

RPM (Regulated Product and Materials) Safety Specifications

Replaces C-1 and E-1 Specifications

(Revised September 2014) revised August 2016 for LSC Communications LLC or one of its subsidiaries (hereinafter referred to as "LSC")

Article I: General Information

1. Contract Documents

These RPM Safety Specifications, together with all other specifications referenced in the contract, constitute an integral part of the agreement between LSC and the Supplier ("Agreement"). The Supplier must notify the appropriate LSC Purchasing or Global Strategic Sourcing representative in writing immediately if it cannot meet all requirements of these Specifications.

2. Scope

These RPM Safety Specifications describe some of the responsibilities of a Supplier relating to Regulated Products and Materials supplied to LSC, including manufacturing, sourcing, importing, packaging, labeling, inspection, testing, storing, delivery, shipping and disposal of Regulated Products, and relevant document retention, complaint, and recall processes, policies, and procedures.

LSC has identified commonly supplied product and material categories in an effort to assist a Supplier in meeting its obligations to comply with Laws. A Supplier must comply with Laws whether or not such Laws are identified or accurately summarized in these RPM Safety Specifications. LSC also has developed additional requirements that in many instances are more protective than applicable Laws. Supplier must comply with all additional requirements in these RPM Safety Specifications. If compliance with any Specification would result in violation of a Law, Supplier must promptly advise LSC of same in writing.

Any failure or default by Supplier in meeting these Specifications shall constitute a material breach of the Agreement. In addition to all other remedies, LSC may terminate the Agreement or purchase conforming materials at Supplier's cost.

3. How to Use this Document

This document is divided into four sections with Articles I and IV containing information directed to all of LSC's suppliers while Article II is for providers of raw materials and Article III is for providers finished products.

Article I - General Information

Article II - Suppliers of raw materials like ink, foil stamping, or spiral wire.

Article III - Suppliers of Finished Products like plastic bags, boxes, arts and crafts, and toys.

Article IV - Contract Requirements

4. Definitions

Definitions as used in these RPM Safety Specifications:

- A. "Child Care Article" means a consumer product designed or intended by the manufacturer to facilitate sleep or the feeding of children age 3 and younger, or to help such children with sucking or teething.
- B. "Children's Jewelry" means jewelry intended for use by children 12 years old and younger.
- C. "Children's Product" means a consumer product designed or intended primarily for children 12 years of age or younger.
- D. "Children's Toy" means a consumer product designed or intended for a child 12 years of age or younger for use by the child when the child plays.
- E. "Finished Product" means a product that does not need any further manufacturing. A Finished Product would be one that is ready to be placed in commerce and for the consumer to use, which may include (but it is not limited to) plastic bags, boxes, arts and crafts, and toys.
- F. "Laws" means (a) U.S. federal, state and local laws, regulations and ordinances, (b) laws, regulations and ordinances of other countries and local governments from, through, or to which Regulated Products or their component raw materials are manufactured, distributed or transported, (c) additional laws that LSC identifies in writing, and (d) any amendments to any of the foregoing laws, rules or regulations.
- G. "Material" or "Raw Material" means any substance or product supplied to LSC for processing, which may include (but is not limited to) ink, paper, bindings, paperboard, cover materials, adhesives, foil stamping, metals used in gilding, saddle wire, spiral, and wire-o and adhesives.
- H. "Perishable" food means food that is not heat-treated; not frozen; and not otherwise preserved in a manner so as to prevent the quality of the food from being adversely affected if held longer than 7 calendar days under normal shipping and storage conditions.
- I. "Regulated Product" means any article or component part thereof that is produced, distributed, or intended (i) for the personal use, consumption or enjoyment of a consumer, or (ii) products regulated by the Consumer Product Safety Commission (CPSC), Environmental Protection Agency (EPA), Federal Trade Commission (FTC), Federal Communications Commission (FCC), Food and Drug Administration. Regulated Products shall include any Finished Products that are provided to LSC for further supply or distribution by or on behalf of LSC, in addition to any items intended for use by or on behalf of LSC.
- J. "Specifications" means these RPM Safety Specifications and additional requirements developed by LSC and acknowledged by Supplier, including but not limited to work instructions and print files or other product descriptions.

Terms not otherwise defined herein shall have the meanings set forth in the Definitions section of the Agreement.

Article II: Requirements for Suppliers of Raw Materials

General

Supplier shall be knowledgeable and is solely responsible for the continuing monitoring of legislative and regulatory developments related to any Material supplied or offered for supply to LSC.

Supplier shall notify LSC of any such developments in accordance with Section 3(A) of Article IV.

Table A: Summary of the Requirements Pertinent to the Raw Materials Most Commonly Supplied to LSC

Chemicals and Material Regulations	Materials				
	Inks, Coatings, and Film Laminates	Paper, Paperboard, and Cover Materials	Adhesives	Materials Containing Metal	All Other Materials
Heavy Metals	✓	✓	✓	✓	✓
Certain Dangerous Substances: REACH and SVHCs	✓	✓	✓	✓	✓
Restriction of Heavy Metals and Brominated Fire Retardants: EU RoHS/China RoHS	✓	✓	✓	✓	✓
Phthalates	✓	✓	✓	✓	✓
Conflict Minerals	✓	✓	✓	✓	
Toxics in Packaging Clearinghouse (TPCH)	✓	✓	✓	✓	✓
CA Prop. 65: Carcinogens, Mutagens, and Reproductive Toxins (CMRs)	✓	✓	✓	✓	✓
ME/WA State Chemicals of High Concern	✓	✓	✓	✓	✓
Asbestos, Radioactive Substances, and Mercury	✓	✓	✓	✓	✓
Sensitizing Substances	✓	✓	✓	✓	✓
Ozone Depleting Substances (ODS)	✓	✓	✓	✓	✓
Persistent Organic Pollutants (POPs)	✓	✓	✓	✓	✓
Formaldehyde in Composite Wood		✓			
Products made from Endangered Species of plants or animals.		✓	✓		

All materials must comply with the following requirements:

- A. **Heavy Metals:** In order to facilitate compliance with local, State and federal (e.g. Consumer Product Safety Improvement Act of 2008 CPSIA 2008) or international laws, Supplier shall not sell or deliver to LSC any material that exceeds any of the following concentrations, including incidental presence in any accessible homogenous part or component: Antimony (60 ppm), Arsenic (25 ppm), Barium (1000 ppm soluble), Selenium

(500 ppm), Chromium (60 ppm soluble), Mercury (0.001 ppm), Cadmium (40 ppm), and Lead (90 ppm).

