

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended May 4, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-14678

ROSS STORES, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of
incorporation or organization) 94-1390387
(I.R.S. Employer
Identification No.)

8333 Central Avenue, Newark, California 94560-3433
(Address of principal executive offices) (Zip Code)

Registrant's telephone number,
including area code (510) 505-4400

Former name, former address N/A
former fiscal year, if changed since
last report.

Indicate by check mark whether the registrant (1) has filed all
reports required to be filed by Section 13 or 15(d) of the Securities
Exchange Act of 1934 during the preceding 12 months (or for such
shorter period that the registrant was required to file such reports),
and (2) has been subject to such filing requirements for the past 90
days.

Yes No

The number of shares of Common Stock, with \$.01 par value, outstanding
on June 1, 1996 was 25,296,480.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

ROSS STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(\$000)	May 4, 1996	February 3, 1996	April 29, 1995
ASSETS	(Unaudited)	(Note A)	(Unaudited)

CURRENT ASSETS			
Cash and cash equivalents	\$35,036	\$23,426	\$ 25,093
Accounts receivable	16,883	9,901	8,058
Merchandise inventory	332,623	295,965	320,831
Prepaid expenses and other	13,001	13,474	12,357
Total Current Assets	<u>397,543</u>	<u>342,766</u>	<u>366,339</u>
PROPERTY AND EQUIPMENT			
Land and buildings	24,102	24,102	23,932
Fixtures and equipment	152,625	156,811	145,099
Leasehold improvements	122,489	123,829	113,928
Construction-in-progress	17,833	16,808	6,472
	<u>317,049</u>	<u>321,550</u>	<u>289,431</u>
Less accumulated depreciation and amortization	137,674	140,174	122,285
	<u>179,375</u>	<u>181,376</u>	<u>167,146</u>
Other assets	16,979	17,010	18,407
	<u>\$593,897</u>	<u>\$541,152</u>	<u>\$551,892</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$165,036	\$137,653	\$145,563
Accrued expenses and other	42,498	42,944	41,868
Accrued payroll and benefits	29,322	30,064	17,959
Income taxes payable	12,137	10,555	4,612
Total Current Liabilities	<u>248,993</u>	<u>221,216</u>	<u>210,002</u>
Long-term debt	19,736	9,806	61,004
Deferred income taxes and other liabilities	18,651	18,614	21,323
STOCKHOLDERS' EQUITY			
Capital stock	252	246	246
Additional paid-in capital	148,861	133,409	126,590
Retained earnings	157,404	157,861	132,727
	<u>306,517</u>	<u>291,516</u>	<u>259,563</u>
	<u>\$593,897</u>	<u>\$541,152</u>	<u>\$551,892</u>

See notes to condensed consolidated financial statements.

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ROSS STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

Three Months Ended

	May 4, 1996	April 29, 1995
(\$000 except per share data, unaudited)		
SALES	\$370,948	\$297,435
COSTS AND EXPENSES		
Cost of goods sold and occupancy	264,058	218,618
General, selling and administrative	76,219	64,659
Depreciation and amortization	7,261	6,685
Interest	184	1,029
	<u>\$347,722</u>	<u>\$290,991</u>
Earnings before taxes	23,226	6,444
Provision for taxes on earnings	9,290	2,578
Net earnings	<u>\$13,936</u>	<u>\$ 3,866</u>

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Net earnings per share:

Primary	\$.54	\$.16
Fully diluted	\$.54	\$.16

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Weighted average shares outstanding:

Primary	25,647	24,653
Fully diluted	25,808	24,653

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Stores open at end of period	296	278
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See notes to condensed consolidated financial statements.

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ROSS STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(\$000, unaudited)	Three Months Ended	
	May 4, 1996	April 29, 1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	\$13,936	\$ 3,866
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization of property and equipment	7,261	6,685
Other amortization	1,515	1,258
Change in current assets and current liabilities:		
Merchandise inventory	(36,658)	(45,648)
Other current assets - net	(6,509)	(2,899)
Accounts payable	29,119	37,445
Other current liabilities - net	4,013	(3,173)
Other	322	1,320
Net cash provided by (used in) operating activities	<u>12,999</u>	<u>(1,146)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(9,334)	(10,929)
Net cash used in investing activities	<u>(9,334)</u>	<u>(10,929)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing under line of credit agreement	10,000	15,000
(Repayment) of long-term debt	(110)	(63)
Issuance of common stock related to stock plans	18,130	116
Repurchase of common stock	(18,327)	0
Dividends paid	(1,748)	(1,466)
Net cash provided by financing activities	<u>7,945</u>	<u>13,587</u>
NET INCREASE IN CASH	<u>11,610</u>	<u>1,512</u>
Cash		
Beginning of year	23,426	23,581
End of quarter	<u>\$35,036</u>	<u>\$25,093</u>

See notes to condensed consolidated financial statements.

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ROSS STORES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months Ended May 4, 1996 and April 29, 1995
(Unaudited)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared from the records of the company without audit and, in the opinion of management, include all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position at May 4, 1996 and April 29, 1995; the interim results of operations for the three months ended May 4, 1996 and April 29, 1995; and changes in cash flows for the three months then ended. The balance sheet at February 3, 1996, presented herein, has been derived from the audited financial statements of the company for the fiscal year then ended.

Accounting policies followed by the company are described in Note A to the audited consolidated financial statements for the fiscal year ended February 3, 1996. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted for purposes of the condensed consolidated interim financial statements. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including notes thereto, for the year ended February 3, 1996.

The results of operations for the three month periods herein presented are not necessarily indicative of the results to be expected for the full year.

The condensed consolidated financial statements at May 4, 1996 and April 29, 1995, and for the three months then ended have been reviewed, prior to filing, by the registrant's independent accountants whose report covering their review of the financial statements is included in this report on page 6.

NOTE B - STATEMENTS OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Total cash paid for interest and income taxes is as follows:

(\$000, unaudited)	Three Months Ended	
	May 4, 1996	April 29, 1995
Interest	\$267	\$1,103
Income Taxes	\$7,709	\$2,704

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INDEPENDENT AUDITORS' REVIEW REPORT

Board of Directors and Stockholders of Ross Stores, Inc.
Newark, California

We have reviewed the accompanying condensed consolidated balance sheets of Ross Stores, Inc. (the "Company") as of May 4, 1996 and April 29, 1995, and the related condensed consolidated statements of earnings and cash flows for the three-month periods then ended. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of

applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed consolidated financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Ross Stores, Inc. as of February 3, 1996, and the related consolidated statements of earnings, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 15, 1996, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of February 3, 1996 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Deloitte & Touche LLP
San Francisco, CA

May 24, 1996

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS

Percentage Of Sales

	Three Months Ended	
	May 4, 1996	April 29, 1995
SALES		
Sales (\$000)	\$370,948	\$297,435
Sales growth	24.7%	12.5%
Comparable store sales growth	14%	0%
COSTS AND EXPENSES		
Cost of goods sold and occupancy	71.2%	73.5%
General, selling and administrative	20.5%	21.7%
Depreciation and amortization	2.0%	2.2%
Interest	0%	.3%
NET EARNINGS	3.8%	1.3%

Sales

The results of operations for the three months ended May 4, 1996, over the same period last year, reflect an increase in the level of sales which was due to the increase in comparable store sales as well as a greater number of open stores during the current period.

Costs and Expenses

The decline from the prior year in the cost of goods sold and occupancy percentage for the three month period was primarily due to (i) an increase in the initial mark-up from purchasing more opportunistically; (ii) lower markdowns as a percentage of sales; and

(iii) leverage on occupancy costs.

General, selling and administrative expenses as a percentage of sales also declined from the comparable quarter in the prior year. This improvement was due to the company's continued focus on strict expense controls and the leverage realized from the strong comparable store sales gain of 14%.

