



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

November 16, 2018

John Sullivan
Costco Wholesale Corporation
jsullivan@costco.com

Re: Costco Wholesale Corporation
Incoming letter dated September 24, 2018

Dear Mr. Sullivan:

This is in response to your correspondence dated September 24, 2018 and October 16, 2018 concerning the shareholder proposal (the "Proposal") submitted to Costco Wholesale Corporation (the "Company") by James McRitchie and Myra K. Young (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponents' behalf dated September 25, 2018, October 2, 2018, October 14, 2018, October 22, 2018, October 24, 2018 and November 4, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: John Chevedden

November 16, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Costco Wholesale Corporation
Incoming letter dated September 24, 2018

The Proposal recommends that the board take the steps necessary to reorganize the board into one class with each director subject to election each year.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(10). In this regard, we note your representation that the Company will provide shareholders at its 2019 annual meeting with an opportunity to approve an amendment to the Company's articles of incorporation to provide for the annual election of directors. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(10). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Sincerely,

Courtney Haseley
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

November 4, 2018

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

6 Rule 14a-8 Proposal
Costco Wholesale Corporation (COST)
Director Annual Election
James McRitchie

Ladies and Gentlemen:

This is in regard to the September 24, 2018 no-action request.

In regard to:

“The company no action request would have some weight if the company said it would, if necessary, adjourn the 2019 annual meeting and solicit more proxies to enable shareholder approval of the company proposal on this topic.”

The company bylaws mention adjourn 25-times:

<https://www.sec.gov/Archives/edgar/data/909832/000119312516727544/d66078dex32.htm> <<https://www.sec.gov/Archives/edgar/data/909832/000119312516727544/d66078dex32.htm>>

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2018 proxy.

Sincerely,


John Chevedden

cc: James McRitchie
Myra K. Young

John Sullivan <jsullivan@costco.com>

October 24, 2018

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

5 Rule 14a-8 Proposal
Costco Wholesale Corporation (COST)
Director Annual Election
James McRitchie

Ladies and Gentlemen:

This is in regard to the September 24, 2018 no-action request.

Given that the company likely submitted a false and misleading 2014 proxy (that the company does not now contest), it is meaningless that the company claim that it will support its 2019 proposal.

The company no action request would have some weight if the company said it would, if necessary, adjourn the 2019 annual meeting and solicit more proxies to enable shareholder approval of the company proposal on this topic.

In regard to this text from a recent rebuttal letter:

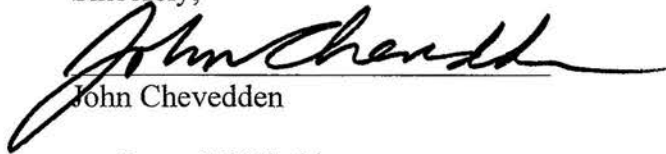
“The attached January 22, 2014 ‘Open letter to Our Fellow Costco Wholesale Shareholders’ could be evidence of Director Charles Munger working behind the scenes to defeat the proposal that the Board drafted and published on this same topic in 2014. Or evidence of another director or Costco management or their agents working behind the scenes to defeat the proposal that the Board drafted and published.

“It is possible that Costco submitted a false and misleading 2014 proxy claiming the board took no position on an important proposal and meanwhile the company worked behind the scenes to defeat its own proposal. Perhaps the company opposition got on the fast track after the company started to see a lot of ‘For’ ballots come in for its January 30, 2014 annual meeting.”

Subsequently the attached email message was sent to the company and there has been no company response.

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2018 proxy.

Sincerely,



John Chevedden

cc: James McRitchie
Myra K. Young

John Sullivan <jsullivan@costco.com>

----- Forwarded Message

From: John Chevedden

Date: Thu, 18 Oct 2018 05:48:29 -0700

To: John Sullivan <jsullivan@costco.com>

Subject: 2019 Declassify COST)

Mr. Sullivan,

Please give assurance this week that there will be no effort by the company, management or any director to promote the defeat of the company 2019 declassify proposal.

John Chevedden

cc: James McRitchie

Myra K. Young

----- End of Forwarded Message

October 22, 2018

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**# 4 Rule 14a-8 Proposal
Costco Wholesale Corporation (COST)
Director Annual Election
James McRitchie**

Ladies and Gentlemen:

This is in regard to the September 24, 2018 no-action request.

In regard to this text from a recent rebuttal letter:

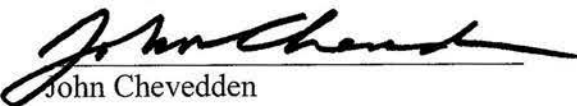
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“It is possible that Costco submitted a false and misleading 2014 proxy claiming the board took no position on an important proposal and meanwhile the company worked behind the scenes to defeat its own proposal. Perhaps the company opposition got on the fast track after the company started to see a lot of ‘For’ ballots come in for its January 30, 2014 annual meeting.”

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This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2018 proxy.

Sincerely,


John Chevedden

cc: James McRitchie
Myra K. Young

John Sullivan <jsullivan@costco.com>

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Mr. Sullivan,

Please give assurance this week that there will be no effort by the company, management or any director to promote the defeat of the company 2019 declassify proposal.

