

Club Demonstration Services, Inc.

A Daymon Interactions Company

Dear Costco Vendor:

Costco charges a fee of \$35/day for Vendor Performed Roadshows/Demos (Non CDS). \$20 is for Costco space rental and \$15 is for a Club Demonstration Services (CDS) scheduling/monitoring/reporting/invoicing/collecting fee. CDS will invoice you once a month, about the 8th of the month, for the previous month's Roadshows/Demos. Please notify fmosley@daymon.com immediately if you change or cancel Roadshows/Demos.

IF ANY INFORMATION CONTAINED WITHIN AN INVOICE IS INCORRECT, CONTACT FELECIA MOSLEY AT fmosley@daymon.com OR 858-581-8700. REVIEW EACH INVOICE IMMEDIATELY UPON RECEIPT AND NOTIFY OUR OFFICE OF ANY DISCREPANIES/DISPUTES WITH THE INVOICE WITHIN 30 DAYS OF THE INVOICE DATE. AFTER THIS PERIOD OF TIME, THIS INVOICE SHALL BE CONSIDERED ACCURATE AND CORRECT. NO MODIFICATIONS WILL BE ALLOWED AFTER THAT TIME.

NOTE: ADDITIONAL COUNTY FOOD CERTIFICATION REQUIREMENTS:

Please refer to the attached Non CDS (Vendor Performed) Policies and Procedures Manual which lists those warehouses that require County Food Certification, in addition to the Costco Food Certification, before Non CDS Vendors/employees can perform roadshows or demos in Costco.

Non CDS vendors/employees must have a copy <u>WITH THEM</u> of the Costco Food Certification, and any additional County Food Certificate required for that warehouse, when they perform roadshows or demos.

Costco Food certification must be current within the last year and renewed annually.

Note: If Vendors/Employees do not have the required Food Certifications <u>WITH THEM</u> their roadshows/demos CAN BE SHUT DOWN BY COSTCO MANAGEMENT OR BY COUNTY FOOD INSPECTORS.

Costco requires our CDS Supervisors in each warehouse to be responsible for checking that all Vendor Performed Roadshows/Demos are in compliance with the Costco policies and guidelines which are included in this packet.

Please review these and make sure your employees comply. Also attached are a Food Reference Card and a sample of the Compliance Checklist that our CDS Supervisors use to review with your employees to make sure they are in compliance. If your employees do not comply with any of the issues on this Compliance Checklist, a copy of the Compliance Checklist is given to the Costco Warehouse Manager and also sent to your Buyer and to you.

Here are a few guidelines to pay special attention to:

- 1. Roadshows must be run OPEN TO CLOSE. Samples must be available when the warehouse opens until the warehouse closes. **Demo samples cannot be left unattended.**
- 2. Non-latex gloves must be worn on BOTH hands. Gloves must be changed frequently.
- 3. White, visible hairnets must be worn and cover all hair including bangs. Beards and mustaches must also be covered with nets.
- 4. No jewelry can be worn except a PLAIN wedding band. No watches can be worn.
- 5. Any employee handling food must have a Costco Food Certificate with him/her. The test can be taken at any Costco Warehouse by getting in touch with the Administration Dept in the Costco Warehouse. Certain counties also require a separate County Food Certification and must be carried by the employee. Your Buyer should know which counties require this additional certification.
- 6. <u>CANNOT HAND MEMBERS SAMPLES</u>. Samples must be put down on a tray, in a soufflé cup, or on wax paper so the member can pick it up.

Thanks for your help in making sure your employees comply with all Costco Policies and Procedures. Call me if you have any questions.

DID YOU KNOW - CDS also conducts roadshows? We have crafted a roadshow model that effectively combines our existing expertise in executing events with a newly developed capacity to source a Brand

Ambassador and marketing materials necessary to create a truly spectacular roadshow for a vendor. This new model includes a CDS Sales Associate paired with a Brand Ambassador in order to offer you the best that both of these staffing models have to offer. We have the capability to conduct these roadshows in all SD/NE/SE/MW/TX regions, with minimal effort on your part. Please refer to the last page of this packet for more information on this exciting opportunity that CDS would like to share with you.

Lowell Taylor

Club Demonstration Services

PH: 858-581-8728 FX: 858-581-8828

<u>Vendor Performed Demonstrations</u> Costco Wholesale Policies/Procedures

Dear Vendor,

Costco welcomes you to the exciting world of warehouse sales. Quality demonstrations have separated Costco from all other wholesale and retail businesses. Members look forward to shopping the "Costco Wholesale way" where the demonstrators are professional, friendly, proficient in food preparation and safety, and know their products.

Demonstrating in the Costco Warehouse system is a privilege that is given only to those who are willing to commit to and comply with the Costco program.

The purpose of this information is to assist you and your staff in knowing and understanding all of the Costco Wholesale policies and guidelines. These guidelines and policies pertain to demo hours, health and safety regulations and demo presentation.

It is very important that Vendor-performed demonstrations and roadshows are performed in exactly the same way as our Exclusive Demonstration Company demonstrations. This gives our member consistent quality service.