Net earnings for the three months ended May 4, 1996, totaled \$13.9 million, or \$.54 per share, compared to net earnings of \$3.9 million, or \$.16 per share, for the three months ended April 29, 1995.

Taxes on Earnings

The company's effective tax rate for the first quarter of 1996 and 1995 was 40%. The rate for both periods reflects the applicable statutory tax rates.

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LIQUIDITY AND CAPITAL RESOURCES

The primary uses of cash, other than for operating expenses, during the first three months of fiscal 1996 were for (i) purchase of inventory, (ii) repurchase of the company's common stock, and (iii) capital expenditures for new stores and improvements to existing locations.

Total consolidated inventories were up only 3.7% at the end of the first quarter from last year driven primarily by an increase in the number of open stores over the prior year. The strength of sales during the first quarter ended May 4, 1996 produced faster inventory turnover which in turn increased accounts payable.

The increase in the accounts receivable was due in part to increased credit card sales which were in line with the higher volume in business relative to last year. Cash received from stock option exercises offset the expenditures for the company's stock repurchase program. The decline in interest expense reflects lower interest rates and the decline in borrowings resulting primarily from the higher earnings levels and the items mentioned above.

The company believes it can fund its capital needs for the remainder of the fiscal year and the current stock repurchase program through internally generated cash, trade credit, established bank lines and lease financing.

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PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Incorporated herein by reference to the list of Exhibits contained in the Exhibit Index which begins on page 10 of this Report.

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed by the undersigned thereunto duly authorized.

ROSS STORES, INC.
Registrant

Date: June 17, 1996 /s/John M. Vuko
 John M. Vuko, Senior Vice President,
 Controller and Principal Accounting
 Officer

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INDEX TO EXHIBITS

Exhibit Number	Exhibit
3.1	Certificate of Incorporation, as amended, incorporated by reference to Exhibit 3.1 to the Registration Statement on Form 8-B (the "Form 8-B") filed September 1, 1989 by Ross Stores, Inc., a Delaware corporation ("Ross Stores").
3.2	Amended By-laws, dated August 25, 1994, incorporated by reference to Exhibit 3.2 to the Form 10-Q filed by Ross Stores for its quarter ended July 30, 1994.
10.1	Agreement of Lease, dated November 24, 1986, for Ross Stores' corporate headquarters and distribution center in Newark, CA, incorporated by reference to Exhibit 10.5 to the Form 8-B.
10.2	Revolving Credit Agreement, dated July 31, 1993, among Ross Stores, Wells Fargo Bank, National Association, Bank of America, National Trust and Savings Association, and Security Pacific National Bank ("Banks"); and Wells Fargo Bank, National Association, as agent for Banks, incorporated by reference to Exhibit 10.17 on the Form 10-Q filed by Ross Stores for its quarter ended July 31, 1993.
10.3	First Amendment to Revolving Credit Agreement, effective on July 31, 1994, by and among Ross Stores, Banks and Wells Fargo Bank, National Association, as agent for Banks, incorporated by reference to Exhibit 10.5 to the Form 10-Q filed by Ross Stores for its quarter ended July 30, 1994.
10.4	Second Amendment to Revolving Credit Agreement, effective on June 15, 1995, by and among Ross Stores, Banks and Wells Fargo Bank, National Association, as agent for Banks, incorporated by reference to Exhibit 10.4 to the Form 10-Q filed by Ross Stores for its quarter ended July 29, 1995.
10.5	Credit Agreement, dated as of June 22, 1994, among Ross Stores, Bank of America National Trust and Savings Association as Agent, the Industrial Bank of Japan as Co-Agent and the other financial institutions party thereto, incorporated by reference to Exhibit 10.6 to the Form 10-Q filed by Ross Stores for its quarter ended July 30, 1994.
10.6	First Amendment to Credit Agreement, dated as of June 20, 1995, among Ross Stores, Bank of America National Trust and Savings Association as Agent, the Industrial Bank of Japan as Co-Agent, incorporated by reference to Exhibit 10.6 to the Form 10-Q filed by Ross Stores for its quarter ended

July 29, 1995.

MANAGEMENT CONTRACTS AND COMPENSATORY PLANS
(EXHIBITS 10.7 - 10.26)

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Exhibit
Number | Exhibit |
|-------------------------|--|
| 10.7 | Amended and Restated 1992 Stock Option Plan, incorporated by reference to the appendix to the Proxy Statement filed by Ross Stores on April 24, 1995 for its Annual Stockholders Meeting held May 25, 1995 ("1995 Proxy Statement"). |
| 10.8 | Third Amended and Restated Ross Stores Employee Stock Purchase Plan, incorporated by reference to the appendix to the 1995 Proxy Statement. |
| 10.9 | Third Amended and Restated Ross Stores 1988 Restricted Stock Plan, incorporated by reference to the appendix to the Proxy Statement filed by Ross Stores on April 24, 1996 for its Annual Stockholders Meeting held May 30, 1996 ("1996 Proxy Statement"). |
| 10.10 | 1991 Outside Directors Stock Option Plan, incorporated by reference to the appendix to the 1996 Proxy Statement. |
| 10.11 | Ross Stores Executive Medical Plan, incorporated by reference to Exhibit 10.13 to the 1993 Form 10-K filed by Ross Stores for its year ended January 29, 1994 ("1993 Form 10-K"). |
| 10.12 | Third Amended and Restated Ross Stores Executive Supplemental Retirement Plan, incorporated by reference to Exhibit 10.14 to the 1993 Form 10-K. |
| 10.13 | Ross Stores Non-Qualified Deferred Compensation Plan, incorporated by reference to Exhibit 10.15 to the 1993 Form 10-K. |
| 10.14 | Ross Stores Incentive Compensation Plan, incorporated by reference to the appendix to the 1996 Proxy Statement. |
| 10.15 | Amended and Restated Employment Agreement between Ross Stores, Inc. and Norman A. Ferber, effective as of June 1, 1995, incorporated by reference to Exhibit 10.17 to the Form 10-Q filed by Ross Stores for its quarter ended October 28, 1995. |
| 10.16 | Agreement between Ross Stores, Inc. and Norman A. Ferber, dated August 22, 1995, incorporated by reference to Exhibit 10.18 to the Form 10-Q filed by Ross Stores for its quarter ended October 28, 1995. |
| 10.17 | Employment Agreement between Ross Stores and Melvin A. Wilmore, effective as of March 15, 1994, incorporated by reference to Exhibit 10.20 to the Form 10-Q filed by Ross Stores for its quarter ended April 30, 1994. |
| 10.18 | Amendment to Employment and Stock Grant Agreement by and between Ross Stores and Melvin A. Wilmore, effective as of March 16, 1995, incorporated by reference to Exhibit 10.20 to the Form 10-Q filed by Ross Stores for its quarter ended October 28, 1995. |
| 10.19 | Second Amendment to Employment Agreement by and between Ross Stores and Melvin A. Wilmore, effective as of June 1, 1995, incorporated by reference to Exhibit 10.21 to the Form 10-Q filed by Ross Stores for its quarter ended October 28, 1995. |
| 10.20 | Agreement between Ross Stores, Inc. and Melvin A. Wilmore, dated August 22, 1995, incorporated by reference to Exhibit 10.22 to the Form 10-Q filed by Ross Stores for its quarter |

ended October 28, 1995.