John Chevedden

cc: James McRitchie

Myra K. Young

----- End of Forwarded Message



October 16, 2018

VIA EMAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Email Address: shareholderproposals@sec.gov

Re: Shareholder Proposal Submitted by James McRitchie and Myra K. Young Pursuant to Rule 14a-8 Under the Securities Exchange Act of 1934, as Amended

Ladies and Gentlemen:

On September 24, 2018, Costco Wholesale Corporation, a Washington corporation, submitted a letter (the "*No-Action Request*") notifying the staff of the Division of Corporation Finance (the "*Staff*") of the Securities and Exchange Commission of the Company's intention to exclude from the Company's proxy materials (the "*Proxy Materials*") for its 2019 annual meeting of shareholders (the "*Annual Meeting*") a shareholder proposal (the "*Proposal*") and statements in support thereof submitted to the Company by James McRitchie and Myra K. Young, with John Chevedden and/or his designee authorized to act as agent for Mr. McRitchie and Ms. Young by letter dated August 8, 2018. The Proposal requests that the Company's Board of Directors "take the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year and to complete this transition within one-year."

The No-Action Request stated our view that the Proposal may be excluded under Rule 14a-8(i)(10) (among other grounds) because the Company's Board of Directors has approved and will unanimously recommend to shareholders that they approve an amendment to the Company's Amended and Restated Articles of Incorporation that will declassify the Board (the "*Amendment*"), which would implement the annual election of directors over a three-year period.

On September 25, 2018, and October 15, 2018, Mr. Chevedden wrote to request that the Commission permit the resolution to stand and be voted on at the Annual Meeting. Instead of responding to the merits of the Company's position that the Proposal will be substantially implemented, Mr. Chevedden engaged in various speculations about the Proposal and about the previous declassification proposal submitted to shareholders by the Company in 2014.

Mr. Chevedden's repeated references to the 2014 declassification proposal are irrelevant to the No-Action Request. With the 2014 declassification proposal, the Company disclosed in its proxy statement that, while the Board favored providing shareholders an opportunity to vote on declassification, it was making no recommendation on the proposal, that it would have recommended against the proposal if permitted by Washington corporate law, and that each director had notified the Company that he or she acting as a shareholder intended to vote against the proposal. This year, in contrast, as described in the No-Action Request and as Mr. Chevedden was advised prior to submission of the No-Action Request, the Board has approved and will unanimously recommend to the Company's shareholders that they approve the Amendment at the Annual Meeting. The Board's supporting statement will be consistent with this recommendation.

We respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its Proxy Materials.

If you have any questions concerning any aspect of this matter or require any additional information, please feel free to contact me at (425) 427-7577. Please email any response to this letter to jsullivan@costco.com.

Sincerely,

A handwritten signature in black ink that reads "John S. Sullivan". The signature is written in a cursive, slightly slanted style.

John Sullivan
Senior Vice President, General Counsel and
Secretary

cc: John Chevedden
James McRitchie
Myra K. Young

October 14, 2018

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

3 Rule 14a-8 Proposal
Costco Wholesale Corporation (COST)
Director Annual Election
James McRitchie

Ladies and Gentlemen:

This is in regard to the September 24, 2018 no-action request.

In seeking an explanation for the abysmal support of the 2014 management proposal to declassify the board (only 46%-support), there is a report that Director Charles Munger vigorously campaigned against the 2014 proposal.

The 2018 no action request would allow Director Charles Munger to vigorously campaign against the 2019 management proposal on the same topic as the 2014 proposal. There is no text in the current no action request that the directors or management will refrain from a campaign (overt or covert) against the management 2019 proposal.

The attached January 22, 2014 "Open letter to Our Fellow Costco Wholesale Shareholders" could be evidence of Director Charles Munger working behind the scenes to defeat the proposal that the Board drafted and published on this same topic in 2014. Or evidence of another director or Costco management or their agents working behind the scenes to defeat the proposal that the Board drafted and published.

It is possible that Costco submitted a false and misleading 2014 proxy claiming the board took no position on an important proposal and meanwhile the company worked behind the scenes to defeat its own proposal. Perhaps the company opposition got on the fast track after the company started to see a lot of "For" ballots come in for its January 30, 2014 annual meeting.

Perhaps the company can give examples of other companies distributing information against a company's own proxy proposal. This could be the only open letter to shareholders published by a company in opposition to a company proposal in this decade.

In a contrasting vote Nuance Communications, Inc. (NUAN) shareholders gave 94% support to a rule 14a-8 proposal calling for 10% of shareholders to call a special meeting on which management *truly* took no position (February 28, 2018).

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2018 proxy.

Sincerely,



John Chevedden

cc: James McRitchie
Myra K. Young

John Sullivan <jsullivan@costco.com>

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 14A

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

COSTCO WHOLESALE CORPORATION

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

On January 22, 2014 Costco Wholesale Corporation (the "Company") received a copy of a letter from Davis Advisors relating to one of the matters to be acted upon at the Company's upcoming annual meeting of shareholders, the proposed amendment to the Company's Articles of Incorporation (Proposal 5 in the Company's Definitive Proxy Statement filed with the Securities and Exchange Commission on December 17, 2013). As disclosed in the Definitive Proxy Statement, the Company's Board of Directors is making no recommendation as to voting "for" or "against" the proposed amendment. The Company is filing the letter as additional information that shareholders may consider in deciding how to vote with respect to the matter.

Re: Costco Wholesale Corporation's Classified Board

At Davis Advisors, we recognize that the right to vote proxies is a significant asset of our clients. As stewards of our clients' assets, we vote each proxy based on the single principle that our overarching responsibility is to generate a satisfactory return on the assets entrusted to our Firm.

