

Product Safety and Quality Assurance**CPSIA and Safety Requirement Guidelines**

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). A children's product must contain a permanent, distinguishing mark on the product and its packaging, to the extent practical, that will enable the manufacturer and ultimate purchaser to ascertain the manufacturer, location and date of production of the product, and cohort information including: Item# - Vendor# - Year Made – Country of Origin. This information shall be included on each individual children's product manufactured on or after August 14, 2009, as practicable, Traceability information shall use a minimum font size of 1/32 inches based on lower case "h" as a guide to help determine if applying traceability information in accordance with Title I – Section 103 of the Act is practicable.
- 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)

Food and Products that come into contact with Food

Vendors that supply PCHI with food and products that come into contact with food are required to comply with all U.S. FDA (Food and Drug Administration) regulations, including the Food Safety Modernization Act (FSMA), U.S. FDA CFR Title 21, including but not limited to Part 117, and Proposition 65 regulations. For those facilities that produce food, the following documentation, with satisfactory result(s) is required, but not limited to: i) factory contact & address, ii) GMP food facility certification audit, or equivalent, iii) product test report(s) in accordance applicable test protocols, iv) packaging claims and independent, third party substantiation, v) certificate(s) of insurance, vi) product and process inspection plan in accordance with FDA or equivalent methodology, vii) current social compliance audit per PCHI Code of Conduct requirements, viii) current FDA bioterrorism registration certificate, and ix) applicable country certification(s) required by local or national law.

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, Washington State Chemicals of High Concern to Children (CHCC), Maine Toxic Chemicals in Children's Products, Oregon's High Priority Chemicals of Concern for Children's Health, or any other applicable laws.

State Chemicals in Children's Products

There are certain chemicals which have notification and/or regulatory requirements for the states of Maine, Oregon, Vermont, New York and/or Washington in the United States. If your product(s) contain chemicals from the PCHI Chemical List (last updated on 1/04/2018, made available on Party City's Vendor Portal, and updated from time to time) that are unintentionally added to children's products above the Practical Quantitation Limit (PQL), which, for practicable purposes, is 100 ppm (0.01%), please inform PCHI of the chemical name and amount by weight of the chemical in the product. [Please note that the PQL is based on the test methodology used for chemical detection]. If you have testing done to levels below 100 ppm for any chemicals on the PCHI Chemical List that are intentionally added, then please inform us of the level to which the chemicals are being measured and the level of the chemical.

Some chemicals with a check mark on the PCHI Chemical list for SVHC also have a check mark for Maine, Oregon, Vermont, New York and/or Washington State. These chemicals, if present, need a corrective plan to find a suitable replacement. Note that Lead (Pb), Cadmium (Cd), Arsenic (As), Antimony (Sb), Mercury (Hg), Bisphenol A (BPA), Formaldehyde, and Phthalates DBP, DEHP(DOP), BBP, DINP, DNOP, DIDP, DIOP, DIBP, DPP(DPENP), DNHP(DHEXP), DCHP, DEP, and MBP (CAS#131-70-4) do not require notification since a control program as stated in this Vendor Standards Manual ("VSM") and PCHI's Guidelines for Children's and Other Products is in place to ensure that the products you supply to PCHI and its affiliated companies comply with applicable local, state, and federal regulations for these chemicals. For example, Lead in surface coating and substrate needs to be under 40 or 90 ppm, depending upon product category, and under 1 microgram using the NIOSH 9100 test according to California Proposition 65 regulations, Phthalates need to be under 1000 ppm (0.1%), and total Cadmium needs to be under 75 ppm.

CFR 1107

As part of US federal regulation 16 CFR 1107 requirements effective February 8, 2013 for children's items, PCHI needs to ensure that all items comply with applicable regulations.

In addition to the current periodic production testing, GCC or CPC, and random sampling that PCHI is already doing with your cooperation, please ensure the following:

1. You inform PCHI of any significant changes in materials, factories, processes, designs, or construction for children's items that you manufacture for PCHI. A sample Product Change Notice (PCN) form is enclosed in 4(b) section for your use or reference.
2. Your company has on file, and viewed by all, a written policy statement from a company officer stating that the exercise of undue influence on third party conformity assessment bodies is not acceptable, a letter to all appropriate staff members to receive training on this policy, and a signed statement attesting to their participation in such training.

If there are any reports of alleged undue influence, please investigate immediately and inform PCHI as soon as possible. If you have any questions on the requirements of 16 CFR 1107 or your obligations to PCHI, please contact us immediately.



CPSIA and Safety Requirement Guidelines Acknowledgement

To acknowledge your receipt of this VSM's Product Safety and Quality Assurance requirements, please indicate which PCHI retail entity you are supplying, sign and date this document to certify that all products you supply to PCHI'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).

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

PCHI Retail Entity _____

Vendor Signature _____

Printed Name _____

Title _____

Company Name _____

Date of Signature _____

Please refer to *Party City, Party America, and Halloween City Guidelines for Children's and Other Products* on the vendor website, www.partycityvendors.com for a summary of specific product safety requirements (Vendor Compliance Guidelines - Retail PDF). A copy of this is in the Appendix.

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