- 10.21 Employment Agreement between Ross Stores and Michael Balmuth, effective as of February 1, 1995, incorporated by reference to Exhibit 10.15 to the Form 10-Q filed by Ross Stores for its quarter ended April 29, 1995.
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Exhibit
Number Exhibit
- 10.22 Amendment to Employment Agreement between Ross Stores and Michael Balmuth, effective as of June 1, 1995, incorporated by reference to Exhibit 10.24 to the Form 10-Q filed by Ross Stores for its quarter ended October 28, 1995.
- 10.23 Employment Agreement between Ross Stores and Barry S. Gluck, effective as of March 1, 1996.
- 10.24 Employment Agreement between Ross Stores and Irene S. Jamieson, effective as of March 1, 1996.
- 10.25 Employment Agreement between Ross Stores and Barbara Levy, effective as of March 1, 1996.
- 10.26 Consulting Agreement between Ross Stores and Stuart G. Moldaw, effective as of March 16, 1995, incorporated by reference to Exhibit 10.16 to the Form 10-Q filed by Ross Stores for its quarter ended April 29, 1995.
- 11 Statement re: Computation of Per Share Earnings.
- 15 Letter re: Unaudited Interim Financial Information.
- 27 Financial Data Schedules (submitted for SEC use only).

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made effective as of March 1, 1996, by and between Ross Stores, Inc. (the "Company") and Barry S. Gluck. Mr. Gluck is presently employed by the Company as a Senior Vice President and General Merchandising Manager ("GMM") and it is now the intention of the Company and the GMM to enter into a written employment agreement. Accordingly, the Company and the GMM enter into this Agreement.

1. Term. The employment of the GMM by the Company will continue as of the date hereof and end on March 1, 1999, unless extended or terminated in accordance with this Agreement. During January 1998, and during January every two years thereafter (2000, 2002, etc.) for so long as the GMM is employed by the Company, upon the written request of the GMM the Executive Vice President, Merchandising with input from the Company's Chief Executive Officer shall consider extending the GMM's employment with the Company. Such request must be delivered to the Executive Vice President, Merchandising no later than the December 1st which precedes the January in which the requested extension will be considered. The Executive Vice President, Merchandising shall advise the GMM, in writing, on or before the February 1st following the GMM's written request, whether the requested extension is approved. The failure of the Executive Vice President, Merchandising to provide such written advice shall constitute approval of the GMM's request for extension. If the GMM's request for an extension is approved, this Agreement shall be extended two additional years.

2. Position and Duties. The GMM shall continue to serve as a GMM of the Company with overall responsibility for his assigned merchandising area. The GMM shall report directly to the Company's Executive Vice President, Merchandising. The GMM shall devote substantially all of his working time and efforts to the business and affairs of the Company. During the term of his employment, the GMM may engage in outside activities provided those activities do not conflict with his duties and responsibilities hereunder, and provided further that the GMM gives written notice to the Board of any significant outside business activity in which he plans to become involved, whether or not such activity is pursued for profit. The GMM may not render services to or invest in any business competitive with any existing or contemplated business of the Company except with respect to personal investments in securities, limited partnerships or similar passive investment interests that are publicly traded subject to the restrictions set forth in paragraph 9.

3. Place of Performance. The GMM shall be employed at the Company's New York buying office, except for required travel on the Company's business.

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4. Compensation and Related Matters.

a. Salary. During his employment the Company shall pay the GMM a monthly salary of \$27,500.00, less applicable withholding (\$330,000.00 on an annualized basis). This salary shall be payable in equal installments in accordance with the Company's normal payroll practices applicable to senior officers. Subject to the first sentence of this paragraph, the GMM's salary may be adjusted upward from time to time by the Company in accordance with normal business practices of the Company.

b. Bonus. During his employment the Company shall continue to pay the GMM an annual bonus in accordance with the terms of the existing bonus incentive plan that covers the GMM (or any replacement plan of substantially equivalent or greater value that may subsequently be established and in effect at the time for such action).

c. Expenses. During his employment the GMM shall be entitled to receive prompt reimbursement for all reasonable expenses incurred

by him in performing services hereunder, including all reasonable expenses of travel and living while away from home, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

d. Other Benefits. The GMM shall be entitled to continue to participate in all of the Company's employee benefit plans and arrangements in effect on the date hereof in which the GMM now participates (including without limitation each pension and retirement plan and arrangement, supplemental pension and retirement plan, deferred compensation plan, short-term and long-term incentive plan, stock option plan, life insurance and health-and-accident plan and arrangement, medical insurance plan, physical examination program, dental care plan, accidental death and disability plan, survivor income plan, relocation plan, financial, tax and legal counseling programs, and vacation plan). The Company shall not make any changes in such plans or arrangements which would adversely affect the GMM's rights or benefits thereunder, unless such change occurs pursuant to a program applicable to all senior executives of the Company and does not result in a proportionately greater reduction in the rights of, or benefits to, the GMM as compared with any other senior executive of the Company. The GMM shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company in the future to its executives and key management employees, subject to, and on a basis consistent with, the terms, conditions and overall administration of such plans and arrangements. Except as otherwise specifically provided herein, nothing paid to the GMM under any plan or arrangement presently in effect or made available in the future shall be in lieu of the salary or bonus payable under subsections (a) and (b).

e. Vacations. The GMM shall be entitled to the number of vacation days in each calendar year, and to compensation in respect of earned but unused vacation days, determined in accordance with the Company's vacation plan. The GMM shall also be entitled to all paid holidays given by the Company to its executives. Unused vacation days shall not be forfeited once they have been earned and, if still unused at the time of the GMM's termination of employment with the Company, shall

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be promptly paid to the GMM at their then-current value, based on the GMM's rate of pay at the time of his termination of employment.

f. Services Furnished. The Company shall furnish the GMM with office space and such services as are suitable to the GMM's position and adequate for the performance of his duties.

5. Confidential Information.

a. The GMM agrees not to disclose, either while in the Company's employ or at any time thereafter, to any person not employed by the Company, or not engaged to render services to the Company, any confidential information obtained while in the employ of the Company, including, without limitation, any of the Company's inventions, processes, methods of distribution or customers or trade secrets; provided, however, that this provision shall not preclude the GMM from use or disclosure of information known generally to the public or from disclosure required by law or court order.

b. The GMM agrees that upon leaving the Company's employ he will make himself reasonably available to answer questions from Company officers regarding his former duties and responsibilities and the knowledge he obtained in connection therewith. In addition, he will not take with him, without the prior written consent of any officer authorized to act in the matter by the Board, any study, memoranda, drawing, blueprint, specification or other document of the Company, its subsidiaries, affiliates and divisions, which is of a confidential nature relating to the Company, its subsidiaries, affiliates and divisions.

c. The GMM understands and agrees that his obligation pursuant to this paragraph 5 shall survive the termination of this Agreement and his termination of employment for any reason under this Agreement.

6. Termination. The GMM's employment may be terminated during the term of this Agreement only as follows:

a. Death. The GMM's employment shall terminate upon his death.

b. Disability. If, as a result of the GMM's incapacity due to physical or mental illness, the GMM shall have been absent from his duties hereunder on a full-time basis for the entire period of six consecutive months, and within thirty days after written notice of termination is given by the Company or the GMM (which may occur before or after the end of such six-month period), the GMM shall not have returned to the performance of his duties hereunder on a full-time basis, the GMM's employment shall terminate. A termination of employment pursuant to this paragraph 6(b) shall be deemed an involuntary termination for purposes of this Agreement or any plan or practice of the Company.