Implicit in this principles-based approach is our belief that in important matters of corporate governance, one size does NOT fit all. Instead of simply checking the box, we evaluate each proxy, each proposal and each corresponding management recommendation on a case-by-case basis. We assign greater credibility to those recommendations that come from managements with *proven* records of shareholder stewardship and long-term value creation. To put it most simply, we believe the best indication of good governance is a company's own history of serving the long-term interests of its shareholders.

There is no better example of this type of governance in our portfolio than Costco Wholesale Corporation ("Costco") whose shares we have owned for more than a decade. The company's record of strong value creation, transparent finances, candid shareholder communication, longterm focus and modest executive compensation makes them a role model in corporate America. In our view, it would be foolish for any analyst or portfolio manager to disregard the recommendations of a management team and board of directors that has so honorably and effectively represented the interests of its long-term shareholders.

The company currently has a classified board, meaning that about one-third of the directors are subject to election each year, and each director is asked to commit to a three-year term. The board has been classified since the company went public. Directors elected under this structure at Costco have overseen decades of extraordinary returns and have taken clear actions in service of shareholders. To give one example of how shareholders have been well served, we recommend taking a look at the compensation of senior Costco executives, as detailed in the company's historical proxy filings. The same low-cost focus that makes customers so happy to shop at Costco's stores also shows up in the thoughtful structure and modest absolute amounts of pay granted to senior management.

Costco's management has stated that for their company, the classified board has helped enable their unique and admirable culture to flourish. This culture has been a core element of the longterm success of the company in part because it inhibits any temptation to take actions (like raising prices or cutting store employee pay and benefits) that might temporarily boost earnings and stock price at the expense of the long-term value of the Company's hard-won franchise.

The company's 2014 proxy statement contains a proposal to declassify the board. Washington State law includes a provision that prevents management from making a formal recommendation

¹ In this letter, Davis Advisors shares its thoughts concerning an issue important to all Costco shareholders. Importantly, Davis Advisors is not entering or seeking to enter into an agreement with other shareholders on how to vote. Specifically, we are not forming a group. Our intent is to share our thoughts concerning what we believe to be best for all Costco shareholders.

in this matter based on the circumstances. However, in the proxy statement, they state "If permitted by the Washington corporate statute, the Board would have provided the shareholders an opportunity to vote on the amendment but with a recommendation that shareholders vote against the amendment, because the Board believes that the current structure continues to benefit shareholders Each director has notified the Company that he or she, acting as a shareholder, intends to vote against the Proposal."

Even though we believe declassified boards can be an effective safeguard for shareholders at many companies, in Costco's case we believe that the overwhelming evidence is that the present classified structure works well, and should not be disturbed. On top of this, we can find no rational reason why the view of a management and board that has so honorably and effectively served shareholders over the long term should be disregarded.

As a result, we have decided to vote against the proposal to amend the Company's certificate of incorporation to declassify the Costco board.

Sincerely,

/s/ Christopher C. Davis
Christopher C. Davis
CEO and Portfolio Manager, Davis Advisors

October 2, 2018

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

2 Rule 14a-8 Proposal
Costco Wholesale Corporation (COST)
Director Annual Election
James McRitchie

Ladies and Gentlemen:

This is in regard to the September 24, 2018 no-action request.

In seeking an explanation to explain the abysmal support for the 2014 management proposal to declassify the board (only 46%-support), there is a report that Director Charles Munger vigorously campaigned against the 2014 proposal.

The 2018 no action request would allow Director Charles Munger to again vigorously campaign against the 2019 proposal.

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2018 proxy.

Sincerely,



John Chevedden

cc: James McRitchie
Myra K. Young

John Sullivan <jsullivan@costco.com>

September 25, 2018

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

1 Rule 14a-8 Proposal
Costco Wholesale Corporation (COST)
Director Annual Election
James McRitchie

Ladies and Gentlemen:

This is in regard to the September 24, 2018 no-action request.

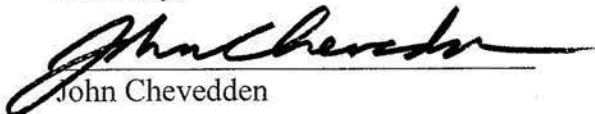
There seems to be something wrong with the toxic management recommendation to adopt this proposal topic in 2014.

This proposals topic won 52% support from all shares outstanding in 2013 as merely a rule 14a-8 proposal. Then “bolstered” by a management recommendation the management proposal on this topic sank to only 46%-support in 2014. Management seems to have devised a kiss-of-death recommendation in 2014 in response to a majority shareholder vote in 2013.

Management has not explained this freak outcome in response to its apparently toxic 2014 “recommendation.” It is important that management’s toxic 2014 recommendation not be repeated.

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2018 proxy.

Sincerely,



John Chevedden

cc: James McRitchie
Myra K. Young

John Sullivan <jsullivan@costco.com>

[COST: Rule 14a-8 Proposal, August 8, 2018]
[This line and any line above it – Not for publication.]
ITEM 4* – Elect Each Director Annually

RESOLVED: Costco Wholesale Corp. (“COST” or “Costco”) shareholders ask that our Board take the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year and to complete this transition within one-year.

Supporting Statement: Arthur Levitt, former Chairman of the Securities and Exchange Commission said, "In my view it's best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them."