- B. Certain Dangerous Substances (REACH):** All manufacturing materials supplied to LSC, regardless of location, are required to be in compliance with the restriction of substances under the REACH Annex XVII as revised and Article 33, substances added to the Candidate List by the European Union under REACH as a Substance of Very High Concern (SVHC) in concentrations greater than 0.1% by weight. More information can be found here:
- I. REACH: http://ec.europa.eu/enterprise/sectors/chemicals/reach/index_en.htm
 - II. SVHCs: http://echa.europa.eu/chem_data/authorisation_process/candidate_list_en.asp
- C. Restriction of Heavy Metals and Brominated Fire Retardants(RoHS):**No manufacturing material may exceed the most restrictive concentration for regulated heavy metals and brominated fire retardants permitted by Restriction of Hazardous Substances (RoHS) laws in the European Union (2002/95/EC) and China (SJ/T 11363-2006) as amended. More information can be found at the following website:
- I. EU RoHS: <http://www.bis.gov.uk/nmo/enforcement/rohs-home>
 - II. China RoHS: <http://www.miit.gov.cn/n11293472/n11294912/n11296542/12165064.html>
- D. Phthalates:** In order to meet Laws in multiple jurisdictions (CPSIA 2008 and California Proposition 65), LSC prohibits the use of the following phthalates in concentrations of greater than 0.1% or 1000 ppm: Bis (2-ethylhexyl) phthalate (DEHP), CAS [117-81-7] ; Butyl benzyl phthalate (BBP), CAS [85-68-7] ; Dibutylphthalate (DBP), CAS[84- 74-2] ; Diisononyl Phthalate (DiNP), CAS [28553-12-0, 68515-48-0]; Diisodecyl Phthalate (DIDP), CAS [68515-49-1, 26761-40-0]; Di-n-octyl Phthalate (DnOP), CAS [117-84-0]; and Dinonylhexyl Phthalate (DnHP), CAS [84-75-3].
- E. Conflict Minerals:** Upon LSC's request, Supplier must -
- I. disclose any Materials that it provides to LSC that contain (i) columbite, tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives; or (ii) any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of Congo and adjoining countries (the "Covered Countries"); and
 - II. provide a certification in a form approved by LSC as to whether such Materials (i) originate in the Covered Countries, (ii) are processed in conflict-free smelters or refineries; or (iii) come from recycled sources.
- F. Toxics in Packaging:** All Materials supplied to LSC must comply with the most stringent Law applicable to heavy metals, including but not limited to Toxics in Packaging Laws enacted in selected States, and the European Union Directive on Packaging and Packaging Waste (94/62/EC). Specifically, no materials shall contain more than 100 parts per million (ppm) of Lead, Cadmium, Mercury and Hexavalent Chromium in the aggregate, that is, all four of the metals combined (if lead alone no more than 90 ppm). There may be no deliberate additions of these toxic heavy metals in the manufacturing processes of any materials sold by the Supplier to LSC. Please see the following link for more information:
www.toxicsinpackaging.org.

- G. **California Proposition 65: Carcinogens, Mutagens, Reproductive Toxins (CMRs):** LSC prohibits the use of carcinogens, mutagens, and reproductive toxins in concentrations which would require warning or labeling in a manufactured or supplied Finished Product under any Law. CMRs include any substances listed by California as known to cause cancer, birth defects or other reproductive harm by Proposition 65, Safe Drinking Water and Toxic Enforcement Act of 1986. In addition, substances identified by the International Agency for Research on Cancer (IARC) as a carcinogen or potential carcinogen; listed as a carcinogen or potential carcinogen in the Annual Report on Carcinogens published by the National Toxicology Program (NTP) latest edition; regulated by U. S. Occupational Safety and Health Act (OSHA) as a carcinogen. For more information, see below:
- I. Proposition 65: <http://www.oehha.ca.gov/prop65.html>
 - II. IARC: <http://monographs.iarc.fr/ENG/Classification/index.php>
 - III. RTP: <http://ntp.niehs.nih.gov/index.cfm?objectid=72016262-BDB7-CEBA-FA60E922B18C2540>
- H. **Maine and Washington State Chemicals of High Concern:** The Maine Toxic Chemicals in Children's Product law and the Washington Children's Safe Product Act. Supplier shall not sell or deliver to LSC any materials containing chemicals of high concern as defined by the respective Laws that require Manufacturers or Distributors to provide Notification to any Agency. More information can be found at the following websites:
- I. Maine Toxic Chemicals in Children's Products: <http://www.maine.gov/dep/safechem/highconcern/index.html>
 - II. Washington Children's Safe Product Act: <http://www.ecy.wa.gov/programs/swfa/cspa/chcc.html>
- I. **Asbestos and Radioactive Substances:** LSC prohibits the presence of asbestos or asbestos-containing materials and radioactive substances or radioactive- containing materials in products supplied to LSC Communications LLC.
- J. **Sensitizing Substances.** LSC prohibits the use of strong sensitizers in manufacturing materials as identified by the U. S. Federal Hazardous Substance Act (FHSA), and also restricts other known skin sensitizing substances identified by Annex VI of European Union's Classification, Labeling, and Packaging (CLP) if present in materials supplied at concentrations known to cause allergic reaction and become an accessible part of a Finished Product. A list of FHSA Strong Sensitizers can be found under 16 CFR § 1500.
- I. FHSA Guidance Document: <http://www.cpsc.gov/Global/Regulations-Laws-and-Standards/Regulated-Products-Rules/strongsensitizerguidance.pdf>
 - II. Search engine for Annex VI: <http://esis.jrc.ec.europa.eu/index.php?PGM=cla>
- K. **Ozone Depleting Substances (ODS):** as identified by the Montreal Protocol on Substances That Deplete the Ozone Layer. <http://ozone.unep.org> No product received or manufactured by LSC may contain or be manufactured with a regulated ODS. As defined by the United States Environmental Protection Agency, a product contains an ODS if the ODS is physically held within its structure. A product is manufactured with an ODS if the product comes into physical contact with an ODS during its manufacture. A current list of Ozone Depleting Substances is found in Appendices A and B, 40 CFR Part 82 Subpart A.
- I. ODS: <http://www.epa.gov/ozone/science/ods>

- L. **Persistent Organic Pollutants (POPs):** as identified by the Stockholm Convention on Persistent Organic Pollutants and Regulation (EU) 519/2012. All Materials supplied to LSC may not contain or be manufactured with a material listed as a POP.
 - I. List can be found
at: <http://chm.pops.int/Convention/The%20POPs/tabid/673/language/en-GB/Default.aspx>
 - II. POPs: <http://chm.pops.int/>
 - III. Regulation (EU) 519/2012: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:159:0001:0004:en:PDF>

Additional Requirements - Based on Material Categories

Sections 2-3 below describe additional requirements applicable to specific types of materials, divided into their respective categories.

