON NEW ITEM SET UP FORM (TOPS)	\$10 PER CARTON
WHOLESALE	309	PACKAGING NOT TO STANDARD, SEAL/TAPE, STRENGTH OF CORRUGATED, ROUNDED TOPS AND BOTTOMS, LOOSE FLAPS/STRAPPING OF MASTER CARTON/STAPLES IN MASTER CARTON/EXCEEDS 40 LBS.	\$100 PER SHIPMENT + \$.50 PER CARTON AND ANY PLUS ANY SPECIAL HANDLING OR RTV CHARGES
WHOLESALE	310	SUBMASTERS OR SUBINNERS USED/INCORRECT PACK SIZE OR MULTIPLE PACK SIZES ON ONE PO	\$100 PER SHIPMENT PLUS SEPCIAL HANDLING OR RTV CHARGES
WHOLESALE	311	PACKING SLIP MISSING, UNUSABLE, DATA MISSING OR INCORRECT	\$100 PER SHIPMENT
WHOLESALE	312	ACCESSORIAL CHARGES FOR SPECIAL HANDLING OR REPACKAGING	\$75 PER HOUR PLUS FLAT REIMBURSEMENT CHARGES
WHOLESALE	313	RETURN TO VENDOR CHARGES	\$50 PER PALLET PLUS TRANSPORTATION CHARGES
WHOLESALE	314	STORAGE OF PRODUCT AWAITING DISPOSITION FROM VENDOR	14 DAYS AFTER NOTIFICATION TO VENDOR - \$10 PER PALLET PER WEEK
WHOLESALE	315	DISPOSAL OF NON-SALABLE PRODUCT (NON-HAZARDOUS MATERIAL)	\$5 PER CARTON
WHOLESALE	316	RECEIPT OF SUBSTITUTE ITEM OR ITEMS NOT ON PO	ITEM WILL NOT BE PAID FOR + COST OF DISPOSAL
WHOLESALE	317	HAZARDOUS MATERIAL TESTING FEE	\$100 + INVOICE COST FROM AHI APPROVED LAB
WHOLESALE	318	DISPOSAL OF NON-SALABLE PRODUCT (HAZARDOUS MATERIAL)	\$100 + INVOICE COST FROM DISPOSAL COMPANY AND ANY RELATED FEES
WHOLESALE	319	MISCELLANEOUS – LOGISTICS	RELATED COSTS

CATEGORY	RULE #	NON-COMPLIANCE ISSUES	REIMBURSEMENT CHARGES
MERCHANDISING	400	RECEIPTS LATE – EVERYDAY, SEASONAL & NEW STORES. LATE ORDERS ARE ORDERS RECEIVED IN STORE AFTER THE CANCEL-IF-NOT-DELIVERED BY DATE ON YOUR EDI TRANSMISSION.	LESS THAN 1 WEEK LATE = 5% OF THE VALUE OF THE LATE MERCHANDISE. 1 WEEK OR GREATER AND LESS THAN 3 WEEKS=15% OF THE VALUE OF LATE MERCHANDISE. 3 WEEKS OR GREATER=25% OF THE VALUE OF LATE MERCHANDISE.
RETAIL/WHOLESALE	401	SHIPMENTS EARLY – SEASONAL & NEW STORES	5% OF THE VALUE OF THE EARLY MERCHANDISE
RETAIL/WHOLESALE	402	INCORRECT PRODUCT COST, ITEM NUMBER, CASE PACK, UPC OR OTHER PERTINENT INFORMATION SUBMITTED ON NEW ITEM SET UP FORM	\$200 PER OCCURRENCE
RETAIL	403	UNAUTHORIZED SHIPPING OF A SUBSTITUTE ITEM OR ITEMS ASN'D OR INVOICED NOT ON PO (Retail Only- Wholesale does not accept substitutions)	ITEM WILL NOT BE PAID FOR + COST OF DISPOSAL
RETAIL/WHOLESALE	405	ITEM NOT TESTED BEFORE SHIPPING & PASS TEST REPORT SUBMITTED	ITEM WILL BE DESTROYED AND FULL CREDIT ON COST OF ITEM WILL BE TAKEN.
RETAIL	409	INCORRECT DIMENSIONS PROVIDED ON PACKAGING/SAMPLE	\$0.25 PER UNIT
RETAIL/WHOLESALE	410	PRODUCT NOT RECEIVED AT ALL FOR A SEASON OR GREATER THAN 4 WEEKS LATE FOR EVERYDAY	LOST PROFIT ON THE ITEM'S UNSHIPED QUANTITY
RETAIL/WHOLESALE	411	PRODUCT SHIPPED DIFFERENTLY THAN BUYER APPROVED SAMPLE	LOST PROFIT ON THE ITEM'S UNSHIPED QUANTITY
RETAIL	412	INCORRECT IMAGE PROVIDED FOR WEB, PICTURE WALL & MARKETING VEHICLES	\$200 PER OCCURANCE + COST OF REPRODUCING AND EXPEDITED DELIVERY TO STORES
RETAIL/WHOLESALE	413	ITEM IS DEEMED DAMAGED OR NON-SALABLE	LOST PROFIT ON THE ITEM + Handling, Disposal or Return and Transportation Cost
RETAIL/WHOLESALE	414	LABOR CHARGE TO RETURN OVERSHIPMENTS OR DUPLICATE SHIPMENTS AT VENDOR REQUEST	10% OF THE COST OF RETURNED MERCHANDISE - MIN OF \$25
RETAIL	415	PO SHIPPED TO WRONG LOCATION	EVERYDAY: 50% OF COST OF SHIPMENT / SEASONAL: 100% OF COST OF SHIPMENT
CATEGORY	RULE #	VENDOR ALLOWANCE CHARGES	REIMBURSEMENT CHARGES
OTHER	406	AD ALLOWANCE	ALLOWANCE NOT APPLIED TO INVOICE OR BEING APPLIED BY ACCOUNTS PAYABLE
RETAIL	407	REBATE/VOLUME REBATE	ALLOWANCE NOT APPLIED TO INVOICE OR BEING APPLIED BY ACCOUNTS PAYABLE
RETAIL/WHOLESALE	408	MARKDOWN/OTHER ALLOWANCE	ALLOWANCE NOT APPLIED TO INVOICE OR BEING APPLIED BY ACCOUNTS PAYABLE

CATEGORY	RULE #	NON-COMPLIANCE ISSUES	REIMBURSEMENT CHARGES
ACCOUNTS PAYABLE RETAIL/WHOLESALE	500	INVOICE WITHOUT PO NUMBER INCLUDED OR INCORRECT PO NUMBER	\$25 PER INVOICE
RETAIL/WHOLESALE	501	INVOICING WITH TERMS OTHER THAN THOSE CONTAINED ON THE PO (OR VPA IF NO TERMS ARE LISTED ON PO) THIS INCLUDES FREIGHT TERMS.	\$25 PER INVOICE
RETAIL/WHOLESALE	502	ACCEPTING PO WITH INCORRECT COST	\$25 PER INVOICE
RETAIL/WHOLESALE	503	MANUAL INVOICE FOR NON-ASN VENDOR	\$5 PER INVOICE
RETAIL/WHOLESALE	504	INVOICE WITH ITEMS NOT ON FILE OR UNAUTHORIZED SHIPMENT OF ITEMS (VMI)	ITEM WILL NOT BE PAID FOR
RETAIL/WHOLESALE	505	INVOICES WITH LOAD DATE MORE THAN 7 DAYS AFTER INVOICE DATE	\$5 PER INVOICE
RETAIL/WHOLESALE	506	INVOICES LOADED WITH INCORRECT INVOICE DATE	\$5 PER INVOICE
RETAIL/WHOLESALE	507	INVOICES WITHOUT SITE # OR WITH INCORRECT SITE #	\$25 PER INVOICE

CATEGORY	RULE #	NON-COMPLIANCE ISSUES	REIMBURSEMENT CHARGES
EDI RETAIL	600	RECEIPT OF MANUAL/PAPER CORPORATE STORE INVOICE AFTER EDI CERTIFICATION	\$5 PER INVOICE
RETAIL	601	INABILITY TO ACCEPT PO TRANSMITTED VIA EDI REQUIRING MANUAL (FAX, EMAIL, ETC) PO TO BE SENT	\$5 PER PO
RETAIL	602	FAILURE TO PROVIDE ASN FOR A SHIPMENT WHEN AN EDI 850 PO WAS SENT.	\$25 + \$5 PER CARTON
RETAIL	603	FAILURE TO SEND THE ASN WITHIN TIMEFRAME. ASN MUST ARRIVE VIA EDI PRIOR TO SHIPMENT ARRIVING AT STORE	\$5 PER CARTON
RETAIL	604	ALL EDI DOCUMENTS REJECTED DUE TO INCORRECT OR MISSING DATA	\$200 PER BATCH
RETAIL	605	ALL REJECTED DOCUMENTS NOT CORRECTED AND RE-TRANSMITTED WITHIN 24 HOURS	\$200 PER BATCH
RETAIL	606	INVALID CHARGE OR ALLOWANCE CODE SENT ON INVOICE	\$25 PER INVOICE

CATEGORY	RULE #	NON-COMPLIANCE ISSUES	REIMBURSEMENT CHARGES
IMPORTS WHOLESALE	700	INCORRECT OR MISSING DOCUMENTS	\$500 + COST OF DEMMURAGE and ANY ADDITIONAL CLEARANCE/DUTY or DISPOSAL COSTS
WHOLESALE	701	SHIP EARLY OR LATE WITHOUT APPROVAL	\$50 + 20% OF ORDER
WHOLESALE	702	INCORRECT CARTON MARKINGS	\$50 + \$5 PER CARTON
WHOLESALE	703	INCORRECT DATA OR IMAGE PROVIDED FOR QUOTE TO DETERMINE HTS	\$500 + ADDITIONAL COSTS FOR DUTY, CLEARANCE, STORAGE, DEMURRAGE OR DISPOSAL



NOTE: AHI will process charge backs for additional handling expenses, including transportation expenses, as a result of failure to meet the requirements in this Vendor Standards Manual.