In 2010 over 70% of S&P 500 companies had annual election of directors. Now that number stands at more than 89%.

Shareholder resolutions on this topic won an average of 86% support in 2018 as of early August. Wins included 96% at Haemonetics, 94% at Hecla Mining, 88.4% at FleetCor Technologies, 86.9% at Whitestone REIT, and 84.4% at Illumina Inc. No shareholder on this topic was recorded as willing less than 67.3% of the vote. That low support was at Axon Enterprise Inc. ISS, Glass Lewis and Egan-Jones did not recommended against any of these proposals.

According to our largest shareholder; BlackRock, “Directors should be elected annually to discourage entrenchment and allow shareholders sufficient opportunity to exercise their oversight of the board.” BlackRock voted for shareholder proposals to declassify boards 8 times out of 8 in 2018 as of early August, as did our second largest shareholder, Vanguard.

According to Equilar; “A classified board creates concern among shareholders because poorly performing directors may benefit from an electoral reprieve. Moreover, a fraternal atmosphere may form from a staggered board that favors the interests of management above those of shareholders. Since directors in a declassified board are elected and evaluated each year, declassification promotes responsiveness to shareholder demands and pressures directors to perform to retain their seat. Notably, proxy advisory firms ISS and Glass Lewis both support declassified structures.”

This proposal should also be evaluated in the context of our Costco's overall corporate governance as of the date of this submission: COST retains supermajority voting provisions, even though our proposal to eliminate them received 86.8% of the vote at our last annual meeting. Shareholders cannot call special meetings. Shareholders have no right to act by written consent without unanimous consent. The combined effect is to lock the board into an out-dated corporate governance structure and reduce board accountability to shareholders.

Please vote for: Elect Each Director Annually – Proposal [4*]
[This line and any below are *not* for publication]
Number 4* to be assigned by COST



September 24, 2018

VIA EMAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Email Address: *shareholderproposals@sec.gov*

Re: Shareholder Proposal Submitted by James McRitchie and Myra K. Young Pursuant to Rule 14a-8 Under the Securities Exchange Act of 1934, as Amended

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), Costco Wholesale Corporation, a Washington corporation ("**Costco**" or the "**Company**"), is writing to notify the Securities and Exchange Commission (the "**Commission**") of the Company's intention to exclude from the Company's proxy materials (the "**Proxy Materials**") for its 2019 annual meeting of shareholders (the "**Annual Meeting**") a shareholder proposal (the "**Proposal**") and statements in support thereof submitted to the Company by James McRitchie and Myra K. Young, with John Chevedden and/or his designee authorized to act as agent for Mr. McRitchie and Ms. Young (Mr. McRitchie, Ms. Young and Mr. Chevedden are referred to collectively as the "**Proponent**") by letter dated August 8, 2018.

Pursuant to Rule 14a-8(j), the Company has:

- submitted this letter to the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and SEC Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("**SLB 14D**"), provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "**Staff**"). Accordingly, the Company is taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the Company pursuant to Rule 14a-8(k) and SLB 14D.

The Company currently intends to file its definitive 2019 Proxy Materials with the Commission on or about December 15, 2018.

THE PROPOSAL

The Proposal sets forth the following resolution to be voted on by shareholders at the Annual Meeting:

RESOLVED: Costco Wholesale Corp. (“COST” or “Costco”) shareholders ask that our Board take the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year and to complete this transition within one-year.

A copy of the Proposal, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

The Company hereby respectfully requests that the Staff concur in the Company’s view that the Company may exclude the Proposal from the 2019 Proxy Materials pursuant to Rule 14-8(i)(10) because the Company has substantially implemented the Proposal. Alternatively, the Company respectfully requests that the Staff concur in the Company’s view that the Company may exclude the Proposal from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(8) unless it is revised because implementation of the Proposal would have the effect of shortening the terms of sitting directors.

ANALYSIS

I. The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because It Has Been Substantially Implemented.

A. Rule 14a-8(i)(10) Background

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already “substantially implemented” the proposal. The Staff has stated that the purpose of the predecessor provision to Rule 14a-8(i)(10) was “to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by the management.” *Exchange Act Release No. 12598* (July 7, 1976). The Commission later stated that a formalistic application of the rule requiring full implementation “defeated [the rule’s] purpose,” and then adopted a revised interpretation to the rule to permit the omission of proposals that had been “substantially implemented.” (emphasis added) *Exchange Act Release No. 20091* (Aug. 16, 1983) and *Exchange Act Release No. 40018*, at n.30 (May 21, 1998).

In determining whether the shareholder proposal has been “substantially implemented,” the Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (avail. Mar. 28, 1991). When a company has satisfied the proposal’s essential objectives, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded under Rule 14a-8(i)(10). *NETGEAR, Inc.* (avail. Mar. 31, 2015); *Pfizer Inc.* (avail. Jan. 11, 2013, recon. avail. Mar. 1, 2013); *Exelon Corporation* (avail. Feb. 26, 2010); *Hewlett-Packard Company* (avail. Dec. 11, 2007).