2. Adhesives, Paper, Paperboard, Cover Material, and Wood Products

- A. **Formaldehyde Emissions from Composite Wood Products** All composite wood products supplied to LSC are required to meet formaldehyde emissions limits of the California Air Resource Board (CARB) airborne toxic control measures (ATCM) and the US Formaldehyde Standards for Composite Wood Products Act of 2010. Suppliers are required to notify the appropriate LSC representative at the time of order if any materials contain composite wood products as that term is used by CARB or US EPA. The Supplier shall provide written certification, labeling, and compliance statements on invoices that the composite wood products or composite wood products contained in finished goods comply with the applicable emission standard specified in § 93120.2(a) of title 17, California Code of Regulations. Supplier shall maintain documentation of third party certification and testing to support compliance and make it available to LSC upon request.
- B. **Materials Containing or Made from Animal or Plants**, (including, but not limited to material or products made in whole or part from feathers, fur, leather, suede, animal byproducts, wood or wood pulp, paper, flowers, or textiles from natural fibers)
 - I. **Endangered Species**, as identified by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) www.cites.org. LSC requires all materials which it receives to be in compliance with Laws that implement CITES, including but not limited to the Endangered Species Act (7 U.S.C. § 136, 16 U.S.C. § 1531 et seq.) which protects listed endangered species and the ecosystems upon which they depend. LSC may request certification for any material received or intended for receipt, including supporting documentation. More information can be found at www.fws.gov/endangered including a complete list of species protected by U.S. and foreign authorities.
 - II. **All Plant and Plant Containing Materials**, as identified by the Lacey Act as Amended 2008. LSC will not import, export, transport, sell, receive, acquire or purchase any plant or plant containing material taken in violation of U.S. or foreign law that protects plants in accordance with the Lacey Act. LSC requires Suppliers providing plant or wood derived products (such as paper, paperboard, corrugate, and skids) to have processes in place to identify the species and origin of each species along with verification that it was obtained from legal sources. Supplier

shall provide such information or documentation at LSC's request. See also http://www.aphis.usda.gov/plant_health/lacey_act/.

Article III: Requirements for Suppliers of Finished Products

General

Supplier shall be knowledgeable and is solely responsible for the continuing monitoring of legislative and regulatory developments related to any Regulated Product supplied or offered for supply to LSC.

Supplier shall notify LSC of any such developments in accordance with Section 3(A) of Article IV.

1. Regulations for All Finished Products

- A. **Certain Dangerous Substances (REACH):** All manufacturing materials supplied to LSC, regardless of location, are required to be in compliance with the restriction of substances under the REACH Annex XVII as revised and Article 33, substances added to the Candidate List by the European Union under REACH as a Substance of Very High Concern (SVHC) in concentrations greater than 0.1% by weight. More information can be found here:
 - I. REACH: http://ec.europa.eu/enterprise/sectors/chemicals/reach/index_en.htm
 - II. SVHCs: http://echa.europa.eu/chem_data/authorisation_process/candidate_list_en.asp
- B. **Restriction of Heavy Metals and Brominated Fire Retardants (RoHS):** No manufacturing material may exceed the most restrictive concentration for regulated heavy metals and brominated fire retardants permitted by Restriction of Hazardous Substances (RoHS) laws in the European Union (2002/95/EC) and China (SJ/T 11363-2006) as amended. More information can be found at the following website:
 - I. EU RoHS: <http://www.bis.gov.uk/nmo/enforcement/rohs-home>
 - II. China RoHS: <http://www.miit.gov.cn/n11293472/n11294912/n11296542/12165064.html>
- C. **California Proposition 65: Carcinogens, Mutagens, Reproductive Toxins (CMRs):** LSC prohibits the use of carcinogens, mutagens, and reproductive toxins in concentrations which would require warning or labeling in a manufactured or supplied Finished Product under any Law. CMRs include any substances listed by California as known to cause cancer, birth defects or other reproductive harm by Proposition 65, Safe Drinking Water and Toxic Enforcement Act of 1986. In addition, substances identified by the International Agency for Research on Cancer (IARC) as a carcinogen or potential carcinogen; listed as a carcinogen or potential carcinogen in the Annual Report on Carcinogens published by the National Toxicology Program (NTP) latest edition; regulated by U. S. Occupational Safety and Health Act (OSHA) as a carcinogen. For more information, see below:
 - I. Proposition 65: <http://www.oehha.ca.gov/prop65.html>
 - II. IARC: <http://monographs.iarc.fr/ENG/Classification/index.php>
 - III. RTP: <http://ntp.niehs.nih.gov/index.cfm?objectid=72016262-BDB7-CEBA-FA60E922B18C2540>
- D. **Ban of Lead-Containing Paint and Certain Consumer Products Bearing Lead-Containing Paint:** Materials supplied to LSC must not contain lead in excess of 90 ppm (under 16 CFR § 1303) in the following products: (a) paint and other similar surface-coating materials which are "lead-containing paint", (b) toys and other articles intended for use by children that bear "lead-containing paint", and (c) furniture articles that

bear "lead-containing paint." In addition, the guidance from the CPSC, 16 CFR 1500.230, should be followed when to protect children from hazardous exposure to lead in consumer products.

- E. **Persistent Organic Pollutants (POPs):** as identified by the Stockholm Convention on Persistent Organic Pollutants and Regulation (EU) 519/2012. All Materials supplied to LSC may not contain or be manufactured with a material listed as a POP.
 - I. List can be found at: <http://chm.pops.int/Convention/The%20POPs/tabid/673/language/en-GB/Default.aspx>
 - II. POPs: <http://chm.pops.int/>
 - III. Regulation (EU) 519/2012 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:159:0001:0004:en:PDF>
- F. **All Regulated Products Containing or Made from Animal or Plants,** including, but not limited to material or products made in whole or part from feathers, fur, leather, suede, animal byproducts, wood or wood pulp, paper, flowers, or textiles from natural fibers.
 - I. **Endangered Species,** as identified by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) www.cites.org. LSC requires all materials and Regulated Products which it receives to be in compliance with Laws that implement CITES, including but not limited to the Endangered Species Act (7 U.S.C. § 136, 16 U.S.C. § 1531 et seq.) which protects listed endangered species and the ecosystems upon which they depend. LSC may request certification for any material received or intended for receipt, including supporting documentation. More information can be found at www.fws.gov/endangered including a complete list of species protected by U.S. and foreign authorities.
 - II. **All Plant and Plant Containing Materials,** as identified by the Lacey Act as Amended 2008. LSC will not import, export, transport, sell, receive, acquire or purchase any plant or plant containing material taken in violation of U.S. or foreign law that protects plants in accordance with the Lacey Act. LSC requires Suppliers providing plant or wood derived products (such as paper, paperboard, corrugate, and skids) to have processes in place to identify the species and origin of each species along with verification that it was obtained from legal sources. Supplier shall provide such information or documentation at LSC's request. See also http://www.aphis.usda.gov/plant_health/lacey_act/.
- G. **Conflict Minerals:** Upon LSC's request, Supplier must -
 - I. disclose any Materials that it provides to LSC that contain (i) columbite, tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives; or (ii) any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of Congo and adjoining countries (the "Covered Countries"); and
 - II. provide a certification in a form approved by LSC as to whether such Materials (i) originate in the Covered Countries, (ii) are processed in conflict-free smelters or refineries; or (iii) come from recycled sources.