Waiver Policy

A vendor requesting a waiver of AHI policies as defined in this Vendor Standards Manual must contact Party City's Vendor Relations Specialist (for Retail) or Amscan's Vendor Relations Specialist (for Wholesale) in writing or email in advance. Vendor must indicate in detail the policy to be waived and the reason for requesting the waiver. Indicate a timeframe for the waiver, i.e. a date when the vendor expects to comply with Party City policy. Vendor must also provide a contact person for correspondence with Party City or Amscan Inc.

The request will be reviewed by the AHI Vendor Relations team. If the request is approved, the vendor will receive a waiver form. If the request is not approved, the vendor will be contacted to discuss the issue.

Reimbursement Policy

Our expense reimbursement policy is intended to recover the costs incurred by AHI due to vendor non-compliance to the requirements in the Vendor Standards Manual. Expense offset charges will be applied only when AHI can clearly document a non-compliance to the 2009 Vendor Standards Manual (VSM) requirements.

If a vendor rebate program is based on purchase volume, the gross purchases will not be reduced, or netted down, by any reimbursement charges.

All inquiries or disputes related to Vendor Compliance Reimbursements to AHI, must be submitted in writing, within 45 days of the date you are notified the deduction is taken. Disputes received after 45 days from the date you are notified will not be reviewed. Vendors are required to demonstrate a charge back was taken inappropriately prior to review for repayment. Inquiries or disputes should be sent to the appropriate location at the following address:

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

**Amscan
Vendor Relations
80 Grasslands Road
Elmsford, NY 10523**

Disputes must include the following; otherwise disputes cannot be appropriately reviewed:

- Letter with explanation of dispute
- Copy of the charge back document(s) or Quality Control Information Sheet
- Transportation documentation if applicable (i.e. BOL, POD, etc.)
- Other documentation supporting dispute



Section- 9 Terms and Conditions

The following Terms and Conditions are part of the **Vendor Standards Manual** ("VSM") and are fully incorporated herein. Please note that once executed by Vendor, the **VSM** including but not limited to these Terms and Conditions, shall apply and shall continue indefinitely until amended or terminated.

1. **Definitions:** As used herein, the following terms shall have the following meaning: (a) "Order" means a purchase order or an order effectuated through Electronic Data Interchange transmission (EDI) or any other means, which orders shall be deemed to include, in either event, these Terms and Conditions and (b) "Merchandise" refers to the goods, products, packaging, promotional materials including advertising, supplies, parts, assemblies, specifications, services or other items constituting the subject matter of the Order which are to be furnished by the Vendor to Amscan Inc, Party City Corporation or their franchisees, affiliates or subsidiaries hereunder. References to "THE COMPANY" include Amscan Holdings, Inc. ("AHI"), all wholesale and retail subsidiaries of AHI, including but not limited to, Amscan Inc., Grasslands Road, Party City Corporation, Party America, The Paper Factory, Factory Card and Party Outlet, Halloween USA, Party City Franchise Group, and any franchisees affiliated with any of the foregoing.

2. **Warranties:** Vendor represents and warrants to THE COMPANY, in addition to all warranties expressed or implied at law, that the Merchandise and its use, importation, design, construction, assembly, production, shipment, sale, packaging, labeling, packing, advertising, instructions and warnings or lack thereof and other printed matter furnished or authorized by Vendor, shall (a) be free from defects in design, workmanship and/or materials, including, without limitation, such defects as could create a hazard to life or property; (b) be suitable for end use; (c) be manufactured, packed for shipment, marked with the country of origin or other information required by law or regulation and where required, be registered, tested and certified to conform with all applicable federal, state and local laws, and the laws of any United States Commonwealth or any country or territory where THE COMPANY does business, including the Commonwealth of Puerto Rico, and all orders and regulations promulgated thereunder; (d) (i) not infringe or encroach upon any party's personal, contractual or proprietary rights, including patent, designing trademark, tradename, servicemark, copyright, right of privacy or publicity or trade secret rights; collectively hereafter ("Proprietary Rights") or (ii) not have been or be the subject of any allegation by any party alleging violation of such party's Proprietary Rights; (e) not violate or breach any agreement that Vendor may have with a manufacturer or distributor; (f) conform to all specifications, guidelines, other descriptions and delivery dates set forth or incorporated in the Order and all articles accepted by THE COMPANY as merchandise samples; (g) possess all performance qualities and characteristics claimed in advertisements or representations made, issued or authorized by Vendor; (h) be in conformity with the Federal Food, Drug and Cosmetics Act, the Federal Trade Commission Act, the Consumer Product Safety Improvement Act or any other federal, state or local law, and the laws of any United States Commonwealth or any country or territory where THE COMPANY does business, including the Commonwealth of Puerto Rico, and all orders and regulations promulgated thereunder; (i) be properly stamped, tagged, labeled, or marked with such information as may be required by any applicable law, regulation or order or by THE COMPANY; (j) be well within any expiration date indicated on the packaging of the Merchandise; (k) have been stored under proper conditions to preserve the quality of the Merchandise; and (l) meet all applicable requirements of all applicable United States federal, state and local laws and regulations and of all applicable laws and regulations of jurisdictions outside the United States. Vendor also represents and warrants that (m) the weights, measures and sizes of all Merchandise shall be as represented and conform to all standards, regulations and requirements of any federal, state or local governmental authorities having jurisdiction, and any United States Commonwealth or any country or territory where THE COMPANY does business, including the Commonwealth of Puerto Rico; (n) the prices, terms and conditions of sale hereunder and any discount, rebate or allowance for advertising or otherwise granted by Vendor in connection herewith are not in violation of the Robinson-Patman Act and are in compliance with all applicable laws and regulations; and (o) no forced labor or child labor shall be or was utilized in connection with



the manufacture of the merchandise. Vendor's representations and warranties herein shall survive the delivery of Merchandise to THE COMPANY and any resale of Merchandise by THE COMPANY.

3. Safety Tests: For those items provided directly to the retail entities of THE COMPANY, Vendor for AHI retail entities, at its sole cost and expense, shall perform, or cause to be performed, all tests on the Merchandise required by the Customer Product Safety Commission and any other federal, state and local laws, or the laws of any United States Commonwealth or any country or territory where THE COMPANY does business, including the Commonwealth of Puerto Rico, and shall maintain for a period of not less than three (3) years certificates indicating that all applicable tests have been administered and passed. Such tests shall be conducted on an annual basis or sooner as may be required by any applicable law, rule or regulation, by Bureau Veritas or equivalent CPSC approved laboratories or OSHA National Approved Testing Laboratory for electrical safety, including but not limited to UL, ETL, CSA. Vendor shall make available, and at THE COMPANY's request shall furnish, to THE COMPANY copies of such certificates and shall permit THE COMPANY or any person or persons authorized by THE COMPANY to inspect and make copies of all records maintained by Vendor in connection with such tests. In the event Vendor does not test its products, THE COMPANY may test those products and either withhold payment as a result of such testing or charge back the cost of such testing to the Vendor. For those items provided to Amscan Inc., for purposes of wholesale distribution, Amscan shall, until further notice, perform, or cause to be performed, all tests on the Merchandise required by the Consumer Product Safety Commission and any other federal, state and local laws, or the laws of any United States Commonwealth or any country or territory where THE COMPANY does business, Amscan Inc. shall pay for production sample testing for the first sample run and all other production runs as requested. However, if the product fails testing, Vendor will need to pay for each subsequent test on that item until it receives a passing result.

