

THE NATIONAL CENTER



FOR PUBLIC POLICY RESEARCH

Amy M. Ridenour
President

David A. Ridenour
Vice President

Via FedEx

August 12, 2014

Mr. John Sullivan
Corporate Secretary
Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027

Dear Mr. Sullivan,

I hereby submit the enclosed shareholder proposal (“Proposal”) for inclusion in the Costco Wholesale Corporation (the “Company”) proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission’s proxy regulations.

I submit the Proposal as General Counsel of the National Center for Public Policy Research, which has continuously owned Costco stock with a value exceeding \$2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company’s 2015 annual meeting of shareholders.

A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a “no-action” letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center For Public Policy Research, 501 Capitol Court NE, Suite 200, Washington, D.C. 20002.

Sincerely,



Justin Danhof, Esq.

Enclosure: Shareholder Proposal – Civic and Political Non-Discrimination Policy

Civic and Political Non-Discrimination Policy

Whereas, Costco Wholesale Corporation does not explicitly prohibit discrimination based on political activities, voting, policy views or civic engagement in its written company policies;

Whereas, we believe that corporations that prohibit discrimination based on political and policy views and activities have a competitive advantage in recruiting and retaining employees from the widest possible talent pool.

Whereas, America was founded on the ideal of a representative government with the duty of protecting the rights of its citizens – to wit, the Declaration of Independence states, “to secure these rights. Governments are instituted among Men, deriving their just powers from the consent of the governed.”¹ The Founding Fathers made it clear that our system was designed to protect minority factions, as James Madison explained in Federalist Paper No. 10.²

Whereas the United Nations’ Universal Declaration of Human Rights provides that “[e]veryone has the right to take part in the government of his country,” and that “[t]he will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections.”³

Resolved, the shareholder urges the Board of Directors to adopt, implement and enforce a revised company-wide Code of Conduct that includes an anti-discrimination policy that protects employees’ human right to engage in the political process, civic activities and government of his or her country without retaliation.

The Board should also prepare a report, at a reasonable cost and excluding proprietary information, concerning the implementation and enforcement of this policy.

Supporting Statement

In the 2012 election, more than 130 million Americans cast ballots.⁴

Save from basic life functions such as eating and sleeping, there is hardly an act that is done by more Americans than voting.

¹ http://www.archives.gov/exhibits/charters/declaration_transcript.html

² <http://www.constitution.org/fed/federal10.htm>

³ <http://www.un.org/en/documents/udhr/>

⁴ http://elections.gmu.edu/Turnout_2012G.html

Furthermore, approximately half of all Americans live in a jurisdiction that “protects employee speech or political activity from employer retaliation.”⁵

Some of America’s most successful corporations explicitly protect these basic human rights of employees. The employee code of Coca-Cola, for example, pledges, “Your job will not be affected by your personal political views or your choice in political contributions.”

Employment discrimination on the basis of political affiliation, policy views or civic activity diminishes employee morale and productivity and can impose undue influence on the political process of a nation. Because state and local laws are inconsistent with respect to this type of employment discrimination,⁶ and quality employees are attracted to a Company that respects their basic human rights, our Company would benefit greatly from a consistent, corporate-wide policy to prevent such discrimination and ensure a respectful atmosphere for all employees.

⁵ http://www.trolp.org/main_pgs/issues/v16n2/Volokh.pdf

⁶ http://www.trolp.org/main_pgs/issues/v16n2/Volokh.pdf