- H. **Asbestos, Radioactive Substances:** LSC prohibits the presence of asbestos or asbestos-containing materials and radioactive substances or radioactive- containing materials in products supplied to LSC.
- I. **Sensitizing Substances.** LSC prohibits the use of strong sensitizers in manufacturing materials as identified by the U. S. Federal Hazardous Substance Act (FHSA), and also restricts other known skin sensitizing substances identified by Annex VI of European Union’s Classification, Labeling, and Packaging (CLP) if present in materials supplied at concentrations known to cause allergic reaction and become an accessible part of a Finished Product. A list of FHSA Strong Sensitizers can be found under 16 CFR § 1500.
- I. FHSA Guidance Document: <http://www.cpsc.gov/Global/Regulations-Laws-and-Standards/Regulated-Products-Rules/strongsensitizerguidance.pdf>
- II. Search engine for Annex VI: <http://esis.jrc.ec.europa.eu/index.php?PGM=cla>
- J. **Dimethylfumarate (DMF):** DMF is a biocide that is often used in silica gel packs or drying agents to prevent products from growing mold during storage and/or transport. Any Regulated Product accompanied with silica gel packs or drying agents during storage and/or transport must not contain DMF. DMF has a high chance of leaching into textiles and leather products from the silica gel or drying agent pack. The presence of DMF in concentrations greater than 0.1 ppm is banned in consumer products in the EU by the Commission Decision 2009/251/EC: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32009D0251:EN:NOT>
- K. **Ozone Depleting Substances (ODS):** as identified by the Montreal Protocol on Substances That Deplete the Ozone Layer. <http://ozone.unep.org> No product received or manufactured by LSC may contain or be manufactured with a regulated ODS. As defined by the United States Environmental Protection Agency, a product contains an ODS if the ODS is physically held within its structure. A product is manufactured with an ODS if the product comes into physical contact with an ODS during its manufacture. A current list of Ozone Depleting Substances is found in Appendices A and B, 40 CFR Part 82 Subpart A.
- I. ODS: <http://www.epa.gov/ozone/science/ods>

2. Children's Products

- A. **Consumer Product Safety Improvement Act (CPSIA) of 2008:** All Regulated Products supplied to LSC must comply with the CPSIA of 2008 (as amended). This applies to (but not limited to) Regulated Products intended for children 12 years old and younger. Some of the highlights of the rules are:

Section/Regulation	Requirement
CPSIA Section 101: Children’s Products Containing Lead; Lead Paint Rule	Substrate materials must not contain more than 100 ppm of lead in accessible components. The paint and similar surface-coating materials for consumer use must not contain more than 90 ppm.
CPSIA Section 102: Mandatory Third Party Testing for Certain Children's Products	All Regulated Products intended by the manufacturer and/or specified by LSC Communications as intended for children 12 years old and younger must comply

Section/Regulation	Requirement
Labels for Children's Products	with all applicable Laws and these RPM Safety Specifications including third party testing requirements.
	Supplier must provide compliant packaging and labeling for all Regulated Products, including tracking labeling of Children's Products in accordance with Section 103.

- B. **Art Materials, Labeling of Hazardous Art Materials Act (LHAM A):** All Products intended for children or home use that are Art Materials (any substance marketed or represented by the producer or re-packager as suitable for use in any phase of the creation of any work of visual or graphic art of any medium), including but not limited to crayons, pencils, chalks, or markers, shall be evaluated and labeled in accordance with ASTM D-4236. No Art Materials shall be supplied to LSC if they require chronic hazard labeling including, but not limited to, warnings required by Laws such as California's Prop 65.
- C. **Drawstrings in Wearing Apparel,** LSC will not accept any upper body wearing apparel intended for children that contains drawstrings or any wearing apparel, rugs, or plastic vinyl film that does not comply with the U.S. Flammable Fabrics Acts.
- D. **Maine and Washington State Chemicals of High Concern:** The Maine Toxic Chemicals in Children's Product law and the Washington Children's Safe Product Act. Supplier shall not sell or deliver to LSC any chemicals of high concern as defined by the respective Laws that require Manufacturers or Distributors to provide Notification to any Agency. More information can be found at the following websites:
- I. Maine Toxic Chemicals in Children's Products: <http://www.maine.gov/dep/oc/safechem/highconcern/>
 - II. Washington Children's Safe Product Act: <http://www.ecy.wa.gov/programs/swfa/cspa/chcc.html>
- E. **Formaldehyde Emissions from Composite Wood Products:** All composite wood products or composite wood products contained in finished goods supplied to LSC are required to meet formaldehyde emissions limits of the California Air Resource Board (CARB) airborne toxic control measures (ATCM) and the US Formaldehyde Standards for Composite Wood Products Act of 2010. Suppliers are required to notify the appropriate LSC representative at the time of order if any materials contain composite wood products as that term is used by CARB or US EPA. The Supplier shall provide written certification, labeling, and compliance statements on invoices that the composite wood products or composite wood products contained in finished goods comply with the applicable emission standard specified in § 93120.2(a) of title 17, California Code of Regulations. Supplier shall maintain documentation of third party certification and testing to support compliance and make it available to LSC upon request.

- F. **Hazardous Liquid Chemicals:** All liquids in Children's Products must not contain mercury, methanol, methylene chloride, petroleum distillate, toluene, xylene, ethylene glycol, diethylene glycol, and benzene under 16 CFR 1500.231(a).
3. **All Children's Toys, Child Care Articles, and Children's Jewelry** Supplier must meet all requirements as stated above for Children's Products. In addition, all Children's Toys, Child Care Articles, Children's Jewelry, and components thereof, must meet the following:
- A. **Consumer Product Safety Improvement Act (CPSIA) of 2008:** All Regulated Products supplied to LSC Communications LLC must comply with the CPSIA of 2008 (as amended). This applies to (but not limited to) Regulated Products intended for children 12 years old and younger. Some of the highlights of the regulations include:

Section/Regulation	Requirement
CPSIA Section 101: Children's Products Containing Lead; Lead Paint Rule	Substrate materials must not contain more than 100 ppm of lead in accessible components. The paint and similar surface-coating materials for consumer use must not contain more than 90 ppm.
CPSIA Section 102: Mandatory Third Party Testing for Certain Children's Products	All Regulated Products intended by the manufacturer and/or specified by LSC as intended for children 12 years old and younger must comply with all applicable Laws and these RPM Safety Specifications including third party testing requirements.
CPSIA Section 103: Tracking Labels for Children's Products	Supplier must provide compliant packaging and labeling for all Regulated Products, including tracking labeling of Children's Products in accordance with Section 103.
CPSIA Section 105: Labeling Requirements for Advertising Toys and Games	Supplier must notify LSC in writing of all Regulated Products which are required to contain a label, or cautionary statement, regarding choking hazards in accordance with Section 105.
CPSIA Section 106: Mandatory Toy Safety Standards	All ASTM F963 (as amended) requirements must be met for children's toys including (but not limited to) requirements for art materials and heavy metals (surface coatings and substrates).
CPSIA Section 108: Products Containing Certain Phthalates	In order to meet Laws in multiple jurisdictions, LSC prohibits the use of the following phthalates in concentrations of greater than 0.1% or 1000 ppm in all Toy or Child

Section/Regulation	Requirement
	Care Articles: Bis (2-ethylhexyl) phthalate (DEHP), CAS [117-81-7] ; Butyl benzyl phthalate (BBP), CAS [85-68-7] ; Dibutylphthalate (DBP), CAS[84-74-2] ; Diisononyl Phthalate (DiNP), CAS [28553-12-0, 68515-48-0]; Diisodecyl Phthalate (DIDP), CAS [68515-49-1, 26761-40-0]; Di-n-octyl Phthalate (DnOP), CAS [117-84-0]; and Dinonylhexyl Phthalate (DnHP), CAS [84-75-3].