4. Registration and License Numbers: Vendor shall obtain and provide to THE COMPANY any and all registration numbers, license numbers, or the like, required by any federal, state, local, foreign, provincial or territorial governmental agency or authority having jurisdiction over the Merchandise type in question, the sale of such Merchandise, and/or any claims made regarding the Merchandise or any of its qualities. In the event vendor is working only with Amscan Inc., the registration numbers, license numbers and the like shall be sent to Amscan Inc., 80 Grasslands Road, Elmsford, New York 10523 Attention: Vendor Relations). In the event vendor is working only with Party City Corporation, registration numbers, license numbers and the like shall be sent to Party City Corporation, 25 Green Pond Road, Suite #1, Rockaway, NJ 07866 Attention: Vendor Relations. In the event vendor is working with both Amscan Inc. and Party City Corporation, registration numbers, license numbers and the like shall be sent to Amscan Inc., 80 Grasslands Road, Elmsford, New York 10523, Attention: Vendor Relations.

5. Material Safety Data Sheet: Vendor shall provide THE COMPANY a Material Safety Data Sheet ("MSDS") as required by THE COMPANY or pursuant to the Occupational Safety and Health Act (OSHA) and any other federal, state, or local law, regulation or order prior to the delivery of Merchandise particularly including, but not limited to, those products that the end-user could have dermal, oral, respiratory or other bodily exposure to. An MSDS, if required, shall also be included with the first delivery of any Merchandise to each of THE COMPANY's Stores. In the event vendor is working only with Amscan Inc., the registration numbers, license numbers and the like shall be sent to Amscan Inc., 80 Grasslands Road, Elmsford, New York 10523 Attention: Vendor Relations). In the event vendor is working only with Party City Corporation, registration numbers, license numbers and the like shall be sent to Party City Corporation, 25 Green Pond Road, Suite #1, Rockaway, NJ 07866 Attention: Vendor Relations. In the event vendor is working with both Amscan Inc. and Party City Corporation, registration numbers, license numbers and the like shall be sent to Amscan Inc., 80 Grasslands Road, Elmsford, New York 10523, Attention: Vendor Relations.

6. Terms must be in Writing: No terms or conditions in any acceptance, acknowledgment, invoice or other document submitted by Vendor that are in conflict with, different from, or in addition to these Terms and Conditions, nor any modification of the Order, shall be binding upon THE COMPANY unless agreed to in writing by a duly authorized representative of THE COMPANY.



7. **Purchase Order:** (a) An Order, when in the form of a written purchase order, shall constitute an offer on the part of THE COMPANY upon these Terms and Conditions and shall become a binding contract between THE COMPANY and Vendor upon Vendor's acceptance of the Order by:

- (1) signing one copy of the Order and returning it to THE COMPANY or
- (2) returning a signed written confirmation of the Order to THE COMPANY; or
- (3) delivering to THE COMPANY, in accordance with the terms and conditions set forth in the Order, all or any part of the Merchandise order; or
- (4) allowing ten (10) days to lapse from the time the Order is received by Vendor, neither accepting the Order in the manner indicated above nor giving THE COMPANY written notice of rejection of the Order.

(b) An Order, when in the form of an EDI transmission or email, shall constitute an offer on the part of THE COMPANY upon these Terms and Conditions and upon any terms and conditions indicated in the EDI transmission and shall become a binding contract between THE COMPANY and Vendor upon Vendor's acceptance of the Order by:

- (1) delivering to THE COMPANY, in accordance with the terms and conditions as set forth in the Order, all or any part of the Merchandise ordered; or
- (2) electronically acknowledging receipt of the Order coupled with failure to reject the Order within two (2) business days following its receipt; or
- (3) allowing ten (10) days to lapse from the time the Order is received by Vendor, neither accepting the Order in the manner indicated above nor giving THE COMPANY written notice of rejection of the Order.

8. **Prices:** The prices specified in the Order are not subject to any additional charges for packing or preparation for shipment due to increased costs of operation, or because of any taxes or excises levied on processors, manufactures, wholesalers or otherwise. The Order shall not, without written authorization from THE COMPANY, be fulfilled at higher prices than specified therein, or, if the Order is not priced, at prices higher than last charged or quoted to THE COMPANY for Merchandise described therein. Vendor agrees that any price reduction made to the Merchandise described in the Order prior to the delivery of such Merchandise to THE COMPANY shall be applicable to the Order. Whenever price is dependent upon cubic density, such density shall be specified by Vendor.

9. **Changes to an Order:** THE COMPANY may at any time make changes in written, electronic or facsimile form to any Order, including changes in the drawings or specifications, methods of shipment, warranties, packing, or time or place of delivery at any time prior to 30 days before the start ship date for the Merchandise. If such changes result in an increase or decrease in cost of, or time required for the performance of the Order, an equitable and reasonable adjustment shall be made in the price, delivery schedule or both. If such changes result in an increase in cost or time which is unacceptable to THE COMPANY, then THE COMPANY in its sole discretion may cancel its request for such changes.

10. **Timeliness:** Time is hereby made of the essence on the Order. If delivery of Merchandise is not completed by the date set by THE COMPANY, THE COMPANY reserves the right, without liability and in addition to its other rights and remedies at law, in equity or under the terms of the Order, to purchase elsewhere and hold Vendor liable for any additional loss, cost, damage or expense incurred thereby. Vendor shall pay any loss, cost, damage or expense resulting from the untimely receipt of the Merchandise ordered. Vendor shall notify THE COMPANY immediately if it is unable to ship timely. THE COMPANY shall have the right to refuse any goods with untimely delivery and to cancel the balance of the Order for any part of the goods due after untimely delivery of any installments. By accepting the untimely delivery of any installment, THE COMPANY shall not be bound to accept future shipments nor be deprived of its right to return Merchandise already accepted nor to claim damages for untimely delivery.



11. **Order Postponement:** THE COMPANY shall have the right to require Vendor to postpone shipment of Merchandise or suspend work covered by the Order and Vendor shall take all reasonable steps or minimize costs during such suspension. Equitable adjustment shall be made to the price, delivery schedule or other provisions affected by the suspension, provided that the claim for equitable adjustment is made within thirty (30) days after THE COMPANY directs the continuation of the work.

12. **Order Termination:** (a) THE COMPANY may terminate an Order, or any part thereof, by notice to Vendor under any of the following circumstances:

- (1) If Vendor fails to comply with any provisions of the Order.
- (2) If Vendor becomes insolvent or makes a general assignment for the benefit of creditors or files or has filed against it a petition of bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief for debtors or in the event a receiver is appointed for Vendor's property or business.
- (3) If THE COMPANY receives notice of an allegation of Proprietary Rights infringement or believes that there may be an infringement of Proprietary Rights regarding the merchandise that is the subject matter of the Order.

In the event of such termination, in addition to all other rights and remedies THE COMPANY may have at law, in equity or under these Terms and Conditions, THE COMPANY may purchase or manufacture similar Merchandise and/or require Vendor to transfer title and deliver to THE COMPANY any and all property produced or procured by Vendor under the Order and Vendor shall be liable to THE COMPANY for any excess cost to THE COMPANY.

- (b) In addition to THE COMPANY's right to terminate an Order for cause pursuant to Paragraph 12 (a) above, THE COMPANY may terminate an Order in whole or in part at any time upon notice to Vendor. On receipt by Vendor of such notice, Vendor shall, to the extent specified therein, stop work thereunder and the placement of work with subcontractors, terminate work under subcontracts outstanding thereunder, and take any necessary action to protect property in Vendor's possession in which THE COMPANY has or may acquire an interest. In such event, THE COMPANY shall pay to Vendor the amounts due for supplies delivered and accepted or services completed in accordance herewith prior to the effective date of termination.
- (c) Any termination by THE COMPANY whether for cause or otherwise, shall be without prejudice to any claims for damages or other rights of THE COMPANY against Vendor.
- (d) Vendor shall continue performance of the Order to the extent not terminated.

13. **Right to Refuse Merchandise:** THE COMPANY shall have the right to refuse Merchandise not in accordance with specifications or industry standard or breaches of any warranties contained herein, or which is different in quality or quantity from that ordered, or which is shipped otherwise than as specified under the Order or which is believed by THE COMPANY to violate a third party's Proprietary Rights or is alleged to violate a third party's Proprietary Rights. THE COMPANY may, at its sole discretion, either return rejected Merchandise or hold same at Vendor's risk and expense and may, in either event, charge the Vendor with the cost of transportation, shipping, unpacking, examining, repacking, storing, reshipping, disposal and other like expenses as well as the right to charge back Vendor for the loss of sales and punitive damages for any harm to THE COMPANY's business reputation as a result of any breach of warranty hereunder. For purposes hereof, the "right to charge back" shall mean vendors payment to THE COMPANY of an amount equal to the sum of lost wholesale and retail profit, as applicable, defined as follows: i) for wholesale- 100 percent of the lost profit based on the difference between the total carrying cost and the average wholesale selling price at the time of loss for the affected inventory and ii) for retail- 100 percent of the lost profit based on the difference between the average wholesale selling price and the



average retail selling price at the time of loss for the affected inventory. For "Everyday" items, the lost retail profit shall be based on 80 percent of the inventory. If Vendor fails to accept Merchandise returned by THE COMPANY, then THE COMPANY shall have the right to dispose of such Merchandise by any means. If within thirty-six (36) days after a request by THE COMPANY for direction regarding disposition of rejected Merchandise, Vendor does not respond to THE COMPANY, THE COMPANY shall have the right to dispose of the Merchandise by any means. Acceptance of any prior shipments contrary to the Order shall not be considered a waiver of THE COMPANY's right to return any or all of the Merchandise and receive full credit therefore. Authorization for substitution of style, color, size, quantity or a combination thereof, is permitted only upon the written, signed and dated consent of THE COMPANY. Any claims for defective Merchandise, shortages, returns, damages, or other claim of set off asserted as a result of Vendor's failure to comply with these Terms and Conditions made by THE COMPANY will be charged back to Vendor and the amount thereof deducted from payments to be made to Vendor or, alternatively, will be promptly refunded to THE COMPANY.