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c. Cause. The Company may terminate the GMM's employment for Cause. The Company shall have "Cause" to terminate the GMM's employment upon (A) the continued failure by the GMM to substantially perform his duties hereunder (other than a failure resulting from a disability as defined in subsection (b)) after written notice is delivered by the Company that specifically identifies the manner in which the GMM has not substantially performed his duties, or (B) the engaging by the GMM in knowing, illegal or grossly negligent conduct which is materially injurious to the Company monetarily or otherwise.

d. Without Cause. The Company may terminate the GMM's employment at any time without cause. A termination "without cause" is a termination of the GMM's employment by the Company for any reason other than those set forth in subsections (a) [Death], (b) [Disability] or (c) [For Cause] of this paragraph.

e. Termination by the GMM for Good Reason. The GMM may terminate his employment with the Company for Good Reason which shall be deemed to occur if he terminates his employment within six months after (i) written notice of a failure by the Company to comply with any material provision of this Agreement which failure has not been cured within ten days after such written notice of noncompliance has been given by the GMM to the Company, or (ii) a significant diminishment in the nature or scope of the authority, power, function or duty attached to the position which the GMM currently maintains without the express written consent of the GMM.

f. Termination Following Change of Control. The GMM may terminate his employment with the Company within six months after a Change of Control, which shall be deemed to have occurred in the event of: (i) the direct or indirect sale or exchange by the stockholders of the Company of all or substantially all of the stock of the Company, in a single or series of related transactions, after which sale or exchange the stockholders of the Company immediately prior to such transactions do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the Company; (ii) a merger in which the Company is a party after which merger the stockholders of the Company do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the surviving company; or (iii) the sale, exchange, or transfer of all or substantially all of the Company's assets (other than a sale, exchange, or transfer to one or more corporations where the stockholders of the Company before such sale, exchange, or transfer retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the corporation(s) to which the assets were transferred). Provided, however, that the GMM shall not be entitled to terminate his employment under this subsection in the event that the purchaser of the Company, or any successor by merger, consolidation or otherwise, or the entity to which all or a significant portion of the Company's assets have been transferred, shall have expressly assumed in writing all duties and obligations of the Company under this Agreement.

g. Voluntary Termination. The GMM may voluntarily terminate his employment with the Company at any time. A termination of

employment by the GMM pursuant to paragraph 6(e) [For Good Reason] or (f) [Change of Control] shall not be

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deemed a voluntary termination by the GMM for purposes of this Agreement or any plan or practice of the Company but shall be deemed an involuntary termination.

h. Non-Renewal. If the GMM fails to request an extension of this Agreement in accordance with paragraph 1, or if the Board shall fail to approve such request, this Agreement shall automatically expire at the end of its term. Such expiration shall not entitle the GMM to any compensation or benefits except as earned by the GMM through the date of expiration of this Agreement and set forth in paragraph 8(e). The parties shall have no further obligations to each other thereafter except as set forth in paragraphs 5 and 11.

7. Notice and Effective Date of Termination.

a. Notice. Any termination of the GMM's employment by the Company or by the GMM during the term of this Agreement (other than as a result of death) shall be communicated by written notice of termination to the other party hereto. Such notice shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the GMM's employment under that provision.

b. Date of Termination. The date of termination shall be:

(i) if the GMM's employment is terminated by his death, the date of his death;

(ii) if the GMM's employment is terminated pursuant to paragraph 6(b) [Disability], the date of termination shall be the 31st day following delivery of the notice of termination;

(iii) if the GMM's employment is terminated for any other reason by either party, the date on which a notice of termination is delivered to the other party; and

(iv) if the Agreement expires pursuant to paragraph 6(h) [Non-Renewal], the parties' employment relationship shall terminate on the last day of the term of this Agreement without any notice.

8. Compensation and Benefits Upon Termination.

a. Disability, Without Cause or For Good Reason. If the GMM's employment terminates pursuant to paragraph 6(b) [Disability], (d) [Without Cause] or (e) [For Good Reason], the Company shall:

(i) Salary: continue to pay the GMM his then-current salary through the remaining term of this Agreement as defined in paragraph 1;

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(ii) Bonus: continue to pay the GMM an annual bonus(es) throughout such remaining term; each such bonus shall be in an amount equal to the greater of (A) the GMM's bonus during the year prior to his termination or (B) the bonus that the GMM would have earned under the Company's bonus plan in the year that he was terminated had he remained in its employment; provided, however, that such post-termination bonuses shall not exceed the lesser of the 100% targeted amounts for those bonus payments in the prior and then-current year, and such bonuses shall not be paid until due under the Company's present bonus plan;

(iii) Stock Options: with respect to any stock options granted to the GMM by the Company, the GMM shall immediately become vested in any unvested stock options upon such termination; and

(iv) Restricted Stock: with respect to any restricted stock granted to the GMM by the Company which has not become vested as of such termination, the GMM shall immediately become vested in a pro

rata portion of such unvested stock determined on the basis of the number of full months that have elapsed from the date of grant of such restricted stock. Such pro rata vesting shall be determined separately with respect to each portion of any restricted stock grant that is subject to a different restriction lapse date. That is, for each portion of any restricted stock grant that is subject to a different restriction lapse date, the GMM shall immediately become vested in the number of shares that equals (i) the quantity A divided by B times C minus (ii) the number of shares that have previously vested $[(A/B \times C) - D]$, where A is the number of full months that have elapsed from the date of grant to and including the date of termination, B is the number of months between the date of grant and the restriction lapse date, C is the number of shares that would otherwise become vested on that restriction lapse date and D is the number of shares that have previously vested. As a hypothetical example, presume the GMM had been granted 30,000 shares of restricted stock on January 1, 1996, and that the restrictions on that grant lapse as to 10,000 shares on January 1, 1997, 5,000 shares on January 1, 1998, and 15,000 shares on January 1, 1999. If the GMM's employment terminated pursuant to paragraph 6(b) on July 1, 1996 (i.e., at a time when no shares had previously vested), the GMM would immediately become vested under this subsection (iv) in 5,000 of the shares whose restrictions were to lapse on January 1, 1997, 1,250 of the shares whose restrictions were to lapse on January 1, 1998, and 2,500 of the shares whose restrictions were to lapse on January 1, 1999.

The Company shall have no further obligations to the GMM as a result of such termination except as set forth in paragraph 11.

b. For Cause. If the GMM's employment is terminated for cause as defined in paragraph 6(c) (A) [Failure to Perform], the GMM shall receive the post-termination compensation and benefits described in paragraph 8(a) [Compensation and Benefits Upon Disability, Termination Without Cause or For Good Reason]. If the GMM's employment is terminated for cause as defined in paragraph 6(c) (B) [Materially Injurious Conduct], he shall only receive the post-termination compensation and benefits described in paragraph 8(d) [Compensation and Benefits Upon Voluntary Termination].

c. Change of Control. Upon a Change of Control (whether or not the GMM's employment terminates), the GMM shall immediately become vested in any shares of restricted stock granted to the GMM by the Company which had not vested prior to the Change of Control. In addition, if the GMM's employment terminates pursuant to paragraph 6(f) [Change of Control], the Company shall:

(i) Salary: continue to pay the GMM his then-current salary through the remaining term of this Agreement as defined in paragraph 1;

(ii) Bonus: continue to pay the GMM his annual bonus(es) throughout such remaining term; each such bonus shall be in an amount equal to the greater of (A) the GMM's bonus during the year prior to his termination or (B) the bonus that the GMM would have earned under the Company's bonus plan in the year that he was terminated had he remained in its employment; provided, however, that such post-termination bonuses shall not exceed the lesser of the 100% targeted amounts for those bonus payments in the prior and then-current year, and such bonuses shall not be paid until due under the Company's present bonus plan; and

(iii) Stock Options: with respect to any stock options granted to the GMM by the Company, the GMM shall immediately become vested in any unvested stock options upon such termination.

