

COSTCO WHOLESALE CORPORATION AUDIT COMMITTEE CHARTER

The Costco Wholesale Corporation Audit Committee (“Committee”) shall be nominated and elected by the Board of Directors each year at the meeting of the Board of Directors held in conjunction with the Company’s Annual Meeting of Shareholders.

The Audit Committee will be composed of from three to five directors, each of whom must in the judgment of the Board be “independent” as defined by the rules of the Securities and Exchange Commission (“SEC”). At least one member of the Committee shall in the judgment of the Board be an “audit committee financial expert” as defined by the SEC. Each member of the Committee shall meet the financial literacy and other applicable requirements of the NASDAQ Stock Market listing standards. Other personnel may attend meetings of the Committee at the invitation of the Committee or its Chairman.

The Committee is charged by the Board of Directors with the responsibility to:

1. Appoint and provide for the compensation of the Company’s independent auditor, oversee the work of the independent auditor (including resolution of any disagreements between management and the independent auditor regarding financial reporting), evaluate the performance of the independent auditor and, if so determined by the Committee, replace the independent auditor; it being acknowledged that the independent auditor is ultimately accountable to the Board and the Committee, as representatives of the stockholders.

2. Ensure the receipt of, and evaluate the written disclosures and the letter that the independent auditor submits to the Committee regarding the auditor’s independence in accordance with Independence Standards Board Standard No. 1, discuss such reports with the auditor, oversee the independence of the independent auditor and, if so determined by the Committee in response to such reports, take appropriate action to address issues raised by such evaluation.

3. Approve as required by law all professional services to be provided to the Company by its independent auditor, provided that the Committee shall not approve any non-audit services proscribed by section 10A(g) of the Exchange Act in the absence of an applicable exemption. The Committee may adopt policies and procedures for the approval of such services that may include delegation of authority to a designated member or members of the Committee to approve such services so long as any such approvals are disclosed to the full Committee at its next scheduled meeting.

4. Review and approve all related-party transactions that are required to be disclosed under SEC Regulation SK 404(a).

5. Discuss with the independent auditor the matters required to be discussed by SAS 61, as it may be modified or supplemented.

6. Instruct the independent auditor and the internal auditor to advise the Committee if there are any subjects that require special attention.

7. Instruct the independent auditor to report to the Committee on all critical accounting policies of the Company, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management and involve material items or critical accounting policies, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditors, and other material written communication between the auditors and management.

8. Meet with management and the independent auditor to discuss the annual financial statements and the report of the independent auditor, and to discuss significant issues encountered in the course of the audit work, including: restrictions on the scope of activities; access to required information; the adequacy of internal financial controls; the adequacy of the disclosure of off-balance sheet transactions, arrangements, obligations and relationships in reports filed with the SEC; and the appropriateness of the presentation of any non-GAAP financial measures included in any report filed with the SEC or in any public disclosure or release. Review and discuss with management and the independent auditor management's report on internal control over financial reporting and the independent auditor's audit concerning the Company's internal control over financial reporting and its attestation report prior to the filing of the Form 10-K.

9. Review the management letter delivered by the independent auditor in connection with the audit.

10. Following such review and discussions, if so determined by the Committee, recommend to the Board that the annual financial statements be included in the Company's annual report.

11. Meet quarterly with management and the independent auditor to discuss the quarterly earnings release and quarterly financial statements prior to the filing of the Form 10-Q; provided that this responsibility may be delegated to the chairman of the Committee or a member of the Committee who is an "audit committee financial expert."

12. Meet as deemed appropriate by the Committee in executive sessions with management, the internal auditor or the independent auditor to discuss matters that any of them or the Committee believes could significantly affect the financial statements and should be discussed in executive session.

13. Review significant changes to the Company's accounting principles and practices proposed by the independent auditor, the internal auditor or management.

14. Review the scope and results of internal audits.
15. Evaluate the performance of the internal auditor and, if so determined by the Committee, recommend replacement of the internal auditor.
16. Review and decide whether to grant any requests for waiver of the Company's Code of Ethics for Senior Financial Officers.
17. Maintain a procedure for receipt, retention and treatment of any complaints received by the Company about its accounting, internal accounting controls or auditing matters and for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
18. Provide minutes of Committee meetings to the Board, and report to the Board on any significant matters arising from the Committee's work.
19. Evaluate the performance of the Committee, review and reassess this Charter and, if appropriate, recommend changes to the Board.
20. Prepare the Committee report required by the SEC to be included in the Company's annual proxy statement.
21. Conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate.

Authority

By adopting this Charter, the Board delegates to the Committee full authority to:

1. Perform the responsibilities of the Committee described above.
2. Appoint a chair of the Committee, unless a chair is designated by the Board.
3. Engage independent counsel and other advisers as the Committee determines necessary to carry out its responsibilities.
4. Cause the officers of the corporation to provide such funding as the Committee shall determine to be appropriate for payment of compensation to the Company's independent auditor and any legal counsel or other advisers engaged by the Committee.
5. Obtain advice and assistance from internal legal or other advisors.

Such authority shall be exclusive to the Committee to the extent required by law, the SEC or the NASDAQ listing standards.