14. Right to Return Merchandise: THE COMPANY may at any time after delivery of the Merchandise (and whether or not the same has been accepted by THE COMPANY) return all or part of the Merchandise if any part is found to be in a damaged or defective condition or has breached any warranties herein or if believed by THE COMPANY to violate a third party's Proprietary Rights, or if alleged to violate a third party's Proprietary Rights. Vendor shall refund to THE COMPANY in full the price paid by THE COMPANY for such returned Merchandise as well as the right to charge back. Any Merchandise so returned shall be at Vendor's risk and expense.

15. Right to Cancel: In addition to any other remedies available to THE COMPANY under this Agreement or applicable law, upon Vendor's breach of this agreement or any Order, THE COMPANY at its option and without liability to Vendor, may forthwith cancel any unshipped portion of any Order.

16. Advance Shipment: If THE COMPANY accepts any advance shipment (other than requested by it) under any Order, payment terms on such shipment shall be computed from the prescribed shipping date. Terms on shipments not in advance shall begin when Merchandise is received by THE COMPANY, except that invoices for Merchandise received on and after the 25th of the month will be considered received as of the first of the following month.

17. Shipping Charges: Vendor shall pay all charges for packing, crating and shipping unless THE COMPANY expressly agrees to pay such charges.

18. Freight on Board THE COMPANY: Except for Freight on Board (F.O.B.) origin Orders, title to the Merchandise ordered hereunder, as well as all risks of loss therefore, shall remain in Vendor until the Merchandise reaches the directed point of destination and is signed for by THE COMPANY's authorized representative. For F.O.B. origin Orders, title and risk of loss shall remain in Vendor until the Merchandise is received by the carrier designated by THE COMPANY.

19. Additional Expenses: Unless THE COMPANY otherwise agrees in writing, any additional expense resulting from any delay, partial shipment, early shipment, change of routing, variation of cubic density, change of pack or other failure by Vendor to comply with the terms of this Agreement or the applicable Order shall be paid by Vendor.

20. Right to Deduct Monies Owed: THE COMPANY reserves the right to deduct from any amount due Vendor for Merchandise ordered any amount Vendor owes THE COMPANY with respect to any claims of any nature whatsoever in favor of THE COMPANY against Vendor, whether or not related to the Order and whether now existing or hereafter arising, and any assignee of the Vendor's rights to payment hereunder shall be subject to THE COMPANY's rights under this paragraph.



21. **Right to Withhold Payment:** THE COMPANY reserves the right to withhold any payments due Vendor, without penalty or forfeiture, until all disputes whether or not related to the Order and whether or not existing or arising in the future between THE COMPANY and Vendor, are settled.

22. **Bankruptcy:** Any sums payable to Vendor shall be subject to all claims and defenses of THE COMPANY, and THE COMPANY may deduct and set off against any such sums all present and future indebtedness of Vendor to THE COMPANY. In addition to the foregoing set off rights between THE COMPANY and Vendor, THE COMPANY shall be entitled to set off all obligations it owed Vendor, Vendor's divisions, departments, subsidiaries, affiliates and other related entities (the "Related Entities") against any claims THE COMPANY may have against any or all of the Related Entities, as if: (i) a debt existed from THE COMPANY to the Related Entities or any one of them, (ii) THE COMPANY had a claim against the Related Entities or any one of them, and (iii) the debt and the claim are mutual obligations. For the purpose of this section, Vendor and each of the Related Entities expressly consent to the set off rights afforded herein as they affect the Related Entities. The parties further agree that these set off rights will be applicable and fully enforceable in the event Vendor or any of the Related Entities commence a voluntary bankruptcy proceeding or become the subject of an involuntary bankruptcy petition under Title 11 of the United States Code. THE COMPANY shall provide a copy of the deduction statements for debt it has taken against the Vendor's account as a result of any deductions or set offs. Vendor shall be deemed to have accepted each such deduction or set off unless Vendor, within 90 days of receipt of the deduction statement notifies THE COMPANY in writing as to why a deduction or set off should not be taken and provides documentation of the reason(s) given. THE COMPANY shall not be liable to Vendor for any related interest of late charges pending resolution of the contested set off. In the event that either a voluntary or involuntary bankruptcy petition is commenced by or against Vendor and/or any of the Related Entities under the Title 11 of the United States Code, or under any other federal or state law governing the reorganization, liquidation, assignment for the benefit of creditors, or other similar disposition of Vendor or the Related Entities, Vendor and the Related Entities unconditionally and irrevocably consent, to the relief from the automatic stay so as to allow THE COMPANY to exercise its rights and remedies under the Agreement, including but not limited to exercising its right of set off as set forth herein. In such event, Vendor and the Related Entities hereby agree that they shall not, in any manner, oppose or otherwise delay any motion filed by THE COMPANY for relief from the automatic stay. The provisions of this section constitute a material inducement for Vendor and THE COMPANY to enter into this agreement.

23. **Intellectual Property:** All Merchandise, Proprietary Rights and Confidential Information which are supplied by THE COMPANY or which are distinctive of THE COMPANY's private label or licensed label merchandise or which contain any Proprietary Rights of THE COMPANY or which are created at the request of THE COMPANY (collectively "Special Features") shall be the property of THE COMPANY and shall be used by Vendor only for THE COMPANY for THE COMPANY's benefit. All goodwill accruing shall be for and inure to the benefit of THE COMPANY. All intellectual property associated with Merchandise created by Vendor which includes Special Features, THE COMPANY Proprietary Information or which was created at the request of THE COMPANY shall be and hereby is assigned to THE COMPANY. THE COMPANY may use Special Features as it sees fit on or with respect to goods manufactured by others. Merchandise with Special Features which is not delivered to THE COMPANY for any reason shall not be sold or transferred to any third party without THE COMPANY's prior written authorization, and unless and until all labels, tags, packaging and markings making use of the Special Features or otherwise identifying the Merchandise to THE COMPANY have been removed. Vendor shall defend, indemnify and hold THE COMPANY and its officers and shareholders, agents and employees, harmless from and against all costs, expenses, liabilities and losses reasonably incurred (including reasonable attorneys' fees and associated legal costs) arising out of any claim of any violation of personal or property rights based on, or in connection with, the actual sale, offer to sell, use or importation of any material, Merchandise, or any other thing used, created, supplied, manufactured, or obtained by Vendor in connection with Vendor's performance under this Agreement

24. **Advertisement:** The parties hereto agree that if Vendor has represented that it will publicly advertise the Merchandise in accordance with a proposed schedule and thereafter Vendor shall, without the prior written approval of THE COMPANY, fail to advertise Merchandise in accordance with such schedule, THE COMPANY may



return such Merchandise to Vendor and may charge the Vendor with the cost of transportation, shipping, unpacking, examining, repacking, reshipping and other like expenses. Any claims for failure to advertise the Merchandise in accordance with such schedule made by THE COMPANY shall be charged back to Vendor and the amount thereof deducted from payments to be made to Vendor or, alternatively, to be promptly refunded to THE COMPANY. ANY ADVERTISING THAT WILL USE ANY PROPRIETARY RIGHTS OF THE COMPANY IS SUBJECT TO PRIOR WRITTEN APPROVAL OF THE COMPANY, AS FURTHER DESCRIBED IN THE COMPANY VENDOR STANDARDS MANUAL.

25. **Indemnification:** Vendor shall indemnify, defend and hold THE COMPANY harmless from and against any and all alleged, actual or threatened liability, claim, loss or damage arising in any way whatsoever out of or in connection with the sale, advertising, possession, handling, use, importation, manufacture, display, misuse, resale, labeling or return of the Merchandise ordered (and if the Merchandise shall include the sales of services, the provision of such services). Vendor shall defend every suit that may be brought against THE COMPANY by reason of any of the foregoing, whether meritorious or not, and shall pay all expenses and fees of counsel which shall be incurred in connection with such defense, together with all costs, damages and any other sums recoverable in every such suit or settlement thereof. If Vendor fails to take timely action to defend such a suit, THE COMPANY may defend such suit at Vendor's expense. THE COMPANY, in addition to any other rights, may forthwith cancel any unshipped portion of the Order and return prior deliveries to Vendor for payment or credit. With respect to any claims falling within the scope of the foregoing indemnifications, Vendor agrees to keep THE COMPANY fully advised with respect to such claims and the progress of any suits. Additionally, THE COMPANY shall have the right to participate, at Vendor's expense, in any suit instituted against it, and to designate attorneys to defend it. Any designated attorneys shall be independent of attorneys chosen by Vendor relating to such claim or any related claim. Vendor is not to settle, compromise or otherwise enter into any agreement regarding the disposition of any claim against THE COMPANY without the written consent and approval of THE COMPANY.