- B. **IL Lead Poisoning Prevention Act, 410 ILCS45/1.** 410 ILCS 45/1. LSC requires all Regulated Products considered Children’s Toys, Child Care Articles, and Children’s Jewelry with any component part that contains lead in concentrations more than 40 ppm and less than 100 ppm to bear the appropriate warning statement described in this law.
- C. **Bisphenol-a (BPA),** Laws in multiple jurisdictions. LSC requires all Regulated Products intended for children under the age of three to be free of BPA. In addition, any Supplier offering empty baby bottles or spill-proof cups primarily intended for use by a child three years of age or younger shall ensure the Regulated Products are accurately and conspicuously labeled as not containing Bisphenol A in accordance with the most stringent of the State requirements.
- D. **Plush or Stuffed Toys,** Laws in multiple jurisdictions including Ohio, Pennsylvania, and Massachusetts. Supplier shall ensure all Plush or Stuffed Toys comply with testing, registration, labeling, and fees required for distribution such that the Product can be distributed to all States. Supplier shall provide documentation to support compliance when requested by LSC.
- E. **Children’s Jewelry:** Suppliers are required to meet all requirements as stated above for Children’s Products. In addition, all Children’s Jewelry, and components thereof must meet the following: CPSIA § 101, local, State and other Laws. In addition to all third party testing to meet CPSIA requirements, Supplier must provide third party testing and certification to demonstrate compliance with Laws governing jewelry intended for children 12 years old or younger as defined by any authority or agency. Such products must meet the most stringent of any Law, including those governing heavy metals including lead and cadmium. All children’s jewelry products shall comply with all requirements set forth in ASTM F-2923.
- F. **Formaldehyde Emissions from Composite Wood Products:** All composite wood products or composite wood products contained in finished goods supplied to LSC are required to meet formaldehyde emissions limits of the California Air Resource Board (CARB) airborne toxic control measures (ATCM) and the US Formaldehyde Standards for Composite Wood Products Act of 2010. Suppliers are required to notify the appropriate LSC representative at the time of order if any materials contain composite wood products as that term is used by CARB or US EPA. The Supplier shall provide written certification, labeling, and compliance statements on invoices that the composite wood

products or composite wood products contained in finished goods comply with the applicable emission standard specified in § 93120.2(a) of title 17, California Code of Regulations. Supplier shall maintain documentation of third party certification and testing to support compliance and make it available to LSC upon request.

4. **Food, Drugs, Medical Devices, Dietary Supplements, and Cosmetics**

As regulated by the Food and Drug Administration (FDA) under the Federal Food, Drug, and Cosmetic Act (FFDCA) and CFR Title 21. These Products must also meet the following requirements:

- A. **Letter of Guaranty (LOG)**, FFDCA § 303; 21 CFR §§ 7.12 and 7.13. Supplier, including its US agent if the Supplier is located outside the United States, shall provide a Letter of Guaranty as set forth in 21 CFR § 7.13 for all Regulated Products regulated under the FFDCA as a food, drug, medical device, dietary supplement or cosmetic, including packaging or other articles intended for direct contact, guaranteeing the Product is not adulterated or misbranded within the meaning of the FFDCA and not an article which may not, under the provisions of §§ 404, 505, or 512 of the Act, be introduced into interstate commerce. The issuance of a guaranty must be in accordance with FFDCA § 303 and shall comply with 21 CFR §§ 7.12 and 7.13. An LSC form of a Letter of Guaranty can be requested from LSC.
- B. **Prepackaged and Labeled Finished Product**, FFDCA. Suppliers providing finished food, drugs, medical devices, dietary supplements, cosmetics and/or packaging or articles intended for direct contact with those products must prepackage and label the Regulated Products in accordance with FFDCA and this Specification such that handling of bulk product will not cause exposure of Product to potential cross contamination or require additional labeling under the FFDCA. Labeling requirements include but are not limited to the safe use, ingredients, or nutritional content. No Regulated Product may bear misleading or false labeling such as “FDA Approved”.
- C. **Cosmetic Requirements**, FFDCA. For any article intended to be used for cleaning, enhancing or changing a person’s appearance, and the components of those articles, which includes temporary tattoos, Suppliers are required to certify (i) all color additives comply with Law and are listed for use in cosmetics intended for skin contact under 21 CFR §§ 73, 74, 81, and 82; (ii) Cosmetics may not contain any restricted or prohibited substance under 21 CFR §§ 250.250, 700.11-700.35 or known strong sensitizers.
- D. **Drugs (Animal or human)**, Laws in multiple jurisdictions. Suppliers are required to identify and disclose to LSC all Regulated Products which are regulated as “Over the Counter” (OTC) drugs by any Laws. Supplier must also identify which of their OTC drug products require registration by any local or State agency for distribution.
- E. **Bisphenol-A (BPA)**: Reusable Drink ware and Disposable Tableware, Cups, Mugs, Thermos, Bottles) Laws in multiple jurisdictions. In order to meet the most stringent of State Laws, plastic house ware containers and tableware including but not limited to cups, mugs, thermos, bottles, forks, spoons and knives must not contain Bisphenol-A (BPA).
- F. **Food Contact Materials**: Products intended for use in contact with food shall conform to the applicable requirements of 21 CFR §§ 170 to 189.

- G. **Leachable Lead and Cadmium:** Ceramic ware and glassware intended to or likely to hold food shall conform to the applicable requirements of the FDCA § 402(a)(2)(c) and the Safe Drinking Water and Toxic Enforcement Act (Proposition 65).
- H. **Food Additives and Colors:** Food additives and colors contained in the ingredients list shall comply with 21 CFR §§ 73, 74, 81, and 82.
- I. **Marking for Tableware Items California Law:** Tableware items containing lead or cadmium must be permanently and indelibly marked with the name, or if the items is too small, a registered trademark, of the manufacturer or importer.
- J. **FDA Food Labeling:** Food and Nutritional labeling must follow the required size, format, contents, and other specifications in 21 CFR § 101.