Have all your employees read the information provided. Costco requires that you and your employees will be in compliance with these guidelines.

Equipment /Supplies

Your employees must bring in all equipment and supplies needed to perform a demonstration. The following is a list of equipment and supplies commonly used to perform quality demonstrations. The Exclusive Demo Company **cannot loan or sell** any of the items listed below.

Table/Table Cloths
Table Leg Extenders

Equipment: Microwave, Convection Oven, Griddle, Dazey pot, Skillet, blender

Serving trays Sharp knives

Large mixing spoons Electrical Extension Cords

Large, medium, small mixing bowls

Spatulas Thermometer Paper Towels

Squat/Beverage/Souffle Cups Plastic Spoons, fork, plates

Plastic Gloves

Cocktail size Napkins Disinfectant/Bleach

Tooth picks

White Hairnets/hats/visors

Broom/dust pan Splash Guards

Check -in

Your employee must check in at receiving or the front entrance of the warehouse before and after all shifts. A Costco employee will inventory all equipment/product and supplies brought in and taken out of the warehouse each day. No equipment, product or supplies may remain in the warehouse. Upon entering the warehouse, vendor employees must check in with the Exclusive Demonstration Company Supervisor.

Note: Please advise your employee that if it becomes necessary to purchase product or equipment for the demonstration – it must be purchased through the register and immediately. Tell your employee not to use product with the intention of purchasing it after the demonstration. That is considered theft. Your employee will not be permitted back into the warehouse and /or any Costco Wholesale warehouse.

Ample Sample

Your employee is accountable to serve a two-bite sized sample to every member. NO EXCEPTIONS.

Signage

Signage must be present and current including child warning and hot signs (if performing food/cooking demonstration), product description, item number and price. Allergen signs must be displayed. Ingredient labels must be on display if applicable. Parent Signs must be displayed.

Dress Code

Costco Wholesale requires a professional appearance, work ethic, and attitude for all Demonstrators. Proper attire is required and Costco reserves the right to approve the attire.

Acceptable Dress Code:

- Company logo shirts with collars, white shirts or blouses with collar.
- Black or navy blue slacks and blue or black jeans are acceptable.
- Name tags
- Comfortable no-slip shoes are required (no open toed shoes).
- Hair must be pulled back and covered with a white visible hairnet. A baseball cap may be worn over the
 hairnet however; wearing a baseball cap does NOT eliminate the need to wear a white visible hairnet. If
 a baseball cap is worn, a hairnet must be worn under the cap. Beard nets or mustache nets must be
 worn to cover facial hair.
- Baseball cap must be clean, worn forward, company logo only for all food/cooking demonstrations.
- No jewelry can be worn except a PLAIN wedding band. No watches.

Unacceptable Dress Code

- T-Shirts
- Shorts or capris
- Sandals or open-toed shoes

Safety Regulations

- You will be held accountable for any accidents as a result of leaving equipment plugged in, sharp knives left on the table while on break or lunch.
- Make sure electrical cords do not lie or hang across any area where members or employees will walk.
- Demonstrators must never leave a work area unattended during a demo period. Demonstrators will be responsible for maintaining their work area in a safe and sanitary condition. Samples cannot be left on a table unattended.
- Work Area means workstation and the adjacent 12-foot vicinity. Demonstrators will provide full clean up
 of Work Area at the end of the demo shift.
- Demonstrator must be aware of forklifts and pallets.

Health Regulations and Food Safety

Your employee must have current, accurate knowledge of all health regulations on food preparation and preservation and certifications, if any, necessary to handle food.

All Costco, Exclusive Demonstration and Vendor Performed Demonstration Company employees are required to pass a Costco food certification test before they can serve food in a Costco warehouse. Ask your Buyer for assistance in arranging to have your employees take the test. Your employees must have a copy of the food certificate with them.

The points listed below are some of the many health regulations required:

- Maintain a clean workstation for the entire demonstration.
- A food thermometer must be calibrated and used to confirm internal temperature reaches the appropriate temperature for the product.

Beef – 145 F Fish – 145 F Pork – 155 F Poultry/stuffed meats– 165 F

- Plastic gloves must be worn on both hands when handling or serving food. Gloves must be changed frequently especially if your employee is working with raw and cooked meat, fish or poultry. Cooked meat must not come in contact with any container, cutting board or utensil used to process raw product. Raw and cooked meat must have their own separate set of cutting utensils, cutting board and containers. Do not co-mingle raw and cooked meat, fish or poultry.
- Non-Latex disposable gloves must be worn during all food demos. Latex gloves <u>MAY NOT</u> be worn at any time during a demonstration.
- All perishable foods and supplies must be stored, handled, displayed and served in a way that they are protected from contaminants.
- All perishable foods must be stored on ice or in the cooler or freezer for the duration of the demonstration.
- All food or utensils used in the preparation and/or serving of food must be kept and stored at least 6 inches above the ground.
- All serving bowls, equipment, serving spoons, etc. must be thoroughly cleaned and sanitized after each day's use.
- ALL EMPLOYEES WHO SERVE FOOD/DRINK IN COSTCO ARE REQUIRED TO WEAR A WHITE VISIBLE HAIRNET. A hat or visor may be worn with a hairnet, however it is not a substitute for a hairnet. All hair must be completely covered under the hairnet. This includes bangs. A net must also be worn to cover a beard or mustache.