26. **Confidentiality:** "Confidential Information" means nonpublic information that THE COMPANY designates as being confidential or which, under the circumstances surrounding disclosure ought to be treated as confidential by Vendor. Confidential Information includes, without limitation, information in tangible or intangible form relating to and/or including released or unreleased THE COMPANY products, the marketing or promotion or any THE COMPANY product, THE COMPANY's business policies or practices, and information received from others that THE COMPANY is obligated to treat as confidential. Confidential Information shall not include any information, however designated, that i) is or subsequently becomes publicly available without Vendor's breach of any obligation owed to THE COMPANY; (ii) became known to Vendor prior to THE COMPANY's disclosure of such information to Vendor pursuant to the terms of this Agreement; (iii) became known to Vendor from a source other than THE COMPANY other than by the breach of an obligation of confidentiality owed to THE COMPANY; or (iv) is independently developed by Vendor. Vendor shall refrain from disclosing any Confidential Information to third parties. Vendor shall take reasonable security precautions, at least as great as the precautions it takes to protect its own confidential information, but no less than reasonable care, to keep confidential the Confidential Information or any other breach of this Agreement by Vendor and its employees and consultants, and will cooperate with THE COMPANY in every reasonable way to help THE COMPANY regain possession of the Confidential Information and prevent its further unauthorized use or disclosure. Vendor shall, at THE COMPANY's request, return all originals, copies, reproductions and summaries of Confidential Information and all other tangible materials and devices provided to Vendor as Confidential Information, or at THE COMPANY's option, certify destruction of same. Vendor acknowledges that monetary damages may not be a sufficient remedy for unauthorized disclosure of Confidential Information and that THE COMPANY shall be entitled, without waiving any other rights or remedies, to such injunctive or equitable as may be deemed proper by a court of competent jurisdiction.



27. **Liability Insurance:** Vendor shall purchase and maintain, at its sole cost and expense, Comprehensive General Liability insurance including Products Liability coverage with limits of not less than \$1,000,000 Combined Single Limit each occurrence Bodily Injury and Property Damage, General Aggregate \$2,000,000 per year. Such insurance shall be carried by an insurer with a BEST rating of A VII or better. Coverage shall include Broad Form Property Damage, Contractual Liability including Defense Costs, Cross Liability exclusion deleted, Personal/Advertising liability and shall provide Waivers of Subrogation. Vendor agrees to continuously maintain such insurance for the period during which any party may, as a matter of law, be entitled to assert a claim against any Indemnified Party. To the extent Vendor shall be providing delivery or other services to THE COMPANY, Vendor shall provide evidence of automobile coverage as well as Worker's Compensation and Employer's Liability evidencing the coverage to applicable statutory limits and Employer's Liability to limits of \$1,000,000. The insurance company issuing such policy shall bear endorsements to the effect that THE COMPANY shall be notified not less than thirty (30) days in advance of modification or cancellation thereof (except that such notice shall be 10 days in advance for nonpayment of premium) by certified mail to THE COMPANY Attention: THE COMPANY Logistics/Vendor Relations. The policy shall also bear endorsements naming THE COMPANY and Party City as additional insureds under the Broad Form Vendors Endorsement. A renewal certificate evidencing the insurance coverage required pursuant to this Agreement shall be provided to THE COMPANY at least thirty (30) days prior to the expiration of the policy. **Vendor shall furnish to THE COMPANY a certificate of insurance evidencing such insurance within thirty (30) days following commencement of this Agreement.** Vendor specifically agrees that the indemnities referenced in this Agreement are not limited to the insurance coverage set forth in this paragraph. Vendor/and/or Vendor's representatives', insurers' or agents' failure to comply with the insurance of this Agreement shall be considered a breach of this Agreement.

29. **Additional Work Performed:** All work performed by Vendor and all materials used in connection with any Order shall be at the risk and expense of Vendor until delivered and accepted by THE COMPANY. If any Order calls for work to be performed by Vendor upon any premises owned or controlled by THE COMPANY, Vendor shall keep such premises and work free and clear of all liens and shall furnish THE COMPANY with any certificate, affidavit or waiver as provided by law. Whenever Vendor has in its possession any of THE COMPANY's property, Vendor shall be deemed an insurer thereof and shall be responsible for its safe return to THE COMPANY.

30. **Jurisdiction and Venue:** Vendor consents to the jurisdiction of, and agrees that any suit, action or proceeding arising out of or in any way related to the Merchandise shall be brought in the courts of the State of New York or the United States District Courts for the District of New York. Vendor waives any objection it may have to the venue or forum of any such controversy that is brought in the aforementioned courts and waives any claim that any such controversy has been brought in an inconvenient forum and consents to the jurisdiction of the aforesaid New York Courts.

31. **Taxes:** Except as otherwise provided herein, and unless prohibited by statute, Vendor shall pay any federal, state or local use tax, transportation excise tax, or other tax which may be imposed in connection with the performance of the Order.

32. **Waiver:** THE COMPANY's failure to insist on strict performance of any term or terms hereunder shall not constitute a waiver of any term or default by Vendor. Any waiver of any breach or default hereof shall not constitute a waiver by THE COMPANY of any other or subsequent breach or default of Vendor.

33. **Resale:**

- (a) THE COMPANY acknowledges that it holds valid resale numbers in all states where THE COMPANY is licensed to do business (excluding states not recognizing sales for resale as sales tax exempt).
- (b) Vendor shall furnish THE COMPANY, when required by law, attention THE COMPANY's Tax Department, the appropriate exemption certificate which shall be completed by THE COMPANY and returned to Vendor. THE COMPANY's "Blanket Resale Certificate" may be substituted by THE COMPANY, if permitted by law.



34. Miscellaneous:

Vendor agrees that it will not offer employment to, employ, hire or otherwise engage the services of any person who is or has been within the preceding 180 days an employee of THE COMPANY.

Vendors must limit communication to stores to store specific/franchisee specific issues only. All general communication must be made through the THE COMPANY Corporate office.

Vendor shall not offer or provide to any THE COMPANY Associate any gifts, gift certificates, discounts, gratuities, services or any other item of value. Any deviation from this policy could result in the termination of Vendor's relationship with THE COMPANY. All exceptions must receive prior written approval by THE COMPANY's CEO or CFO.

To report issues regarding accounting, internal accounting controls or other business conduct matters, including any inappropriate associate comments, please call the Vice President of Inventory Management at 973-453-8600 or the Vice President and General Counsel and Secretary at 914-784-4188. Any calls or comments will be handled in a confidential manner.



Section 10 Code of Business Practices

The Company is concerned about human rights, and expects our vendors to share our concerns. By agreeing to the terms and conditions of this VSM, you are also committed to follow these standards:

Labor Practices

- Working hours per week, wages, and overtime practices comply with the standards set by law or, in the absence of a law, address humane, safe and productive working conditions
- That no one under the legal minimum age is employed in any stage of manufacturing; that a minimum age of 14 applies in all circumstances, but not withstanding the forgoing, that C138 Minimum Age Convention (1973) and C182 Worst Form of Child Labour Convention (1999) of the International Labour Organization apply
- That no forced or prison labor is employed¹, that workers are free to leave once their shift ends, and that guards are posted only for normal security reasons
- That all workers are entitled to sick or maternity benefits as provided by law
- That all workers are entitled to freely exercise their rights of employee representation, as provided by law

The Workplace

- That factories provide a safe working environment for their employees and comply with or exceed all applicable local laws concerning sanitation and risk protection
- That the factory is properly lighted and ventilated and that aisles and exits are accessible at all times
- That there is adequate medical assistance available in emergencies, and that designated employees are trained in its use
- That protective equipment is available and employees are trained in its use
- That safeguards on machinery meet or exceed local laws
- That there are adequate toilet facilities which meet local hygiene requirements, and that are properly maintained
- That there are facilities or appropriate provisions for meals and other breaks

¹ Many countries recognize that prison labor is essential to the rehabilitation process. This provision prohibits the exportation of prison-made goods to countries that prohibit or restrict the importation of such goods.



- If a factory provides housing for its employees, it will ensure that dormitory rooms and sanitary facilities meet basic needs, are adequately ventilated and meet fire safety and other local laws
- That no mental or physical disciplinary practices are employed

Compliance

- The purpose of this code is to establish a standard or performance, to educate, and to encourage commitment to responsible manufacturing, not to punish
- This code should be posted or available for all employees in the local language
- Adherence to this code also means complying in all respects with the "WRAP Universal Code" (or any comparable, generally recognized equivalent).