The Company shall reimburse the GMM for any excise taxes paid by the GMM pursuant to Internal Revenue Code section 4999 as a result of any "excess parachute payments" that he receives from the Company as determined under section 280G of said Code. This reimbursement shall not include any additional amount to cover the GMM's income or other taxes on such reimbursement. The Company shall have no further obligations to the GMM as a result of such termination except as set forth in paragraph 11.

d. Death or Voluntary Termination. If the GMM's employment terminates pursuant to paragraph 6(a) [Death] or 6(g) [Voluntary Termination], he (or his designee or his estate) shall be paid his salary through his termination date and not thereafter. He (or his designee or his estate) shall not be entitled to any bonus payments which were not fully earned prior to his termination date, and he (or his designee or his estate) shall not be entitled to any pro-rated bonus payment for the year in which his employment terminates. Any stock options granted to the GMM by the Company will continue to vest only through the date on which his employment terminates (provided, however, that if the GMM's employment terminates as a result of his voluntary termination (but not as a result of his death) within six months after a Change of Control, the GMM shall immediately become fully-vested in any unvested stock options previously granted to him by the Company) and any restricted stock that was granted to the GMM by the Company that is unvested as of the date on which his employment terminates will automatically be reacquired by the Company and the GMM (or his designee or his estate) shall have no further rights with respect to such restricted stock. The Company shall have no further obligations to the GMM as a result of the termination of his employment pursuant to paragraph 6(a) [Death] or 6(g) [Voluntary Termination] except as set forth in paragraph 11.

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e. Non-Renewal. If the Agreement expires as set forth in paragraph 6(h) [Non-Renewal], the Company shall have no further obligations to the GMM except as set forth in paragraph 11 and except that with respect to any restricted stock granted to the GMM by the Company which has not become vested as of such expiration date, the GMM shall immediately become vested in a pro rata portion of such unvested stock determined on the basis of the number of full months that have elapsed from the date of grant of such restricted stock (as described more fully in paragraph 8(a)(iv)).

9. Employment and Post-Employment Restrictions. The Company and GMM acknowledge that the Company has a special interest in and derives significant benefit from the unique skills and experience of the GMM. In addition, the GMM will use and have access to some of the Company's proprietary and valuable Confidential Information during the course of GMM's employment. Accordingly, except as hereafter noted, during the term of GMM's employment with the Company and in the event that GMM's voluntarily terminates his employment with the Company prior to March 1, 1999, GMM agrees that for a period of three years following his voluntary termination pursuant to paragraph 6(g), he shall not provide any labor, work, services or assistance to (whether as an officer, director, employee, partner, agent, owner, independent contractor, stockholder or otherwise) Burlington Coat Factory Warehouse Corporation, Dillard Department Stores, Inc., Filene's Basement Corp., The Federated Stores, The May Department Stores Company, The TJX Companies, Inc. and Value City Department Stores, Inc. as well as all subsidiaries, divisions and/or the surviving entity of any of the above that do business in the retail industry in the case of a merger or acquisition. However, this subsection shall not prohibit GMM from making any investment of 1% or less of the equity securities of any publicly-traded corporation that is engaged in any business of the type or character engaged in by the Company. The preceding sentence shall have no force and effect in the event that (i) GMM's employment with the Company is terminated (1) by the Company pursuant to paragraph 6(c) [with Cause], 6(d) [without Cause] or (2) by GMM pursuant to either paragraph 6(e) [Termination by the Executive for Good Reason] or paragraph 6(f) [Termination Following Change of Control] or (ii) the Company fails to approve or grant an extension of this Agreement in accordance with paragraph 1 hereof.

During the term of GMM's employment with the Company and for a period of three years following the termination of that employment for any reason, GMM shall not directly or indirectly solicit any other employee of the Company to terminate his or her employment with the Company.

10. Exercise of Stock Options Following Termination. If the GMM's employment terminates pursuant to paragraph 6(a) [Death] or (b) [Disability], he (or his estate) may exercise his right to purchase any vested stock under the stock options granted to him by the Company for up to one year following the date of his termination, but not

later than the termination date of such options. In all other instances, he may exercise that right for up to three months following the date of his termination, but not later than the termination date of such options. All such purchases must be made by the GMM in accordance with the applicable stock option plans and agreements between the parties.

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11. Insurance and Indemnity. The Company shall, to the extent permitted by law, include the GMM during the term of this Agreement under any directors and officers liability insurance policy maintained for its directors and officers, with coverage at least as favorable to the GMM in amount and each other material respect as the coverage of other directors and officers covered thereby. This obligation to provide insurance and indemnify the GMM shall survive expiration or termination of this Agreement with respect to proceedings or threatened proceedings based on acts or omissions of the GMM occurring during the GMM's employment with the Company or with any affiliated company. Such obligations shall be binding upon the Company's successors and assigns and shall inure to the benefit of the GMM's heirs and personal representatives.

12. Successors; Binding Agreement. This Agreement and all rights of the GMM hereunder shall inure to the benefit of and be enforceable by the GMM's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the GMM should die while any amounts would still be payable to him hereunder all such amounts shall be paid in accordance with the terms of this Agreement to the GMM's written designee, or if there be no such designee, to the GMM's estate.

13. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the GMM: Barry S. Gluck
 c/o Ross Stores, Inc.
 1372 Broadway, Tenth Floor
 New York, NY 10018

If to the Company: Ross Stores, Inc.
 8333 Central Avenue
 Newark, CA 94560-3433
 Attention: Corporate Secretary

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

14. Modification or Waiver; Entire Agreement. No provision of this Agreement may be modified or waived except in a document signed by the GMM and the chairman of the Compensation Committee of the Board or such other person as may be designated by the Board. This Agreement, along with any stock option or restricted stock agreements between the parties, constitute the entire agreement between the parties regarding their employment relationship. To the extent that this Agreement is in any way inconsistent with any prior restricted stock or stock option agreements entered into after February 17, 1993, between the parties, this Agreement shall control. No

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agreements or representations, oral or otherwise, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

15. Governing Law; Severability. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

16. Mitigation. In the event the GMM's employment with the Company terminates for any reason other than death, the GMM shall be obligated to seek other employment following such termination in order to mitigate payments that the Company may be required to make to him or for his benefit hereunder. Such obligation shall not apply during any period in which the GMM is disabled. If the GMM obtains other employment during any period in which he is entitled to receive continued salary or bonus payments under paragraph 8, any salary or bonus payments earned by the GMM during such period shall reduce the Company's obligation to pay continued salary and/or bonus payments under paragraph 8 by the amount of the salary and/or bonus payments so earned by the GMM.

17. Withholding. All payments required to be made by the Company hereunder to the GMM or his estate or beneficiaries shall be subject to the withholding of such amounts as the Company may reasonably determine it should withhold pursuant to any applicable law. To the extent permitted, the GMM may provide all or any part of any necessary withholding by contributing Company stock with value, determined on the date such withholding is due, equal to the number of shares contributed multiplied by the closing NASDAQ price on the date preceding the date the withholding is determined.

18. Arbitration. In the event of any dispute or claim relating to or arising out of the parties' employment relationship or this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, race, sex, disability or other discrimination), all such disputes shall be fully, finally and exclusively resolved by binding arbitration conducted by the American Arbitration Association in Alameda County, California; provided, however, that this arbitration provision shall not apply to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's trade secrets or proprietary information or to any disputes or claims relating to or arising out of GMM's failure to comply with the requirements of paragraph 9 regarding Employment and Post-Employment Restrictions.

19. Attorneys' Fees. Each party shall bear its own attorneys' fees and costs incurred in any action or dispute arising out of this Agreement.

20. Miscellaneous. No right or interest to, or in, any payments shall be assignable by the GMM; provided, however, that this provision shall not preclude GMM from designating in writing one or more beneficiaries to receive any amount that may be payable after GMM's death and shall not preclude the legal representative of GMM's estate from assigning any right hereunder to the person or persons entitled thereto. This

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Agreement shall be binding upon and shall inure to the benefit of the GMM, his heirs and legal representatives and the Company and its successors.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement effective as of the date and year first above written.