5. Textiles, Wearing Apparel, Carpets, Rugs, Mattresses, and Mattress Pads

- A. **Testing and Certification.** . Flammable Fabrics Act (FFA) 15 U.S.C. § 1191; 16 CFR § 1608. Supplier shall perform third party testing using a CPSC accredited laboratory and provide a Certificate of Compliance prior to shipment.
- B. **Letter of Guaranty (LOG), FFA.** LSC requires LOGs for clothing textiles and vinyl plastic film for Wearing Apparel, children's sleepwear, carpets, rugs, mattresses, and mattress pads.
 - I. Letters of Guaranty are also required for all products subject to the FFA and implementing regulations unless Supplier demonstrates that a Continuing Guaranty is on file with CPSC.
 - II. The issuance of a guaranty must be based on reasonable and representative tests conducted in accordance with applicable flammability standards issued under the FFA or based upon a guaranty received and relied upon in good faith by the guarantor. (See FFA § 8 and 16 CFR § 1608). (<http://www.cpsc.gov/businfo/cgfaq.html>)
- C. **Letter of Guaranty (LOG), Identification and Care Labeling.** LSC requires these for textile fibers, wool, fur, and leather products or other wearing apparel. A Letter of Guaranty is required for all products required to meet The Textile Fiber Products Identification Act, the Wool Products Labeling Act, the Fur Products Labeling Act or the Care Labeling Rules unless Supplier has filed a continuing guaranty with the FTC. Supplier must provide verification of such filing. (<http://www.ftc.gov/os/statutes/textile/ftc31a.html>).
- D. **Bedding and Upholstered Furniture Labeling:** All filling materials must be labeled according to the Association of Bedding and Furniture. This tag or label must be securely affixed and contain the appropriate statements.

6. Electronic and Electrical Components

- A. **Registration of Certain Electronic Devices (CED)),** local, State, or International Laws. Supplier shall ensure all of the following for Certain Electronic Devices as defined by any local or State Authority or Agency: (i) the Regulated Product includes a manufacturer's label properly affixed, (ii) the manufacturer has registered with the appropriate agencies for all States and (iii) all required notifications are provided for available recycling or reclamation offered by the manufacturer, such that the product can be distributed to all States.
- B. **Product Safety, Electromagnetic Compatibility (EMC), Energy Efficiency, and Power Supplies.** Regulated Products must conform to all applicable Product Safety (PS), Electromagnetic Compatibility (EMC), Energy Efficiency, and External Power Supply

standards appropriate for their intended markets. These including testing, labeling, and registration requirements applicable to the equipment type and intended markets (e.g., UL, CSA, IEC standards, ASTM, EU Directives, FCC, C-tick, IEC). To ensure applicable PS and EMC standards are met, Supplier must disclose to LSC if wireless or laser technology, or other ionizing/non-ionizing emitter technology is used. Upon request, certificates, test reports and supporting documentation must be provided for all countries' regulatory programs in which the Supplier has approval to market.

7. Batteries and Products Containing Batteries

The following requirements apply to all batteries supplied as such, in addition to products containing and/or packaged with batteries.

- A. **Transportation Classification.** All batteries must meet all applicable design, manufacture, marking, testing, and other battery-specific requirements necessary to avoid classification as a dangerous good for purposes of transport for all modes of transportation, as defined in the following documents when shipped installed in, or with equipment: United States, "Hazardous Materials Regulations," Title 49, Code of Federal Regulations, US Department of Transportation (DOT); International Civil Aviation Organization (ICAO), "Technical Instructions for the Safe Transport of Dangerous Goods by Air"; International Air Transport Association (IATA), "Dangerous Goods Regulations"; International Carriage of Dangerous Goods by Road (ADR); International Marine Dangerous Goods Code (IMDG). Documentation that demonstrates compliance with Laws, such as a Material Safety Data Sheet (MSDS) or Product Data Sheet (PDS), test data, or UN Safety Test Certificates must be supplied upon request.
- B. **Appropriate Labeling and Packaging:** All batteries and products containing batteries must include proper instructions, be labeled and packaged according to all applicable local, state, and federal laws in the United States.
- C. **Removable Coin/Button Cell.** Consumer Products that contain a removable coin/button cell battery shall have a restriction that will prevent young children from accessing the battery. This restriction shall exceed the protection provided by a simple latch or hook on the battery cover, but still allow for easy removal by an appropriate individual.
- D. **Mercury in Batteries.** Mercury must not be intentionally added in any battery, and a battery must not contain more than 0.0001% (1 ppm) mercury by weight.
- E. **Cadmium in Batteries.** The total cadmium content of batteries must not exceed 0.001% (10 ppm) by weight, and must not exceed 0.0005% (5 ppm) by weight for built-in batteries (such as those that are soldered or glued).
- F. **Lead in Batteries.** Non-rechargeable type batteries must not contain lead exceeding 0.2% (2000 ppm) by weight. Built-in batteries (such as those that are soldered or glued) must not contain lead exceeding 0.1% (1000 ppm) by weight.
- G. **Lithium Batteries.** All lithium batteries supplied to LSC must be in packaging that meets the battery-specific requirements of both the IATA Part 1 Packing Instructions 965, 966, 967, 968, 969, and 970 and DOT, ADR, and IMDG Special Provision 188.
- H. **Non-rechargeable Alkaline and Carbon-Zinc Batteries.** Non-rechargeable alkaline and carbon-zinc batteries must be hermetically-sealed.

- I. **Rechargeable Batteries.** All rechargeable batteries or Regulated Products containing them are required to have product user documentation on appropriate recycling or take back programs from the manufacturer or private labeler in accordance with all State laws such that the product can be distributed to all States.
 - J. **Lead-Acid Batteries.** Rechargeable sealed lead-acid batteries must meet dangerous goods transport criteria for non-spill-able batteries as specified in ICAO/IATA Packaging Instruction 806 and Special Provision A67, including testing at 13°C (55°F) to ensure no free liquid flows from the case when it is cracked or ruptured and the requirement that the batteries contain no free or unabsorbed liquid. In addition to the labeling requirements in Article IV, Section 5 of this document, the words “NONSPILLABLE” or “NONSPILLABLE BATTERY” must be marked on the battery and the outside packaging.
- 8. Packaging and Packaging Materials Supplied as Products (Not intended for food contact)**
- A. **Toxics in Packaging:** All Regulated Products supplied to LSC considered to be packaging or intended to be distributed for use as packaging materials must comply with the most stringent Law applicable to heavy metals, including but not limited to Toxics in Packaging Laws enacted in selected States, and the European Union Directive on Packaging and Packaging Waste (94/62/EC). Specifically, no materials shall contain more than 100 parts per million (ppm) of Lead, Cadmium, Mercury and Hexavalent Chromium in the aggregate, that is, all four of the metals combined (if lead alone no more than 90 ppm). There may be no deliberate additions of these toxic heavy metals in the manufacturing processes of any materials sold by the Supplier to LSC. Please see the following link for more information:
www.toxicsinpackaging.org
 - B. **Plastic Bags:** All plastic bags supplied to LSC intended for distribution as packaging for Consumer Products that may end up in or around homes, have a thickness of less than 1.0 mil, and an opening with a diameter of greater than 5 inches are required to have a suffocation warning for children such as or similar to the following: “W ARNING: Keep this bag away from babies and children. Do not use in cribs, beds, carriages, or playpens. The thin film may cling to nose and mouth and prevent breathing.” Warning statement shall be of appropriate print size and legibility to meet all Laws.
 - C. **Rigid Plastic Containers (RPPC):** All RPPC must be marked with the appropriate SPI resin identification code and contain at least 25% post consumer recycled content to meet various State requirements. Exemptions exist for medical products.
 - D. **Containers (bucket labeling):** California Health and Safety Code §§ 108625-108640. All containers that would require labels warning of drowning dangers in any State in the United States must be labeled such that the product can be distributed to all States.
 - E. **Formaldehyde Emissions from Composite Wood Products:** All composite wood products or composite wood products contained in finished goods supplied to LSC are required to meet formaldehyde emissions limits of the California Air Resource Board (CARB) airborne toxic control measures (ATCM) and the US Formaldehyde Standards for Composite Wood Products Act of 2010. Suppliers are required to notify the appropriate LSC representative at the time of order if any materials contain composite wood products as that term is used by CARB or US EPA. The Supplier shall provide written certification, labeling, and compliance statements on invoices that the composite wood products or composite wood products contained in finished goods comply with the applicable