B. The Company’s Proposal Substantially Implements the Proposal

The Company’s Board of Directors has approved and will unanimously recommend to the Company’s shareholders that they approve at the Annual Meeting an amendment to the Amended and Restated Articles of Incorporation, as amended (the “*Articles*”), to declassify the Board (the “*Amendment*”). If approved by the Company’s shareholders as required by Washington Law, the Amendment would eliminate the classification of the Board over a three-year period beginning at the 2020 annual meeting of shareholders. Directors would be elected to one-year terms following the expiration of the directors’ existing terms, resulting in all directors being elected annually beginning at the 2022 annual meeting of shareholders. In accordance with the Articles, to be approved, the Amendment will require the affirmative vote of shares representing not less than two-thirds of the outstanding shares of the Company entitled to be cast generally in the election of directors. If approved by shareholders, the Amendment would become effective upon filing Articles of Amendment with the Secretary of State of the State of Washington, which the Company would file promptly following the Annual Meeting. If shareholders approve the Amendment, the Board has approved certain conforming changes to the Amended and Restated Bylaws of the Company that would be effective upon the effectiveness of the Articles of Amendment.

Accordingly, the Amendment implements the essential objective of the Proposal to require that the Company’s directors be elected annually to one-year terms.

The Staff has repeatedly concluded that board action directing the submission of a declassification amendment for shareholder approval substantially implements a declassification shareholder proposal and has permitted such shareholder proposals to be excluded from proxy materials pursuant to Rule 14a-8(i)(10). See *iRobot Corp.* (avail. Feb. 9, 2018); *AbbVie Inc.* (avail. Dec. 22, 2016) (“*AbbVie*”); *Ryder System, Inc.* (avail. Feb. 11, 2015) (“*Ryder System*”); *St. Jude Medical, Inc.* (avail. Feb. 3, 2015); *LaSalle Hotel Properties* (avail. Feb. 27, 2014); *Dun & Bradstreet Corp.* (avail. Feb. 4, 2011); *Baxter Int’l Inc.* (avail. Feb. 3, 2011); *IMS Health Inc.* (avail. Feb. 1, 2008); *Visteon Corp.* (avail. Feb. 15, 2007); *Schering-Plough Corp.* (avail. Feb. 2, 2006); *Northrop Grumman Corp.* (avail. Mar. 22, 2005); *Sabre Holdings Corp.* (avail. Mar. 2, 2005); *Raytheon Co.* (avail. Feb. 11, 2005) (in each case concurring with the exclusion of a

declassification shareholder proposal where the company's board directed the submission of a declassification amendment for shareholder approval).

Moreover, the Staff has consistently concurred in the exclusion of declassification proposals under Rule 14a-8(i)(10) where, as here, the proposals requested declassification within one year and the company acted to phase in annual elections over a period of years. In *Del Monte Foods Co.* (avail. June 3, 2009) ("*Del Monte*"), the Staff concurred with the exclusion of a declassification proposal that was substantially the same as the Proposal at issue here. In *Del Monte*, the board of directors recommended that the company's stockholders vote to approve an amendment to the company's certificate of incorporation which would implement the declassification over a three-year period while the proposal requested that declassification be completed within one year. The Staff reaffirmed *Del Monte* later in *Textron Inc.* (avail. Jan. 21, 2010) ("*Textron*") and *AmerisourceBergen Corp.* (avail. Nov. 15, 2010, recon. avail. Dec. 8, 2010) ("*AmerisourceBergen*"), where it concurred in exclusions of declassification proposals under Rule 14a-8(i)(10) based on the same facts as in *Del Monte*. As discussed above, the Board has approved and will unanimously recommend an amendment for shareholder approval which would have the same effect as the amendments proposed by the boards of directors in *Del Monte*, *Textron* and *AmerisourceBergen*.

Further, as discussed in more detail under heading II below, the Staff has consistently permitted exclusion of shareholder proposals that would shorten the terms of sitting directors under Rule 14a-8(i)(8), but has given shareholder proponents the opportunity to cure the defect by revising the proposal to provide that it will not affect the unexpired terms of the directors elected prior to the Proposal's implementation. See, e.g., *Illumina, Inc.* (avail. Feb. 1, 2018) ("*Illumina*"); *NeuStar, Inc.* (avail. Mar. 19, 2014) ("*NeuStar*"); *The Brink's Co.* (avail. Jan. 17, 2014) ("*Brink's*"). Although the Company does not believe it is necessary to go through the process of permitting the Proponent to amend the Proposal in light of the *Del Monte*, *Textron* and *AmerisourceBergen* line of letters, if the Proposal were revised to provide that it will not affect the unexpired terms of directors elected prior to the Proposal's implementation, the Amendment would accomplish exactly what the revised Proposal requests. See, e.g., *AbbVie* (the Staff concurred with the exclusion of a declassification shareholder proposal that stated that the company could implement in one year but would "allow" the company "the option to phase [declassification] in over 3-years," and the board of directors recommended a proposal to eliminate the classification of the board over a three-year period) and *Ryder System* (the Staff concurred with the exclusion of a shareholder proposal to declassify the board of directors without "affect[ing] the unexpired terms of directors elected to the board at or prior to the upcoming annual meeting," where the board of directors recommended a proposal to eliminate the classification of the board over a three-year period). Here, if the Staff were to allow revision of the Proposal such that it would not affect the unexpired terms of directors, the Amendment would implement declassification in accordance with the Proposal.

In light of the Amendment and the long line of no-action letters issued by the Staff, as discussed above, the Company has asked the Proponent to withdraw the Proposal, but the Proponent has not done so. Therefore, the Company respectfully requests that the Staff concur in the Company's view that the Proposal may be excluded from the 2019 Proxy Materials because the Board's determination to submit the Amendment for shareholder approval substantially implements the Proposal's essential objective.