Party City Contact Information

Merchandise / Accounts Payable			
Merchandise Payables correspondence		merchandisepayables@partycity.com	973.453.8736
Don Chapin	Director of Merchandise Payables	dchapin@partycity.com	973.453.8787
Alissa Barrett	Merchandise A/P Manager	abarrett@partycity.com	973.453.8610
Electronic Data Interchange (EDI)			
EDI Correspondence		edisupport@partycity.com	
Nancy Higgins	EDI Specialist	nhiggins@partycity.com	973.453.8641
Patty Madden	EDI Coordinator	pmadden@partycity.com	973.453.8765
Expense Payables			
Rich Sapek	Assistant Controller	rsapek@partycity.com	973.453.8761
Amanda Margotta	Expense Payable Supervisor	Amargotta@partycity.com	973.453.8864
Amscan/Party City Logistics			
Andrew Medrick	VP of Supply Chain and Transportation	amedrick@partycity.com	973.453.8613
Jaime Perez	Transportation	jperez@partycity.com	973.453.8718
Jamie Wohlrabe	Transportation	jwohrlabe@partycity.com	973.453.8786
Peggy O'Brien	Imports	mobrien@partycity.com	973.453.8788
Fran Clark	Imports	fclark@amscan.com	914.784.4135
Vendor Relations			
Vendor Relations Correspondence		vendorrelations@partycity.com	Fax 973.983.4915
Contact appropriate Merchandise Manager (Updated list is in Appendix) -- All else, please contact the CMO			
Corporate New Store Merchandise Purchase Orders			
New Store Correspondence		Replenishment@partycity.com	
Franchise New Store Merchandise Purchase Orders			
Terry Nolan	Franchise New Stores	tnolan@partycity.com	973.453.8668
Mark Tobin	Franchise New Stores	mtobin@amscan.com	973.453.8888
Purchase Orders (Everyday and Seasonal)			
PO Confirmation	PO Administrator	POConfirm@partycity.com	Fax 973.983-4927
Product Safety/Testing /Quality Assurance			
Cindy Belmont	Manager of Product and Vendor Compliance	cbelmont@partycity.com	973.453.8690 (p) 973.983.4736 (f)
Party City Corporate Address			
Party City Corp. 25 Green Pond Road Suite 1 Rockaway, NJ 07866			



AmScan Contact Information

Vendor Relations			
Vendor Relations Correspondence		vendorrelations@amscan.com	914.345.3886 (f)
Julie Ulacco	Coordinator – Vendor Relations	julacco@amscan.com	914.784.4132 (p) 914.345.8684 (f)
Kim O'Shea	Quality Control Supervisor	koshea@amscan.com	845.469.9116 (p) 845.572.2178 (f)
AmScan/Party City Logistics			
Karen McKenzie	VP of Distribution	kmckenzie@amscan.com	845.469.9116 (p) 845.469.5576 (f)
Andrew Medrick	VP of Supply Chain and Transportation	amedrick@amscan.com	973.453.8613
Bill Bennett	Receiving Manager	bbennett@amscan.com	845.469.9116
Jaime Perez	Transportation	jperez2@amscan.com	973.453.8718
Jamie Wohlrabe	Transportation	jwohrlabe@amscan.com	973.453.8786
Peggy O'Brien	Imports	mobrien@amscan.com	973.453.8788
Fran Clark	Imports	fclark@amscan.com	914.784.4135
Accounts Payable			
Mary Ann Sabia	Accounts Payable Manager	msabia@amscan.com	914.784.4039 (p) 914.345.8327 (f)
Inventory			
Jim Dotti	Inventory Manager	jdotti@amscan.com	914.784.4011 (p) 914.345.8684/8685 (f)
Production Management			
Rob Yedowitz	VP – Seasonal Party	ryedowitz@amscan.com	914.784.4065 (p) 914.345.8431 (f)
Scott Lametto	VP – Everyday Party	slametto@amscan.com	914.784.4045 (p) 914.345.8431 (f)
Product Sourcing / By-Pass			
Eric Stollman	VP – Sourcing	estollman@amscan.com	914.784.4106 (p) 914.345.8431 (f)
Polly Hui	Hong Kong Divisional Merchandise Manager - Party	phui@amscanhk.com.hk	011.852.2369.6619 (p) 011.852.2369.6629 (f)
Deborah Warren	Director of Product Development (By-Pass)	dwarren@amscan.com	914.784.4290 (p)
Product Safety/Testing /Quality Assurance			
Frank Chung (Asia)	Manager- Product Safety & Compliance	fchung@amscanhk.com.hk	011.852.2369.1896 (p) 011.852.2369.1892 (f)
Mitchell Kase (North and South America)	Product Safety Manager	mkase@amscan.com	914.784.4057 (p) 914.784.8859 (f)
AmScan Corporate Address		AmScan Hong Kong Office Address	
AmScan Inc 80 Grasslands Road Elmsford, NY 10523		AmScan Hong Kong LG60, LG/ F Houston Centre 63 Mody Road Tsim Sha Tsui East Kowloon, Hong Kong	



Grasslands Road Contact Information

Vendor Relations			
Vendor Relations Correspondence		vendorrelations@amscan.com	914.345.3886 (f)
Julie Ulacco	Coordinator – Vendor Relations	julacco@amscan.com	914.784.4132 (p) 914.345.8684 (f)
Kim O'Shea	Quality Control Supervisor	koshea@amscan.com	845.469.9116 (p) 845.572.2178 (f)
Amscan/Party City Logistics			
Karen McKenzie	VP of Distribution	kmckenzie@amscan.com	845.469.9116 (p) 845.469.5576 (f)
Andrew Medrick	VP of Supply Chain and Transportation	amedrick@amscan.com	973.453.8613
Bill Bennett	Receiving Manager	bbennett@amscan.com	845.469.9116
Jaime Perez	Transportation	jperez2@amscan.com	973.453.8718
Jamie Wohlrabe	Transportation	jwohrlabe@amscan.com	973.453.8786
Peggy O'Brien	Imports	mobrien@amscan.com	973.453.8788
Fran Clark	Imports	fclark@amscan.com	914.784.4135
Accounts Payable			
Mary Ann Sabia	Accounts Payable Manager	msabia@amscan.com	914.784.4039 (p) 914.345.8327 (f)
Inventory			
Jim Dotti	Inventory Manager	jdotti@amscan.com	914.784.4011 (p) 914.345.8684/8685 (f)
Hong Kong Gift Operations			
Christine Sacramone	Director – Creative Product Development & Asia Operations - Gift	csacramone@amscan.com	914.784.4186 (p) 914.345.8448 (f)
Pius Lai	Divisional Merchandise Manager – Hong Kong Gift Division	plai@amscanhk.com.hk	011.852.2369.2832(p) 011.852.2369.2932 (f)
Product Safety/Testing /Quality Assurance			
Frank Chung (Asia)	Manager- Product Safety & Compliance	fchung@amscanhk.com.hk	011.852.2369.1896 (p) 011.852.2369.1892 (f)
Mitchell Kase (North and South America)	Product Safety Manager	mkase@amscan.com	914.784.4057 (p) 914.784.8859 (f)
Grasslands Road Corporate Address			
Grasslands Road 80 Grasslands Road Elmsford, NY 10523			



Factory Card & Party Outlet Contact Information

Merchandise / Accounts Payable			
Merchandise Payables Correspondence			
Jay Slowik	Accounts Payable Manager	jslowik@factorycard.com	630.579.2246
Electronic Data Interchange (EDI)			
EDI Correspondence			
Bob LeMay	IT Project Leader	blemay@factorycard.com	630.579.2046
Logistics			
Ed Plesa	VP Supply Chain Management	eplesa@factorycard.com	630.579.2070
Dan Moecher	Director DC Operations	dmoecher@factorycard.com	630.579.2095
Debbie Sapieszko	Sr Mgr Transportation & Traffic	dsapieszko@factorycard.com	630.579.2076
Mary Jane Lovorn	Logistics Coordinator	mlovorn@factorycard.com	630.579.2090
Vendor Relations			
Erick Ahnell	Buyer	eahnell@factorycard.com	630.579.2127
Erin Gaza	Buyer	egaza@factorycard.com	630.579.2141
Lori Gignac	Associate Buyer	lgignac@factorycard.com	630.579.2121
Hadieh Hasan	Senior Buyer	hhasan@factorycard.com	630.579.2146
Pamela Matjek	Merchandise Manager-Seasonal	pmatjek@factorycard.com	630.579.2148
Brian Schellbach	Buyer	bschellbach@factorycard.com	630.579.2153
Wayne Walton	Merchandise Manager-Basic	wwalton@factorycard.com	630.579.2145
Purchase Orders (Everyday and Seasonal)			
Lisa Kruse	Sr Mgr Inventory Mgmt-Basic	lkruse@factorycard.com	630.579.2157
Greg Mahlum	Sr Mgr Planning & Analysis-Seasonal	gmahlum@factorycard.com	630.579.2119
Product Safety			
Ron Jagielko	Mgr Merchandise Support	rjagielko@factorycard.com	630.579.2133
Factory Card & Party Outlet Corporate Address			
FCPO 2727 Diehl Road Naperville, IL 60563 630.579.2000			