emission standard specified in § 93120.2(a) of title 17, California Code of Regulations. Supplier shall maintain documentation of third party certification and testing to support compliance and make it available to LSC upon request.

Article IV: Contract Requirements

Supplier shall identify, prior to shipment to LSC, all Raw Materials or Regulated Products which may be banned, restricted, or require any of the following: registration, licensing, fees, reporting, or notification to any local, state, provincial, national or federal authority or agency. Such Regulated Products shall not be sold or delivered to LSC unless the ban, restriction or regulatory requirements are specifically referenced and agreed to by both Supplier and LSC in writing prior to shipment to LSC.

Supplier must comply with all Laws and additional requirements in these Specifications. The Supplier must notify the appropriate LSC Purchasing or Global Strategic Sourcing representative in writing immediately if it cannot meet all requirements of the Specifications. Supplier shall provide LSC with written instructions for all Raw Materials and Regulated Products in sufficient detail so that following the instructions will result in full compliance with Laws. If compliance with any Specification would result in violation of Laws, Supplier must bring that to LSC's immediate attention.

1. Prohibited Items

LSC has identified the following Regulated Products and Materials which require special storage, handling, licensing or registration by US government agencies if intended for further distribution, and such Regulated Products shall not be sold or delivered to LSC: (i) products considered Hazardous by the U.S. Department of Transportation (DOT); (ii) compressed gases; (iii) alcohol, tobacco, firearms, ammunitions, explosives, fireworks, or any other items regulated by the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) or U.S. Department of Commerce under the Chemical Weapons Convention Regulations; (iv) any Products regulated by the U.S. Drug Enforcement Agency (DEA); (v) and the following Products regulated by the U.S. Food and Drug Administration (FDA) or U.S. Department of Agriculture (USDA): all perishable goods or food items that will be adversely affected by room temperature storage, including potentially hazardous goods and foods such as meat, poultry, seafood, dairy, or eggs in addition to other agricultural products regulated by USDA.

2. Products, Materials and Workmanship

- A. All Regulated Products and Materials supplied to LSC for distribution anywhere in the United States, must comply with the most stringent Laws in any U.S. state or locality as well as global laws listed in the Specifications. Supplier shall ensure that no Regulated Products supplied are banned, misbranded, or adulterated, as defined by Laws for the intended use or any use specified by LSC.
- B. LSC reserves the right to request and supplier agrees to provide material content detail, supplier certification of compliance with laws, additional documentation, and/or test data including third party testing to demonstrate compliance with Laws and customer specifications.

- C. Supplier may change the Specifications for a Raw Material or Regulated Product only if: (i) the changes are required by and consistent with Laws; and (ii) the parties agree in writing concerning the implementation date of any such change.
- D. LSC shall not be liable for inventories of Regulated Products, Materials, and components, and other in-process work maintained by Supplier that cannot be used by LSC as the result of failure of the Regulated Products or Materials to comply with Laws or Specifications, and Supplier shall be responsible for transportation and disposal of such Regulated Products or Materials at its sole cost.
- E. All storage conditions, expiry dates, and shelf life, shall be communicated in writing to LSC at time of order and again at time of shipment.

3. Notifications and Approvals

- A. Supplier must immediately notify LSC in writing of any of the following: (i) changes or likely changes in regulatory compliance status of Regulated Products or Materials regardless of cause; (ii) changes in composition of Regulated Products or Materials; (iii) any new information obtained about a Regulated Product or Material that renders prior statements incorrect; (iv) changes in manufacturer, processes or composition that may affect testing, certification, documentation or statements concerning the product. Change notifications are to be made in writing to the attention of your appropriate LSC representative (purchasing agent).
- B. All notifications must be made in sufficient time for LSC to comply with all Laws.

4. Testing and Certifications

- A. Supplier shall test all Regulated Products and Materials as required by Specifications and Laws, and shall maintain documentation and records relevant to such testing. Any required testing must be conducted prior to the first delivery of the Regulated Product and Materials to LSC. Periodic testing, whether or not required pursuant to a reasonable testing program shall be scheduled at intervals no greater than that allowed by Laws, and whenever a design, material, and manufacturing change occurs which could affect the Regulated Product's compliance with an applicable standard, or one year after the last test, whichever occurs first, unless otherwise agreed in writing by Supplier and LSC.
- B. Supplier must provide a General Conformity Certificate (GCC) or Children's Product Certificate (CPC) for all Regulated Products, nonexempt component parts, or combinations thereof, subject to the rules and standards enforced by the U.S. Consumer Product Safety Commission (CPSC). CPCs must be provided for Children's Products and Materials that may be used to manufacture Children's Products, and based on testing by a third party laboratory accredited by the CPSC. A list of accredited laboratories and product testing requirements for third party testing can be found at <http://www.cpsc.gov/cgi-bin/labsearch/>. GCCs must be based on a reasonable testing program. Supplier must request contact information for this submittal from an LSC purchasing agent. All GCCs, CPCs and certificates

of compliance provided must be in accordance with rules promulgated by CPSC and must be provided with each shipment or made available electronically prior to shipment of a Regulated Product or Material. The certificate must specify each rule, ban, standard, or regulation to which the Regulated Product or Material is being certified.

- C. If Supplier marks Regulated Products or Materials as compliant with governmental or private certification programs, such Regulated Product or Material must meet all requirements for those certifications. Upon request of LSC, Supplier must promptly provide documents demonstrating compliance with all requirements for those certifications.
- D. Supplier must investigate results from any testing that indicates a deviation from the Specifications or Laws. Each party will promptly notify the other of any result confirmed to be a deviation from the Specifications or Laws. Supplier will promptly develop, implement, and communicate to LSC all corrective actions necessary to address the deviation.

