

COSTCO WHOLESALE CORPORATION
POLICY REGARDING SPENDING ON ELECTIONS AND POLICY
ADVOCACY

1. Costco Wholesale has a long-standing policy against making contributions to any political party or candidate, federal, state or local, in all countries in which we do business. This prohibition covers not only direct contributions but also support through organizations created under section 527 of the Internal Revenue Code, buying tickets to political fundraising events, or furnishing goods, services or equipment for political fundraising purposes.
2. The Company also prohibits contributions for “independent expenditures”: communications that expressly advocate the election or defeat of a clearly identified candidate that are not made in cooperation, consultation or concert with or at the request or suggestion of a candidate, candidate’s authorized committee or a political party.
3. We belong to various trade and industry associations, to which the Company pays dues. We request that these associations not use any portion of the dues paid by Costco Wholesale for political contributions. Some of these associations have political action committees; we do not make contributions to these committees.
4. From time to time, Company employees or other representatives advocate at various levels of government with the aim of ensuring that the impact that legislative and regulatory issues have on our business, our industry, our members and our employees is fairly presented. We are also indirectly represented in advocacy of this type through trade and industry associations. Prominent examples include the Retail Industry Leaders Association, the National Association of Chain Drug Stores, the Retail Council of Canada, and the California Grocers Association. We also utilize these associations to help us stay informed about evolving legal and regulatory obligations so that we may conduct our business accordingly. Policy advocacy is solely to promote the interests of the Company and is made without regard for the private political preferences of Company officers.
5. In the United States, our warehouses are often members of the local chambers of commerce or similar groups. While some of these groups may engage in political activities, our membership in them is designed to promote good corporate citizenship and our warehouse businesses rather than to influence political processes.
6. Spending on advocacy is generally overseen by the chief executive officer, general counsel, and vice-president administration. The Nominating and Governance Committee of the Board of Directors, which is comprised exclusively of independent directors, reviews the Company’s spending on politics and advocacy and compliance with the policies described above.

Approved by the Costco Wholesale Board of Directors May 2012