II. The Proposal May Be Excluded Under Rule 14a-8(i)(8) Because It Would Remove Directors from Office Before Their Terms Expire.

Rule 14a-8(i)(8)(ii) allows a company to exclude a shareholder proposal from its proxy statement if the proposal would remove a director from office before his or her term expired. The purpose of Rule 14a-8(i)(8), according to the Commission, "is to make clear, with respect to corporate elections, that Rule 14a-8 is not the proper means for conducting campaigns or effecting reforms in elections of that nature, since other proxy rules, including Rule 14a-11, are applicable thereto." SEC Release No. 34-12598 (July 7, 1976). With this in mind, the Commission amended Rule 14a-8(i)(8) in 2010 to codify a long-standing position of the Staff pursuant to which the Commission permitted the exclusion of shareholder proposals that would have removed a director from office before his or her term expired. *See generally* SEC Release No. 34-60089 (June 10, 2009).

The Company has a classified Board comprised of directors that were elected to three-year terms. In any given year, approximately one-third of the Board is up for election, while the remaining directors are not up for election until one of the following two annual meetings of shareholders. As a result of this governance structure, seven of the Company's directors — Susan L. Decker, Kenneth D. Denman, Richard A. Galanti, W. Craig Jelinek, John W. Meisenbach, Charles T. Munger and Jeffrey S. Raikes — will not be standing for reelection until the Company's 2020 or 2021 annual meetings of shareholders. As drafted, however, the Proposal would require that the Company reorganize the Board into one class with each director subject to election each year and to complete this transition within one year. Thus, if the Proposal were to be implemented, it would have the effect of shortening the terms of seven members of the Company's Board, thereby providing a basis for exclusion of the Proposal under Rule 14a-8(i)(8).

The Staff has allowed the exclusion of numerous shareholder proposals in similar circumstances. *See, e.g., ES Bancshares, Inc.* (avail. Feb 2, 2011) (proposal seeking removal of members of the board excludable under Rule 14a-8(i)(8)); *Commonwealth Biotechnologies, Inc.* (avail. Dec. 28, 2010) (same). The Staff has extended this approach to proposals like the Proposal, where the proposal seeks the implementation of annual director elections, but would have the effect of removing sitting directors prior to the expiration of their terms. *See, e.g., Illumina* (proposal requesting that the board be reorganized into one class with directors elected every year, excludable under Rule 14a-8(i)(8), where the Staff noted "There appears to be some basis for

your view that the Company may exclude the proposal under rule 14a-8(i)(8)(ii) to the extent it could, if implemented, disqualify directors previously elected from completing their terms on the board”); *Simpson Manufacturing Co., Inc.* (avail. Jan. 25, 2017) (proposal requesting that the board eliminate the classification of the board and requiring that all directors elected by shareholders to be elected on an annual basis, excludable under Rule 14a-8(i)(8), where the Staff noted “There appears to be some basis for your view that Simpson Manufacturing may exclude the proposal under rule 14a-8(i)(8) to the extent it could, if implemented, disqualify directors previously elected from completing their terms on the board”); *NeuStar* (proposal requesting that the board be reorganized into one class with directors elected every year, excludable under Rule 14a-8(i)(8), where the Staff noted “There appears to be some basis for your view that NeuStar may exclude the proposal under rule 14a-8(i)(8) to the extent it could, if implemented, disqualify directors previously elected from completing their terms on the board”); *Brink’s* (same); *Kinetic Concepts, Inc.* (avail. Mar. 21, 2011) (same).

Here, as was the case in each of the letters cited above, the Proposal would disqualify directors previously elected from completing their terms on the Company’s Board. As a result, the Company is entitled to exclude the Proposal from the 2019 Proxy Materials in reliance on Rule 14a-8(i)(8).

CONCLUSION

Based on the foregoing facts and analysis, the Company respectfully requests that the Staff confirm that it will not recommend to the Commission that enforcement action be taken against the Company if the Company excludes the Proposal from its Proxy Materials.

If you have any questions concerning any aspect of this matter or require any additional information, please feel free to contact me at (425) 427-7577. Please email a response to this letter to jsullivan@costco.com.

Sincerely,

A handwritten signature in blue ink that reads "John Sullivan / by JSM".

John Sullivan
Senior Vice President, General Counsel and
Secretary

Enclosures

cc: John Chevedden
James McRitchie
Myra K. Young

Exhibit A

Proposal and Related Correspondence

James McRitchie & Myra K. Young

Mr. John Sullivan, Corporate Secretary
Costco Wholesale Corporation (COST)
999 Lake Drive
Issaquah, WA 98027
PH: 425-313-8100 FX: 425-313-810
jsullivan@costco.com

Dear Mr. Sullivan,

We are pleased to be Costco shareholders and appreciate the leadership our company has shown on numerous issues, especially in retaining and promoting valuable employees. When we purchased our stock, we believed it had unrealized potential. Some of this unrealized potential can be unlocked through low or no cost measures by making our corporate governance more competitive.

We are submitting the attached shareholder proposal requesting annual election of each director (declassify) for a vote at the next annual shareholder meeting. We will meet Rule 14a-8 requirements including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. Our submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

This is our delegation to John Chevedden and/or his designee to act as our agent regarding this Rule 14a-8 proposal, and/or modification and presentation of it before and during the forthcoming shareholder meeting. This delegation does not cover proposals that are not rule 14a-8 proposals and does not grant the power to vote.

