

**Costco Shareholder Meeting Question**  
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**The National Center for Public Policy Research**  
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I'm Justin Danhof of the National Center for Public Policy Research, a free-market think-tank and company shareholder. Thank you for the opportunity to speak with you today.

Last April, the CEO of Mozilla was forced from his job because he contributed to a 2008 referendum effort regarding marriage in California. After that incident, we discovered that approximately half of American workers could face workplace discipline or even termination for engaging in private political activities. In light of this, my organization submitted proposals to Costco and more than 20 other major corporations asking these companies to protect their employees' private right to engage in political and civic activities without fear of retribution on the job.

In response to our proposal, many corporate giants such as General Electric, PepsiCo, Visa, Kimberly-Clark and Cabelas changed their respective corporate documents to protect their employees' rights to take civic and political action. Many other prominent American corporations such as Exxon Mobil, Johnson & Johnson, Coca-Cola, Pfizer and Amazon also offer such protections. Rather than agreeing to offer this same workplace policy, Costco fought to exclude our proposal in front of the Securities and Exchange Commission. Costco's legal team argued that "[t]he company must have the ability to exercise managerial discretion over its workforce with respect to these issues" and that the "considerations that that arise under these policies... are most appropriately handled by management, not by shareholders as a group."

America was founded on the ideal of a representative government that derives its power from the consent of the governed. In a nation with anemic civic activity participation and low voter turnout, it is disappointing that one of the country's largest retailers would fight to maintain the ability to terminate its employees for private political activity.

My question is this: why does Costco's leadership want to "exercise managerial discretion" over the private political and civic activities of the company's employees?

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