Halloween USA Contact Information

Chief Operating Officers			
Chris Bearss	Co - President/General Manager- Operations/Real Estate	chris@halloweenusa.com	734-591-5465
John McIntire	Co - President/General Manager- Merchandise	john@halloweenusa.com	734-591-5457
Vendor Relations / Purchasing / Merchandising			
Ron Cronan	Director of Merchandise Procurement/IMT	rcronan@halloweenusa.com	734-591-5458
Logistics			
Alan Trudell	Assistant General Manager of Distribution Center	atrudell@halloweenusa.com	734-591-5467
Lisa Foster	General Manager of Distribution Center (Livonia & Chicago)	lfoster@halloweenusa.com	734-591-5456
Accounts Payable			
Kathleen Falkowski	Accounts Payable/Accounts Receivable Manager	kfalkow@halloweenusa.com	734-591-1717 (X5403)
Marketing			
Donny Rose	Director of Marketing	drose@halloweenusa.com	734-591-5468
Product Safety/ Testing / Quality Assurance			
Carol Roberts	Loss Prevention & Product Safety Manager	croberts@halloweenusa.com	734-591-5469
Halloween USA Corporate Address			
Halloween USA 35901 Veronica Livonia, MI 48150			

Appendix

Glossary

The following is a list of key terms commonly used throughout this guide.

Term	Definition
Advanced Shipping Notice (ASN)	Common term for the 856 Ship Notice/Manifest EDI transaction set. An ASN contains shipping and item information relative to a particular shipment. ASNs enable the recipient to plan for receipt of the shipment and to automate the merchandise receiving process.
Back Order	Any shipments against a Purchase Order (PO) after the first shipment.
Cartons	Enclosed storage unit for product received from a vendor.
Case	An enclosed storage unit for product shipped to a Party City location.
Case pack	The packaging of the same item in multiple quantities. Sometimes referred to as a master pack, # of selling units in a standard vendor carton.
Cube	The length, width and height of an item or container.
CBM	Cubic Meter
Consolidated Freight Station (CFS)	Vendor delivers truck with product to consolidator. Consolidator unloads, warehouses and loads container. Vendor is charged a fee.
Cube utilization	Determined by counting the total cubic feet of materials stored in a Party City location and expressing the number as a percentage of the total cubic dimensions. Using racks to increase storage space can increase cube utilization.
Cubiscan	Accurately measure the weight and dimensions of a carton
CY	Direct to Warehouse - Vendor picks up container and vendor loads container, seals, brings to ocean vessel and loading zone.
DDP	Delivered Duty Paid - Vendors are responsible for delivery to the Party City Corporation Distribution Center (PCC DC) door, including all freight costs, duties, and customs clearance under vendor's own importer of record number. Party City Corporation takes possession of goods upon receipt at our PCC DC locations.
Drayage	The movement or hauling a heavy container or shipment.
Each	A single selling unit.
Electronic Data Interchange (EDI)	The computer-to-computer transmission of documents between two companies. Computer-to-computer implies that all information contained in the document is capable of being read and processed without human intervention.
EDI Service Provider	A company that performs EDI on behalf of its clients. Most service providers offer various levels of EDI services tailored to a client's needs ranging from fax to web based EDI.
EDI Software Provider	A company that markets software solutions (ranging from PC-based solutions to A-400/mainframe based systems) that enable a company to perform EDI transactions in-house. Some software solutions are specifically designed to accommodate Party City's EDI documents. These packages are solely the product and responsibility of the company that markets them.

Term	Definition
Exceptions	Any discrepancies with merchandise that cause a delay with merchandise being processed in the facility (e.g. no allocation, invalid UPCs, and unacceptable substitutions).
Flat	A material handling classification of product, which may be processed and shipped in cartons or totes. Generally apparel and peg board merchandise.
FCA	Free Carrier Alongside
FCR	Forwarder's Cargo Receipt
Floor Ready Merchandise (FRM)	Merchandise that is ready for sale when received.
FOB	Free On Board AKA Port of Origin (POO) - Vendors are responsible for delivery to Party City Corporation's designated freight forwarder at the foreign port. Party City Corporation is responsible for import freight costs and customs clearance and takes possession of goods upon Forwarder Cargo Receipt (FCR) issuance.
Inner Pack	A unit pack that is less than the master pack but larger than the selling unit.
Item setup	Process for establishing a new product in our systemic item file. All items must go through this process prior to being handled.
LDP	Landed Duty Paid AKA Port of Entry (POE) - Vendors are responsible for delivery to the port of entry and can include the terminal railhead located nearest to the PCC DC destination. LDP includes all freight costs and customs clearance under the vendor's own importer of record number. Party City Corporation takes possession of the goods after clearing customs.
License Plate Number (LPN)	A bar-coded label with unique non-repeating numbers used to identify a load of merchandise. Includes the item number, quantity, and location and is put on all totes being moved through a Party City distribution operation.
Loading Term	How product is delivered to forwarder for export
Master Pack	The largest individual packaging unit available. Also known as a case pack.
Merchandise Management System	Allocation system used for inventory management (MMS).
New Vendor	A vendor doing business 90 days or less from the date of their first PO.
New Vendor Package	A grouping of documents (Welcome Letter, VSM, and VPA) sent to a vendor to establish proper vendor relations and documentation.
Non-conveyable items	Items too large to be sent through the sortation system. These items are transported manually to shipping where they are scanned and loaded directly onto an outbound trailer.
Order Create Date	The day that the PO is initiated by a Merchandise Manager or authorized Planning and Allocations associate.
Off-Site Receiving (OSR)	A receiving facility that is separate from a retail location.
POE	Port of Entry – See LDP
POO	Port of Origin – See FOB
PO Receipt	The amount of product received on a specific shipment for a specific SKU to be applied in allocation and replenishment to specific stores. The specific amount of product to be shipped to stores on a single shipment and not spread across multiple shipping days.
Pallet	A portable platform made of wood, metal, or plastic on which merchandise is stacked to facilitate handling, storing, and transporting with manual or mechanical equipment.

Term	Definition
Pre-existing Vendor	A vendor doing business for more than 90 days from the date of their first PO.
Purchase Order (PO)	Information sent to vendors to request merchandise for a specific location. Includes manufacturer item number, quantity, price and discounts, vendor information, and ship-to-information.
Receiving Area	The location where shipments arrive from suppliers and are checked in.
Regional Distribution Center (RDC)	A central receiving and shipping point which processes merchandise for shipments to select stores based on store allocations.
Reimbursement	Deductions against any current or future invoice to recover expenses incurred due to vendor non-compliance.
Requested Ship Date	The day the vendor tenders shipment. The order quantity must match the tendered quantity. Back orders will not be accepted.
Routing	Transporting instructions passed from a Load Control Center to vendors sending product to a Party City distribution location and the sending of product to stores.
Ship To – Mark For	Merchandise that is vendor prepared, floor ready, and picked/packed for a specific store. It is received at a Party City distribution location and shipped to the “marked for” store.
TOPS	Total Packaging and Palletization Software
Vendor Participation Agreement (VPA)	Standardized form of Party City (Party America, The Paper Factory) requirements for all merchandise trading partners. A current copy must be on file to receive Party City POs.