ROSS STORES, INC.

By: /s/Stephen F. Joyce /s/ Barry S. Gluck
Title: Sr. Vice President, Human Resources Barry S. Gluck

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made effective as of March 1, 1996, by and between Ross Stores, Inc. (the "Company") and Irene A. Jamieson. Ms. Jamieson is presently employed by the Company as a Senior Vice President and General Merchandising Manager ("GMM") and it is now the intention of the Company and the GMM to enter into a written employment agreement. Accordingly, the Company and the GMM enter into this Agreement.

1. Term. The employment of the GMM by the Company will continue as of the date hereof and end on March 1, 1999, unless extended or terminated in accordance with this Agreement. During January 1998, and during January every two years thereafter (2000, 2002, etc.) for so long as the GMM is employed by the Company, upon the written request of the GMM the Executive Vice President, Merchandising with input from the Company's Chief Executive Officer shall consider extending the GMM's employment with the Company. Such request must be delivered to the Executive Vice President, Merchandising no later than the December 1st which precedes the January in which the requested extension will be considered. The Executive Vice President, Merchandising shall advise the GMM, in writing, on or before the February 1st following the GMM's written request, whether the requested extension is approved. The failure of the Executive Vice President, Merchandising to provide such written advice shall constitute approval of the GMM's request for extension. If the GMM's request for an extension is approved, this Agreement shall be extended two additional years.

2. Position and Duties. The GMM shall continue to serve as a GMM of the Company with overall responsibility for her assigned merchandising area. The GMM shall report directly to the Company's Executive Vice President, Merchandising. The GMM shall devote substantially all of her working time and efforts to the business and affairs of the Company. During the term of her employment, the GMM may engage in outside activities provided those activities do not conflict with her duties and responsibilities hereunder, and provided further that the GMM gives written notice to the Board of any significant outside business activity in which she plans to become involved, whether or not such activity is pursued for profit. The GMM may not render services to or invest in any business competitive with any existing or contemplated business of the Company except with respect to personal investments in securities, limited partnerships or similar passive investment interests that are publicly traded subject to the restrictions set forth in paragraph 9.

3. Place of Performance. The GMM shall be employed at the Company's New York buying office, except for required travel on the Company's business.

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4. Compensation and Related Matters.

a. Salary. During her employment the Company shall pay the GMM a monthly salary of \$25,833.33, less applicable withholding (\$310,000.00 on an annualized basis). This salary shall be payable in equal installments in accordance with the Company's normal payroll practices applicable to senior officers. Subject to the first sentence of this paragraph, the GMM's salary may be adjusted upward from time to time by the Company in accordance with normal business practices of the Company.

b. Bonus. During her employment the Company shall continue to pay the GMM an annual bonus in accordance with the terms of the existing bonus incentive plan that covers the GMM (or any replacement plan of substantially equivalent or greater value that may subsequently be established and in effect at the time for such action).

c. Expenses. During her employment the GMM shall be entitled to receive prompt reimbursement for all reasonable expenses incurred

by her in performing services hereunder, including all reasonable expenses of travel and living while away from home, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

d. Other Benefits. The GMM shall be entitled to continue to participate in all of the Company's employee benefit plans and arrangements in effect on the date hereof in which the GMM now participates (including without limitation each pension and retirement plan and arrangement, supplemental pension and retirement plan, deferred compensation plan, short-term and long-term incentive plan, stock option plan, life insurance and health-and-accident plan and arrangement, medical insurance plan, physical examination program, dental care plan, accidental death and disability plan, survivor income plan, relocation plan, financial, tax and legal counseling programs, and vacation plan). The Company shall not make any changes in such plans or arrangements which would adversely affect the GMM's rights or benefits thereunder, unless such change occurs pursuant to a program applicable to all senior executives of the Company and does not result in a proportionately greater reduction in the rights of, or benefits to, the GMM as compared with any other senior executive of the Company. The GMM shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company in the future to its executives and key management employees, subject to, and on a basis consistent with, the terms, conditions and overall administration of such plans and arrangements. Except as otherwise specifically provided herein, nothing paid to the GMM under any plan or arrangement presently in effect or made available in the future shall be in lieu of the salary or bonus payable under subsections (a) and (b).

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e. Vacations. The GMM shall be entitled to the number of vacation days in each calendar year, and to compensation in respect of earned but unused vacation days, determined in accordance with the Company's vacation plan. The GMM shall also be entitled to all paid holidays given by the Company to its executives. Unused vacation days shall not be forfeited once they have been earned and, if still unused at the time of the GMM's termination of employment with the Company, shall be promptly paid to the GMM at their then-current value, based on the GMM's rate of pay at the time of her termination of employment.

f. Services Furnished. The Company shall furnish the GMM with office space and such services as are suitable to the GMM's position and adequate for the performance of her duties.

5. Confidential Information.

a. The GMM agrees not to disclose, either while in the Company's employ or at any time thereafter, to any person not employed by the Company, or not engaged to render services to the Company, any confidential information obtained while in the employ of the Company, including, without limitation, any of the Company's inventions, processes, methods of distribution or customers or trade secrets; provided, however, that this provision shall not preclude the GMM from use or disclosure of information known generally to the public or from disclosure required by law or court order.

b. The GMM agrees that upon leaving the Company's employ she will make herself reasonably available to answer questions from Company officers regarding her former duties and responsibilities and the knowledge she obtained in connection therewith. In addition, she will not take with her, without the prior written consent of any officer authorized to act in the matter by the Board, any study, memoranda, drawing, blueprint, specification or other document of the Company, its subsidiaries, affiliates and divisions, which is of a confidential nature relating to the Company, its subsidiaries, affiliates and divisions.

c. The GMM understands and agrees that her obligation pursuant to this paragraph 5 shall survive the termination of this Agreement and her termination of employment for any reason under this Agreement.

6. Termination. The GMM's employment may be terminated during

the term of this Agreement only as follows:

a. Death. The GMM's employment shall terminate upon her death.

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b. Disability. If, as a result of the GMM's incapacity due to physical or mental illness, the GMM shall have been absent from her duties hereunder on a full-time basis for the entire period of six consecutive months, and within thirty days after written notice of termination is given by the Company or the GMM (which may occur before or after the end of such six-month period), the GMM shall not have returned to the performance of her duties hereunder on a full-time basis, the GMM's employment shall terminate. A termination of employment pursuant to this paragraph 6(b) shall be deemed an involuntary termination for purposes of this Agreement or any plan or practice of the Company.

c. Cause. The Company may terminate the GMM's employment for Cause. The Company shall have "Cause" to terminate the GMM's employment upon (A) the continued failure by the GMM to substantially perform her duties hereunder (other than a failure resulting from a disability as defined in subsection (b)) after written notice is delivered by the Company that specifically identifies the manner in which the GMM has not substantially performed her duties, or (B) the engaging by the GMM in knowing, illegal or grossly negligent conduct which is materially injurious to the Company monetarily or otherwise.

d. Without Cause. The Company may terminate the GMM's employment at any time without cause. A termination "without cause" is a termination of the GMM's employment by the Company for any reason other than those set forth in subsections (a) [Death], (b) [Disability] or (c) [For Cause] of this paragraph.

e. Termination by the GMM for Good Reason. The GMM may terminate her employment with the Company for Good Reason which shall be deemed to occur if she terminates her employment within six months after (i) written notice of a failure by the Company to comply with any material provision of this Agreement which failure has not been cured within ten days after such written notice of noncompliance has been given by the GMM to the Company, or (ii) a significant diminishment in the nature or scope of the authority, power, function or duty attached to the position which the GMM currently maintains without the express written consent of the GMM.