Please direct all future communications regarding our rule 14a-8 proposal to John Chevedden
*** at:

to facilitate prompt and verifiable communications. Please identify this proposal as our proposal exclusively.

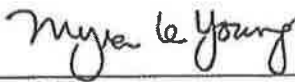
Your consideration and that of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of our proposal promptly by email to

Sincerely,


James McRitchie

August 8, 2018

Date


Myra K. Young

August 8, 2018

Date

Richard Galanti, Executive Vice President, Chief Financial Officer
FX: 425-313-6593

[COST: Rule 14a-8 Proposal, August 8, 2018]
[This line and any line above it – Not for publication.]
ITEM 4* – Elect Each Director Annually

RESOLVED: Costco Wholesale Corp. ("COST" or "Costco") shareholders ask that our Board take the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year and to complete this transition within one-year.

Supporting Statement: Arthur Levitt, former Chairman of the Securities and Exchange Commission said, "In my view it's best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them."

In 2010 over 70% of S&P 500 companies had annual election of directors. Now that number stands at more than 89%.

Shareholder resolutions on this topic won an average of 86% support in 2018 as of early August. Wins included 96% at Haemonetics, 94% at Hecla Mining, 88.4% at FleetCor Technologies, 86.9% at Whitestone REIT, and 84.4% at Illumina Inc. No shareholder on this topic was recorded as willing less than 67.3% of the vote. That low support was at Axon Enterprise Inc. ISS, Glass Lewis and Egan-Jones did not recommended against any of these proposals.

According to our largest shareholder; BlackRock, "Directors should be elected annually to discourage entrenchment and allow shareholders sufficient opportunity to exercise their oversight of the board." BlackRock voted for shareholder proposals to declassify boards 8 times out of 8 in 2018 as of early August, as did our second largest shareholder, Vanguard.

According to Equilar; "A classified board creates concern among shareholders because poorly performing directors may benefit from an electoral reprieve. Moreover, a fraternal atmosphere may form from a staggered board that favors the interests of management above those of shareholders. Since directors in a declassified board are elected and evaluated each year, declassification promotes responsiveness to shareholder demands and pressures directors to perform to retain their seat. Notably, proxy advisory firms ISS and Glass Lewis both support declassified structures."

This proposal should also be evaluated in the context of our Costco's overall corporate governance as of the date of this submission: COST retains supermajority voting provisions, even though our proposal to eliminate them received 86.8% of the vote at our last annual meeting. Shareholders cannot call special meetings. Shareholders have no right to act by written consent without unanimous consent. The combined effect is to lock the board into an out-dated corporate governance structure and reduce board accountability to shareholders.

Please vote for: Elect Each Director Annually – Proposal [4*]
[This line and any below are *not* for publication]
Number 4* to be assigned by COST

James McRitchie and Myra K. Young,
this proposal.

sponsored

Notes:

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(i)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email

----- Forwarded message -----

From: ***
Date: Tue, Aug 14, 2018, 9:03 PM
Subject: Rule 14a-8 Proposal (COST) blb
To: John Sullivan <jsullivan@costco.com>
Cc: Nicola Merrett <nmerrett@costco.com>

Mr. Sullivan,
Please see the attached broker letter.
Sincerely,
John Chevedden



08/14/2018

James Mcritchie

Re: Your TD Ameritrade Account Ending In ***

Dear James Mcritchie & Myra K Young,

Thank you for allowing me to assist you today. Pursuant to your request, this letter is to confirm that as of the date of this letter, James McRitchie and Myra K. Young held, and have held continuously for at least 13 months, 116 shares of Costco Wholesale, Inc (COST) common stock in their TD Ameritrade account ending in ***. The DTC clearinghouse number for TD Ameritrade is 0188.

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

Benjamin Wilson
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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From: **James McRitchie** <jm@corpgov.net>
Date: Tue, Aug 21, 2018 at 2:15 PM
Subject: Re: Simple Majority Vote -- Confidential
To: John Sullivan <jsullivan@costco.com>

Thanks for the heads up. I'm sure you saw that filed a proposal for annual election of directors.

James McRitchie
jm@corpgov.net

On Aug 20, 2018, at 3:58 PM, John Sullivan <jsullivan@costco.com> wrote:

Mr. McRitchie: the Board of Directors has determined to propose and recommend at the 2019 annual meeting a charter amendment to amend Article V to provide for its alteration or elimination upon the vote of a majority of the votes entitled to be cast by each voting group entitled to vote on that amendment, in place of the two-thirds requirement currently in Article V. The 2019 vote would be governed by the existing standard. Please let me know if you have any questions. Please keep this information confidential.

On Mon, Jul 23, 2018 at 1:00 PM, John Sullivan <jsullivan@costco.com> wrote:

Mr. McRitchie: The governance provision that would be impacted by your proposal is contained in the Articles of Incorporation. Those can be amended only with a vote of the shareholders. We expect the Board to take up at its meeting in August the subject of whether to propose to and recommend to shareholders a charter amendment for a vote at the 2019 meeting of shareholders. Although shareholder proposals for inclusion in the proxy statement per Rule 14a-8 are due by August 17, in the interest of avoiding potentially unnecessary effort by all concerned, we are prepared to extend until August 24 your time to tender a repeat simple-majority vote proposal for inclusion in our proxy statement under Rule 14a-8, should you believe one is indicated. Please keep this information confidential.