MERCHANDISING RESOURCE ALIGNMENT

President
Chief Merchandising Officer
VP of Everyday Merchandising
VP of Marketing
Director of Planning & Allocation - Everyday
Director of Planning & Allocation - Seasonal
Director of Central Planning
Director of Retail Merchandising
Promotional Marketing Director

Lisa Laube - 8655
 Erik Mandell - 8837
 Mary Goosman - 8658
 Bill Furtkevic - 8854
 Kevin McGrath - 8841
 John Cappadoccia - 8602
 Pam Henke - 8750
 Tom Jordan - 8660
 Jeff Wilkes - 8665

To contact any of the merchandising team members below dial: 973-453-xxxx

	Everyday - Mary Goosman				Seasonal - Erik Mandell			
CATEGORIES	PARTY CELEBRATIONS	CONSUMABLES & STATIONERY	SPECIAL OCCASIONS	PARTY BASICS	HALLOWEEN	HALLOWEEN DECORATIONS (26)	SEASONAL	SEASONAL
Departments:	Alice: 1st Birthday General Birthday Juvenile Birthday Latex Balloons Pinatas Heather: Birthday Accessories Kid's Favors Mylar Balloons	Michelle: Barware Everyday Candy Seasonal Candy Denise: Custom Invitations Greeting Cards Inscribe Stationery/Invites	Maria: Baby - Gift Wrap-Bags- Tissues-Bows Wedding Jana: Cinco - Professional Sports Sports Party Themes	Bakeware Candles Catering Event Planning Fashion Ensembles General Deco Solids	Costume Costume Accessories D27 Halloween D55 Halloween Purim	D26 Halloween Graduation New Year's St. Pat's Day	CNY Communion/Conf Fall Hanukah Mardi Gras Patriotic Thanksgiving Valentine's Passover	Christmas Easter/Spring Summer/Luau
Merchandise Mgr	Seth Rubin - 8870	Eric Evans - 8920		Adrienne Taylor - 8838	Melissa Sprich - 8867	open	Christine Meszaros - 8814	Diane Miller - 8852
Assoc. Mdse. Mgr		Michelle Zarkiewicz - 8816	Maria Portela - 8829					
Asst. Mdse. Mgr	Heather Burdett - 8809 Alice Mann - 8792	Denise Ellison - 8834	Jana Rooney - 8746	Cherise Correale - 8794	Melissa Arango - 8698 Alyssa Dellureficio - 8674	Sara Adkins - 8697	Tatyana Ikhelson - 8661	Jimmy Salianni - 8866
P&A Mgr	Beth Stein - 8649	Jim Jennings - 8876	Cathie Xenakis - 8645	Jim Jennings - 8876	Scott Califano - 8843	Scott Califano - 8843	Stacy Patten - 8747	Stacy Patten - 8747
Planner/Sr. Analyst	Alison West - 8853	Christopher Payne - 8875	Steve Pino - 8817	Christopher Payne - 8875	Cecile LaSala - 8802	Cecile LaSala - 8802	Allison Jungkind - 8749 Amber Simpson - 8624	Allison Jungkind - 8749 Amber Simpson - 8624
Replenishment Analyst	Courtney Beisel -8850 Carlos Xiloj - 8741	Anthony Smorra - 8685 Jackie Levin - 8831	Joann Zoppi - 8869 Tara Giuliano - 8785	Anthony Smorra - 8685 Jackie Levin - 8831	Dandley Alexandre - 8322	Dandley Alexandre - 8322	Jennifer Hudzik - 8791 Kevin Finneran - 8687	Jennifer Hudzik - 8791 Kevin Finneran - 8687
Visual Mdse. Mgr	Karen Shaunessy - 8748	Karen Shaunessy - 8748	Karen Shaunessy - 8748	Karen Shaunessy - 8748	Karen Shaunessy - 8748	Karen Shaunessy - 8748	Karen Shaunessy - 8748	Karen Shaunessy - 8748
Visual Coordinator	Valerie Kelly - 8619	Valerie Kelly - 8619	Valerie Kelly - 8619	Valerie Kelly - 8619	Janet Secallus - 8836	Janet Secallus - 8836	Janet Secallus - 8836	Janet Secallus - 8836

Breakdown of Party City Corporation's Departments

Everyday	
Dept No	Dept Desc
101	Mylar Balloons
102	Baby
103	Wedding
104	Party Themes
105	Solids
106	Fashion Ensembles
108	Sports
109	General Decorations
110	Catering
111	Birthday Bakeware
112	Pinatas
113	Gift Wrap
114	Stationery/Novelties
115	Birthday Accessories
116	Non Seasonal Candy
117	Kids Favors
133	Greeting Cards
134	General Birthday
135	1st Birthday
137	Kids Birthday
139	General Candles
140	Rentals
141	Custom Invitations
142	Event Planning
143	Latex Balloons
145	Professional Sports
147	Inscribe

Seasonal	
Dept No	Dept Desc
207	Spring
217	Rentals
218	NFL/Superbowl
219	Valentine's Day
220	St. Patrick's Day
221	Easter
222	Communion/Confirmation
223	Graduation
224	Patriotic
225	Summer
226	Halloween
227	Costumes
228	Fall
229	Thanksgiving
230	Hanukkah
231	Christmas
232	New Years
236	Specialty Holiday
244	Seasonal Candy
248	Store Supplies
255	Costume Accessories
256	Mardi Gras

Unit of Measure



Carton
Shipping receptacle.

Selling Unit = 1
ALWAYS!



Selling Unit
One (1) unit of sellable product.

Ex: SKU 71073- 50 Ct Forks – Pretty Pink



12 cartons on a pallet.



Case Pack

Number of **selling units** in a standard vendor **carton**.

Ex. **12 selling units** (4 layers of 3 *selling units*)

	Shipments to PCC DC	Shipments to PCC Store (DSD)
Pack Qty	Number of selling units in a carton for a shipment to a PCC DC. Defined by vendor. Ex. DC Pack Qty = 12 selling units	Number of selling units in a carton for a shipment to a PCC Store. Can be between 1 and the standard vendor case pack qty . Ex. DSD Pack Qty = 1 selling unit
Minimum Order Qty	Minimum number of selling units vendor requires PCC to buy for shipment to a PCC DC. Must be a multiple of the pack qty for PCC DC. Ex. 12 cartons of 12 selling units. DC minimum order qty – 12x12 = 144 selling units	Minimum number of selling units vendor will ship to a PCC store. Typically equals 1 selling unit , but can be greater than 1. Ex. Vendor will not ship any less than 1 selling unit to a store. DSD min order qty = 1 selling unit
Pack Cost	Cost to PCC of PCC DC pack qty Ex. DC Pack Cost = \$2.22 (DC pack cost) / (DC pack qty) = DC selling unit cost \$2.22/12 = \$0.185	Cost to PCC of DSD pack qty Ex. DSD Pack Cost = \$0.185 NOTE: DSD Pack Cost often equals the DC selling unit cost.



Case Pack Dimensions:

Height in inches
 Length/Depth in inches
 Width in inches
 Weight in lbs.

Planogram Dimensions:

POG Height in inches – Top to bottom
 POG Length/Depth in inches – Front to back
 POG Width in inches – Side to Side along the shelf or as pegged item



See Website for Following Forms:

Wholesale

- ✓ Amscan Sourcing Sheet
- ✓ Freight Collect Pick-Up form -- Amscan and Party
- ✓ Amscan Quote Sheet
- ✓ Grasslands Road Quote Sheet
- ✓ GCC
- ✓ CPSIA
- ✓ VSM Acknowledgement
- ✓ Vendor Participation Agreement

Retail

- ✓ New Item Submission Form
- ✓ Freight Collect Pick-Up form -- Amscan and Party
- ✓ GCC
- ✓ CPSIA
- ✓ VSM Acknowledgement
- ✓ Vendor Participation Agreement
- ✓ New Vendor Package
- ✓ List of Approved PO Department Codes
- ✓ List of Approved Invoice Charges and Allowances
- ✓ Ship To Bill To (S2B2)
- ✓ Franchise store PO Contacts
- ✓ EDI Mapping Guidelines
- ✓ EDI TP Questionnaire

Julian Calendar -

Regular years:

(2001, 2002, 2003, 2005, 2006, 2007, 2009, 2010, ...)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	1	32	60	91	121	152	182	213	244	274	305	335
2	2	33	61	92	122	153	183	214	245	275	306	336
3	3	34	62	93	123	154	184	215	246	276	307	337
4	4	35	63	94	124	155	185	216	247	277	308	338
5	5	36	64	95	125	156	186	217	248	278	309	339
6	6	37	65	96	126	157	187	218	249	279	310	340
7	7	38	66	97	127	158	188	219	250	280	311	341
8	8	39	67	98	128	159	189	220	251	281	312	342
9	9	40	68	99	129	160	190	221	252	282	313	343
10	10	41	69	100	130	161	191	222	253	283	314	344
11	11	42	70	101	131	162	192	223	254	284	315	345
12	12	43	71	102	132	163	193	224	255	285	316	346
13	13	44	72	103	133	164	194	225	256	286	317	347
14	14	45	73	104	134	165	195	226	257	287	318	348
15	15	46	74	105	135	166	196	227	258	288	319	349
16	16	47	75	106	136	167	197	228	259	289	320	350
17	17	48	76	107	137	168	198	229	260	290	321	351
18	18	49	77	108	138	169	199	230	261	291	322	352
19	19	50	78	109	139	170	200	231	262	292	323	353
20	20	51	79	110	140	171	201	232	263	293	324	354
21	21	52	80	111	141	172	202	233	264	294	325	355
22	22	53	81	112	142	173	203	234	265	295	326	356
23	23	54	82	113	143	174	204	235	266	296	327	357
24	24	55	83	114	144	175	205	236	267	297	328	358
25	25	56	84	115	145	176	206	237	268	298	329	359
26	26	57	85	116	146	177	207	238	269	299	330	360
27	27	58	86	117	147	178	208	239	270	300	331	361
28	28	59	87	118	148	179	209	240	271	301	332	362
29	29		88	119	149	180	210	241	272	302	333	363
30	30		89	120	150	181	211	242	273	303	334	364
31	31		90		151		212	243		304		365