f. Termination Following Change of Control. The GMM may terminate her employment with the Company within six months after a Change of Control, which shall be deemed to have occurred in the event of: (i) the direct or indirect sale or exchange by the stockholders of the Company of all or substantially all of the stock of the Company, in a single or series of related transactions, after which sale or exchange the stockholders of the Company immediately prior to such transactions do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the Company; (ii) a merger in which the Company is a party after which merger the stockholders of the Company do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the surviving company; or (iii) the sale,

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exchange, or transfer of all or substantially all of the Company's assets (other than a sale, exchange, or transfer to one or more corporations where the stockholders of the Company before such sale, exchange, or transfer retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the corporation(s) to which the assets were transferred). Provided, however, that the GMM shall not be entitled to terminate her employment under this subsection in the event that the purchaser of the Company, or any successor by merger, consolidation or otherwise, or the entity to which all or a significant portion of the Company's assets have been transferred, shall have expressly assumed in writing all duties and obligations of the Company under this Agreement.

g. Voluntary Termination. The GMM may voluntarily terminate her employment with the Company at any time. A termination of

employment by the GMM pursuant to paragraph 6(e) [For Good Reason] or (f) [Change of Control] shall not be deemed a voluntary termination by the GMM for purposes of this Agreement or any plan or practice of the Company but shall be deemed an involuntary termination.

h. Non-Renewal. If the GMM fails to request an extension of this Agreement in accordance with paragraph 1, or if the Board shall fail to approve such request, this Agreement shall automatically expire at the end of its term. Such expiration shall not entitle the GMM to any compensation or benefits except as earned by the GMM through the date of expiration of this Agreement and set forth in paragraph 8(e). The parties shall have no further obligations to each other thereafter except as set forth in paragraphs 5 and 11.

7. Notice and Effective Date of Termination.

a. Notice. Any termination of the GMM's employment by the Company or by the GMM during the term of this Agreement (other than as a result of death) shall be communicated by written notice of termination to the other party hereto. Such notice shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the GMM's employment under that provision.

b. Date of Termination. The date of termination shall be:

(i) if the GMM's employment is terminated by her death, the date of her death;

(ii) if the GMM's employment is terminated pursuant to paragraph 6(b) [Disability], the date of termination shall be the 31st day following delivery of the notice of termination;

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(iii) if the GMM's employment is terminated for any other reason by either party, the date on which a notice of termination is delivered to the other party; and

(iv) if the Agreement expires pursuant to paragraph 6(h) [Non-Renewal], the parties' employment relationship shall terminate on the last day of the term of this Agreement without any notice.

8. Compensation and Benefits Upon Termination.

a. Disability, Without Cause or For Good Reason. If the GMM's employment terminates pursuant to paragraph 6(b) [Disability], (d) [Without Cause] or (e) [For Good Reason], the Company shall:

(i) Salary: continue to pay the GMM her then-current salary through the remaining term of this Agreement as defined in paragraph 1;

(ii) Bonus: continue to pay the GMM an annual bonus(es) throughout such remaining term; each such bonus shall be in an amount equal to the greater of (A) the GMM's bonus during the year prior to her termination or (B) the bonus that the GMM would have earned under the Company's bonus plan in the year that she was terminated had she remained in its employment; provided, however, that such post-termination bonuses shall not exceed the lesser of the 100% targeted amounts for those bonus payments in the prior and then-current year, and such bonuses shall not be paid until due under the Company's present bonus plan;

(iii) Stock Options: with respect to any stock options granted to the GMM by the Company, the GMM shall immediately become vested in any unvested stock options upon such termination; and

(iv) Restricted Stock: with respect to any restricted stock granted to the GMM by the Company which has not become vested as of such termination, the GMM shall immediately become vested in a pro rata portion of such unvested stock determined on the basis of the number of full months that have elapsed from the date of grant of such restricted stock. Such pro rata vesting shall be determined

separately with respect to each portion of any restricted stock grant that is subject to a different restriction lapse date. That is, for each portion of any restricted stock grant that is subject to a different restriction lapse date, the GMM shall immediately become vested in the number of shares that equals (i) the quantity A divided by B times C minus (ii) the number of shares that have previously vested $[(A/B \times C) - D]$, where A is the number of full months that have elapsed from the date of grant to and including the date of termination, B is the number of months between the date of grant and the restriction lapse date, C is the number of shares that would otherwise become vested on that restriction lapse date and D is the number of shares that have previously vested. As a

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hypothetical example, presume the GMM had been granted 30,000 shares of restricted stock on January 1, 1996, and that the restrictions on that grant lapse as to 10,000 shares on January 1, 1997, 5,000 shares on January 1, 1998, and 15,000 shares on January 1, 1999. If the GMM's employment terminated pursuant to paragraph 6(b) on July 1, 1996 (i.e., at a time when no shares had previously vested), the GMM would immediately become vested under this subsection (iv) in 5,000 of the shares whose restrictions were to lapse on January 1, 1997, 1,250 of the shares whose restrictions were to lapse on January 1, 1998, and 2,500 of the shares whose restrictions were to lapse on January 1, 1999.

The Company shall have no further obligations to the GMM as a result of such termination except as set forth in paragraph 11.

b. For Cause. If the GMM's employment is terminated for cause as defined in paragraph 6(c) (A) [Failure to Perform], the GMM shall receive the post-termination compensation and benefits described in paragraph 8(a) [Compensation and Benefits Upon Disability, Termination Without Cause or For Good Reason]. If the GMM's employment is terminated for cause as defined in paragraph 6(c) (B) [Materially Injurious Conduct], she shall only receive the post-termination compensation and benefits described in paragraph 8(d) [Compensation and Benefits Upon Voluntary Termination].

c. Change of Control. Upon a Change of Control (whether or not the GMM's employment terminates), the GMM shall immediately become vested in any shares of restricted stock granted to the GMM by the Company which had not vested prior to the Change of Control. In addition, if the GMM's employment terminates pursuant to paragraph 6(f) [Change of Control], the Company shall:

(i) Salary: continue to pay the GMM her then-current salary through the remaining term of this Agreement as defined in paragraph 1;

(ii) Bonus: continue to pay the GMM her annual bonus(es) throughout such remaining term; each such bonus shall be in an amount equal to the greater of (A) the GMM's bonus during the year prior to her termination or (B) the bonus that the GMM would have earned under the Company's bonus plan in the year that she was terminated had she remained in its employment; provided, however, that such post-termination bonuses shall not exceed the lesser of the 100% targeted amounts for those bonus payments in the prior and then-current year, and such bonuses shall not be paid until due under the Company's present bonus plan; and

(iii) Stock Options: with respect to any stock options granted to the GMM by the Company, the GMM shall immediately become vested in any unvested stock options upon such termination.

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The Company shall reimburse the GMM for any excise taxes paid by the GMM pursuant to Internal Revenue Code section 4999 as a result of any "excess parachute payments" that she receives from the Company as determined under section 280G of said Code. This reimbursement shall not include any additional amount to cover the GMM's income or other taxes on such reimbursement. The Company shall have no further obligations to the GMM as a result of such termination except as set forth in paragraph 11.

d. Death or Voluntary Termination. If the GMM's employment terminates pursuant to paragraph 6(a) [Death] or 6(g) [Voluntary Termination], she (or her designee or her estate) shall be paid her salary through her termination date and not thereafter. She (or her designee or her estate) shall not be entitled to any bonus payments which were not fully earned prior to her termination date, and she (or her designee or her estate) shall not be entitled to any pro-rated bonus payment for the year in which her employment terminates. Any stock options granted to the GMM by the Company will continue to vest only through the date on which her employment terminates (provided, however, that if the GMM's employment terminates as a result of her voluntary termination (but not as a result of her death) within six months after a Change of Control, the GMM shall immediately become fully-vested in any unvested stock options previously granted to her by the Company) and any restricted stock that was granted to the GMM by the Company that is unvested as of the date on which her employment terminates will automatically be reacquired by the Company and the GMM (or her designee or her estate) shall have no further rights with respect to such restricted stock. The Company shall have no further obligations to the GMM as a result of the termination of her employment pursuant to paragraph 6(a) [Death] or 6(g) [Voluntary Termination] except as set forth in paragraph 11.

e. Non-Renewal. If the Agreement expires as set forth in paragraph 6(h) [Non-Renewal], the Company shall have no further obligations to the GMM except as set forth in paragraph 11 and except that with respect to any restricted stock granted to the GMM by the Company which has not become vested as of such expiration date, the GMM shall immediately become vested in a pro rata portion of such unvested stock determined on the basis of the number of full months that have elapsed from the date of grant of such restricted stock (as described more fully in paragraph 8(a) (iv)).