5. Packaging, Labeling, and Marking

- A. All Regulated Products and Materials supplied to LSC must comply with all Laws relating to the packaging, labeling, and marking for the intended end use and/or distribution. Packaging, labeling, and marking shall be sufficient so that any secondary packaging, kitting, or distribution of Regulated Products by LSC will not subject LSC to any additional packaging, labeling, or marking obligations. All Regulated Products and Materials must meet all Laws promulgated by the U.S Federal Trade Commission (FTC) and the CPSC, including but not limited to the Fair Packaging and Labeling Act (FPLA), the Federal Hazardous Substance Act (FHSA), and the Poison Prevention Packaging Act (PPPA) and other Federal Laws e.g., the Federal Food, Drug, and Cosmetic Act in addition to any State Laws, e.g. California's Safe Drinking Water and Toxicity Assessment Act of 1986, otherwise known as Proposition 65 (Prop 65). All materials used in packaging must also comply with the Specifications.
- B. LSC may, at its option, and as an accommodation to Supplier, fulfill Supplier's obligation to provide conforming packaging, labeling, and marking at Supplier's sole cost if Supplier fails to meet Specifications. Supplier will retain responsibility for compliance with the Agreement. No such acts by LSC will affect Supplier's indemnification and guarantee obligations.

6. Letters of Guarantee (Guaranty) or Continuing Guarantee (LOG)

- A. Supplier shall provide guarantee of compliance for Regulated Products supplied to LSC identified in Article III of these Specifications as requiring a Guaranty or LOG and other Regulated Products as requested by LSC, and shall be in the form of a general or continuing guaranty.
- B. All guarantees shall be in writing, addressed to LSC, and shall contain the business address and signature of a person in the United States who is authorized by the Supplier to sign the guaranty. Any general and/or continuing guaranty shall be considered to have been given at the date such article was shipped or delivered by the person who gives

the guaranty or undertaking. Supplier must obtain contact information for this submittal from an LSC purchasing agent.

- C. Upon request, Supplier shall provide a general guaranty for any Regulated Product stating that the article is not a misbranded hazardous substance or a banned hazardous substance within the meaning of those terms in the U.S. Federal Hazardous Substance Act in accordance with § 5(b)(2) of the Act and 16 CFR §§ 1500.211 and 1500.212 in addition to any other applicable Laws.

7. Rejection of Products and Raw Materials; Rejection Procedure

- A. LSC may reject any portion or all of any shipment of a Product or Raw Material that, at any time after transfer from Supplier to a common carrier, (i) fails to comply with any of the Specifications, including not having appropriate certifications or (ii) is not suitable for use due to a failure to comply with Laws. All such Product or Raw Materials shall be “Nonconforming Regulated Product or Raw Material,” and any such event is a “Nonconformity”.
- B. LSC may inspect (or have inspected) any shipments of Products or Raw Materials for transport damages, completeness, or any other Nonconformity, using any test procedures deemed appropriate by LSC, including destructive tests. LSC shall promptly notify Supplier of any Nonconformity discovered during such inspection. Any notification by LSC to Supplier of Nonconforming Product or Raw Material shall indicate the specific basis for the rejection.
- C. Supplier shall notify LSC promptly whether it accepts or disputes LSC’s determination that a Product or Raw Material is a Nonconforming Product or Raw Material.
- D. If Supplier disputes LSC’s assertion that a Product or Raw Material is a Nonconforming Product or Raw Material, then both parties agree to cooperate in good faith and make commercially reasonable efforts to resolve the disagreement. If the parties fail to agree, then, at either party’s request, the parties shall engage an independent testing laboratory or other appropriately qualified expert mutually agreeable to the parties to analyze samples to determine whether the rejected Product or Raw Material is Nonconforming. The laboratory or expert shall use procedures and tests required by Laws, or in the absence of mandated tests, as such laboratory or expert may consider necessary or appropriate to reach a conclusion. Both parties shall cooperate with the independent laboratory’s or expert’s reasonable requests for assistance in connection with its analysis. Both parties shall be bound by the laboratory or expert’s conclusions, which, absent manifest error, shall be deemed final as to any dispute over Nonconformity. The costs incurred by the laboratory or expert shall be borne by each party to the extent that party caused the Nonconformity, or, if the laboratory or expert cannot allocate responsibility for the Nonconformity then the parties shall share equally the expenses in connection with such laboratory or expert.

- E. In the event of a Nonconforming Product or Raw Material, Supplier shall implement a corrective action subject to approval by LSC, which shall not be withheld unreasonably, and the approval of any pertinent governing authority.
- F. At LSC's option, any Nonconforming Product or Raw Material may be returned to Supplier within a reasonable period of time or disposed of, and Supplier shall refund (or provide LSC with a credit) payments made by LSC for any Nonconforming Product or Raw Material and LSC's reasonable costs including but not limited to storage, inspection, testing, transportation and disposition.

8. Complaint Procedures

- A. If requested by LSC, Supplier shall comply with all reasonable requests in connection with the investigation of any Regulated Product or Material complaints and will promptly provide all relevant information regarding any Regulated Product complaint.

9. Reporting and Recalls

- A. A. Supplier shall comply with the requirements of all Laws governing reporting to governmental agencies of product defects or product hazards, or risks of injury or property damage associated with use of Regulated Products, including CPSA § 15(b). Supplier shall notify LSC immediately upon making such report, and provide a full copy of any such report. At its sole expense Supplier shall notify the public as the CPSC may direct.
- B. **Communication** - If LSC or Supplier (i) learns of any issue relating to a potential safety hazard or unsafe condition caused by or associated with any Regulated Product or Material manufactured or supplied by Supplier, or (ii) is advised of such a condition by competent authorities, it will promptly advise the other party in writing and each party will communicate to the other all relevant facts known to it. The parties shall cooperate in communicating with the public and governmental agencies and in correcting any such condition.
- C. **Responsibility and Expenses** - If a recall or other corrective action of a Regulated Product, or product made with Material from Supplier, is necessitated by a defect, failure to conform to Laws or Specifications or any other reason, or either party reasonably determines that a voluntary recall or other corrective action is merited, Supplier shall bear all costs and expenses of such recall or other corrective action, including without limitation, costs of notifying customers, customer refunds, costs of returning goods, and other expenses incurred to meet obligations to third parties. Supplier shall hold harmless and indemnify LSC and its customers from and against all such expenses related to any such recall or other corrective action, including but not limited to, the actual cost of the Regulated Product or Material, as well as the costs of inspection, investigation, testing, replacement, customer accommodations, retrieval, segregation, storage, transportation, destruction or disposal, the costs of notification to customers and governmental agencies, the costs of record-keeping, call centers and other administration fees and attorney and consultant's fees incurred with respect to any recall or other corrective action. Additionally, Supplier shall indemnify, defend and hold harmless LSC its customers and their respective affiliates, and their employees, directors, officers, agents and principals from and

against any and all third party claims or demands for damages, suits, liabilities, reasonable fees and expenses of attorneys and other experts, penalties, court costs, and other expenses arising from the recalled or corrected Regulated Product or product made with Material from Supplier.