On Fri, Jul 20, 2018 at 2:06 PM, James McRitchie <jm@corpgov.net> wrote:

Dear Secretary Sullivan,

Has the Board of Costco taken any action on my proposal to move to a simple majority vote

standard? As you know, that proposal passed with approximately 86.8% of the vote at the annual meeting earlier this year. Perhaps the Board filed amendments and I somehow missed them? Thanks in advance for your response.

Sincerely,

James McRitchie
Shareholder Advocate
Corporate Governance

Site: https://urldefense.proofpoint.com/v2/url?u=http-3A_www.corpgov.net&d=DwIFAg&c=pApUd0AUA6FmKR01iR_VA&r=N9h6b1cKTyTDyPwCLh9LYJrr-EdvOQgnhroF6pg4CWk&m=WbUsSkBmtFtY3ZTJEe7N372LIV1PKjrJVz2UNYUXUwQ&s=S8Yeb_yiBaGa5Wzuj37PWs5dh0CrbYY89jIWL2SoR4c&e=

[www.corpgov.net&d=DwIFAg&c=pApUd0AUA6FmKR01iR_VA&r=N9h6b1cKTyTDyPwCLh9LYJrr-EdvOQgnhroF6pg4CWk&m=WbUsSkBmtFtY3ZTJEe7N372LIV1PKjrJVz2UNYUXUwQ&s=S8Yeb_yiBaGa5Wzuj37PWs5dh0CrbYY89jIWL2SoR4c&e=](https://urldefense.proofpoint.com/v2/url?u=http-3A_www.corpgov.net&d=DwIFAg&c=pApUd0AUA6FmKR01iR_VA&r=N9h6b1cKTyTDyPwCLh9LYJrr-EdvOQgnhroF6pg4CWk&m=WbUsSkBmtFtY3ZTJEe7N372LIV1PKjrJVz2UNYUXUwQ&s=S8Yeb_yiBaGa5Wzuj37PWs5dh0CrbYY89jIWL2SoR4c&e=)

mail: jm@corpgov.net

phone: ***

From: John Sullivan [<mailto:jsullivan@costco.com>]

Sent: Monday, August 27, 2018 8:59 AM

To: James McRitchie <jm@corp.gov.net>;

Subject: Costco Wholesale

The Board intends to propose and recommend at the 2019 annual meeting a charter amendment to declassify the Board, with a customary phase-in to allow currently-elected directors to serve out their remaining terms. In light of this, we ask that you withdraw your proposal by September 7. Please keep this information confidential.

From: John Sullivan <jsullivan@costco.com>

Date: Mon, Aug 27, 2018 at 8:33 PM

Subject: Re: (COST)

To: *** ***,

The last time the Board did not recommend in favor of the amendment; in 2019 it intends to recommend in favor.

On Mon, Aug 27, 2018 at 8:21 PM, *** > wrote:

Mr. Sullivan,

Thank you for the message.

Does the company have a plan to obtain a 67% vote instead of a 46% vote.

Sincerely,

John Chevedden

cc: James McRitchie

2014

Costco Wholesale Corporation

Proposal: Board Declassification

Votes For/Shares Outstanding:

46.83%

From: John Sullivan [<mailto:jsullivan@costco.com>]

Sent: Wednesday, September 5, 2018 12:25 AM

To:

Subject: Re: (COST)

As I said before and unlike in past years, the Board will recommend in favor of declassification. The supporting statement will be consistent with that recommendation. In light of this, I ask again that you withdraw your proposal; otherwise, we will be forced to incur the expense of preparing and submitting a SEC no-action letter to exclude your proposal on substantial implementation grounds prior to the deadline for doing so later this month.

On Wed, Aug 29, 2018, 4:38 AM *** wrote:

Mr. Sullivan,

To be on the safe side we would probably need to see the text the company will use in its 2019 proxy in recommending a yes vote.

This would be to make sure that a lot of the company's negative proxy text on this very same topic from its 2014 proxy is not repeated.

John Chevedden

cc: James McRitchie

From: John Sullivan [<mailto:jsullivan@costco.com>]

Sent: Sunday, September 9, 2018 12:42 PM

To: ***

Subject: Re: Declassify COST)

We have not polled our directors regarding how they plan to vote any shares they own on the proposal, nor do we intend to, and we don't plan to include any such disclosure in the proposal. As I said, our Board will recommend in favor in the proposal.

On Wed, Sep 5, 2018, 7:17 PM ***

*wrote:

Mr. Sullivan,

Will each director vote in favor of the company 2019 declassification proposal?

In 2014 each director announced how he was going to vote on this same topic.

John Chevedden

cc: James McRitchie

From: _____
Date: Mon, Sep 10, 2018 at 7:53 PM
Subject: Declassify COST)
To: John Sullivan <jsullivan@costco.com>

Mr. Sullivan,
Please advise whether Mr. Jeffrey Raikes will vote his shares in favor of the Declassify proposal.
John Chevedden
cc: James McRitchie

From: ***
Date: Wed, Sep 19, 2018, 7:28 PM
Subject: Declassify COST)
To: John Sullivan <jsullivan@costco.com>

Mr. Sullivan,

We would consider withdrawing the proposal if each director would commit to vote in favor of the company proposal and disclose this information in the proxy.

Thank you.

John Chevedden

cc: James McRitchie