Your employee will be held accountable for all of the policies and guidelines listed above. Costco believes it is a privilege to promote and sell product in the Costco Wholesale Warehouse System. Demonstrators are expected to be professional and follow the Costco health and safety regulations and policies.

IMPORTANT

Please be advised that the **Costco Warehouse Manager or Exclusive Demonstration Company Supervisor** may make your representative aware he or she is not following the guidelines listed above. If your representative does not follow Costco policies, he or she will be asked to leave the warehouse. You will then have to call an Assistant General Merchandise Manager and assure him/her your representative will follow all guidelines and procedures. Your representative will not be permitted back in the warehouse until you have approval from a General Merchandise Manager or Assistant General Merchandise Manager.











<u>DEMO SERVICES</u> FOOD SAFETY REFERENCE CARD

DOES THE WAREHOUSE HAVE THE FOLLOWING?

- □ Copy of Demo SOP'S Demo Supervisor
- □ Dedicated three-compartment sink
- KAY CHEMICALS are the only chemicals used, in the demo room/area
- □ Sanitizer test kits are available and in use for the three-compartment sink
- □ Dedicated hand wash sink in the demo room
- All raw meat is cut by the meat department into 1 inch by 1 inch cubes
- ☐ Warehouse staff is keeping the trash near the demo stations emptied
- A clean demo area, especially within a 12 foot radius. Pick up toothpicks, paper supplies, food spills and other potentially hazardous items
- Dry storage areas are maintained in a clean and sanitary manner
- □ ALLERGEN SIGN must be on each cart/table
- PARENT/GUARDIAN sign must be displayed indicating that children are welcome to sample when accompanied by a parent or guardian
- PRODUCT SOP must be on the cart/table for all fresh foods demos
- PRODUCT INFORMATION SHEETS are in use and current with key selling points, at each demo station.

MAY 2005

THESE STANDARDS ARE FOR ALL FOOD-RELATED DEMOS AND INCLUDE ALL DEMO COMPANIES, VENDOR-PERFORMED DEMOS AND ROAD SHOWS

DEMO SERVICES FOOD SAFETY REFERENCE CARD

ON-SITE ITEMS FOR OBSERVATION:

- □ NO LATEX GLOVES
 - gloves must be worn on both hands
 - change gloves often-after cleaning cart, table, throwing out garbage, touching hair, body, handling raw products and after any activity that may contaminate gloves
- □ HAND WASHING must occur after using the restroom and again prior to performing a demo. Hand washing must also occur before returning to work after lunch or a break
- No jewelry, with the exception of PLAIN wedding Bands (watches are also not allowed)
- White visible hair nets are being worn on heads, beards and moustaches. All hair must be covered
- Demo employees are not working ill or with open wounds
- All demo personnel have current food safety certification, either indicated on their name badge or on their person
- □ Demo tables should be attended at all times
- □ Samples must be served on a tray-do not hand samples directly to members
- No eating on the selling floor, in the demo area
- Miscellaneous items such as pens and thermometers are controlled to prevent possible contamination

Milinda Dwyer 425.427.7228 mdwyer@costco.com

THESE STANDARDS ARE FOR ALL FOOD-RELATED

DEMOS AND INCLUDE ALL DEMO COMPANIES, VENDOR-PERFORMED DEMOS AND ROAD SHOWS

Club Demonstration Service, Inc. Non-CDS Daily Compliance Checklist

	warenous			S	upervisor		
e:		Vendor:			signature:		
	Dates of Roadsh	iow/					
	Den	nos:	Date:				
		1	ime of Check:				
1	Roadshow/Demo was staffed Costco will check closing.	l and samples available when Warehou	se opened.				
2	All Employees have copy of	Food Certification WITH THEM.					
3	Employees are following Cos	stco dress code.					
4	Non latex gloves are worn or	n both hands and changed frequently.					
5	White hairnets are visible an mustaches.	d completely cover hair and nets also	over beards or				
6	No jewelry (including watche	s) is worn except PLAIN wedding band					
7	Vendor table looks profession	nal and clean and is always staffed.					
8	Members are offered AMPLE	SAMPLE.					
9	Allergen and Parent Signs ar them).	e on table (CDS to provide if vendor do	esn't have				
10	members samples.	ndividual supplies such as souffle cup					
11	All Food Safety procedures a temperature control.	re being followed including cross-con	tamination and				
	Emergency use of cell phone						
		each morning. Go over this comp n item, put the date and indicate w					
CO	nments. Give a copy to yo	our Warehouse Manager and fax a copy to Lowell if there is an issue th	opy IMMEDIATI	ELY to L	owell Tay	11	
	ease complete below:	opy to Lowell it there is an issue th	at they will ito	Compi	V V I C I I I I I I I I I I		
	1) Date Not In Complian	ce 2) Which # above	B) Why not in c	complia	nce		