9. Employment and Post-Employment Restrictions. The Company and GMM acknowledge that the Company has a special interest in and derives significant benefit from the unique skills and experience of the GMM. In addition, the GMM will use and have access to some of the Company's proprietary and valuable Confidential Information during the course of GMM's employment. Accordingly, except as hereafter noted, during the term of GMM's employment with the Company and in the event that the GMM voluntarily terminates her employment with the Company prior to March 1, 1999, GMM agrees that for a period of three years following her voluntary termination pursuant to paragraph 6(g), she shall not provide any labor, work, services or assistance to (whether as an officer, director, employee, partner, agent, owner, independent

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contractor, stockholder or otherwise) Burlington Coat Factory Warehouse Corporation, Dillard Department Stores, Inc., Filene's Basement Corp., The Federated Stores, The May Department Stores Company, The TJX Companies, Inc. and Value City Department Stores, Inc. as well as all subsidiaries, divisions and/or the surviving entity of any of the above that do business in the retail industry in the case of a merger or acquisition. However, this subsection shall not prohibit GMM from making any investment of 1% or less of the equity securities of any publicly-traded corporation that is engaged in any business of the type or character engaged in by the Company. The preceding sentence shall have no force and effect in the event that (i) GMM's employment with the Company is terminated (1) by the Company pursuant to paragraph 6(c) [with Cause], 6(d) [without Cause] or (2) by GMM pursuant to either paragraph 6(e) [Termination by the Executive for Good Reason] or paragraph 6(f) [Termination Following Change of Control] or (ii) the Company fails to approve or grant an extension of this Agreement in accordance with paragraph 1 hereof.

During the term of GMM's employment with the Company and for a period of three years following the termination of that employment for any reason, GMM shall not directly or indirectly solicit any other employee of the Company to terminate his or her employment with the Company.

10. Exercise of Stock Options Following Termination. If the GMM's employment terminates pursuant to paragraph 6(a) [Death] or (b) [Disability], she (or her estate) may exercise her right to purchase any vested stock under the stock options granted to her by

the Company for up to one year following the date of her termination, but not later than the termination date of such options. In all other instances, she may exercise that right for up to three months following the date of her termination, but not later than the termination date of such options. All such purchases must be made by the GMM in accordance with the applicable stock option plans and agreements between the parties.

11. Insurance and Indemnity. The Company shall, to the extent permitted by law, include the GMM during the term of this Agreement under any directors and officers liability insurance policy maintained for its directors and officers, with coverage at least as favorable to the GMM in amount and each other material respect as the coverage of other directors and officers covered thereby. This obligation to provide insurance and indemnify the GMM shall survive expiration or termination of this Agreement with respect to proceedings or threatened proceedings based on acts or omissions of the GMM occurring during the GMM's employment with the Company or with any affiliated company. Such obligations shall be binding upon the Company's successors and assigns and shall inure to the benefit of the GMM's heirs and personal representatives.

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12. Successors; Binding Agreement. This Agreement and all rights of the GMM hereunder shall inure to the benefit of and be enforceable by the GMM's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the GMM should die while any amounts would still be payable to her hereunder all such amounts shall be paid in accordance with the terms of this Agreement to the GMM's written designee, or if there be no such designee, to the GMM's estate.

13. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the GMM: Irene A. Jamieson
c/o Ross Stores, Inc.
1372 Broadway, Tenth Floor
New York, NY 10018

If to the Company: Ross Stores, Inc.
8333 Central Avenue
Newark, CA 94560-3433
Attention: Corporate Secretary

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

14. Modification or Waiver; Entire Agreement. No provision of this Agreement may be modified or waived except in a document signed by the GMM and the chairman of the Compensation Committee of the Board or such other person as may be designated by the Board. This Agreement, along with any stock option or restricted stock agreements between the parties, constitute the entire agreement between the parties regarding their employment relationship. To the extent that this Agreement is in any way inconsistent with any prior restricted stock or stock option agreements entered into after February 17, 1993, between the parties, this Agreement shall control. No agreements or representations, oral or otherwise, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

15. Governing Law; Severability. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

16. Mitigation. In the event the GMM's employment with the Company terminates for any reason other than death, the GMM shall be obligated to seek other employment following such termination in order to mitigate payments that the Company may be required to make to her or for her benefit hereunder. Such obligation shall not apply during any period in which the GMM is disabled. If the GMM obtains other employment during any period in which she is entitled to receive continued salary or bonus payments under paragraph 8, any salary or bonus payments earned by the GMM during such period shall reduce the Company's obligation to pay continued salary and/or bonus payments under paragraph 8 by the amount of the salary and/or bonus payments so earned by the GMM.

17. Withholding. All payments required to be made by the Company hereunder to the GMM or her estate or beneficiaries shall be subject to the withholding of such amounts as the Company may reasonably determine it should withhold pursuant to any applicable law. To the extent permitted, the GMM may provide all or any part of any necessary withholding by contributing Company stock with value, determined on the date such withholding is due, equal to the number of shares contributed multiplied by the closing NASDAQ price on the date preceding the date the withholding is determined.

18. Arbitration. In the event of any dispute or claim relating to or arising out of the parties' employment relationship or this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, race, sex, disability or other discrimination), all such disputes shall be fully, finally and exclusively resolved by binding arbitration conducted by the American Arbitration Association in Alameda County, California; provided, however, that this arbitration provision shall not apply to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's trade secrets or proprietary information or to any disputes or claims relating to or arising out of GMM's failure to comply with the requirements of paragraph 9 regarding Employment and Post-Employment Restrictions.

19. Attorneys' Fees. Each party shall bear its own attorneys' fees and costs incurred in any action or dispute arising out of this Agreement.

20. Miscellaneous. No right or interest to, or in, any payments shall be assignable by the GMM; provided, however, that this provision shall not preclude GMM from designating in writing one or more beneficiaries to receive any amount that may be payable after GMM's death and shall not preclude the legal representative of GMM's estate from assigning any right hereunder to the person or persons entitled thereto. This Agreement shall be binding upon and shall inure to the benefit of the GMM, her heirs and legal representatives and the Company and its successors.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement effective as of the date and year first above written.

ROSS STORES, INC.

By: Michael Balmuth 4/8/96
Title: Executive Vice President

/s/Irene A. Jamieson
Irene A. Jamieson

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made effective as of March 1, 1996, by and between Ross Stores, Inc. (the "Company") and Barbara Levy. Ms. Levy is presently employed by the Company as a Senior Vice President and General Merchandising Manager ("GMM") and it is now the intention of the Company and the GMM to enter into a written employment agreement. Accordingly, the Company and the GMM enter into this Agreement.

1. Term. The employment of the GMM by the Company will continue as of the date hereof and end on March 1, 1999, unless extended or terminated in accordance with this Agreement. During January 1998, and during January every two years thereafter (2000, 2002, etc.) for so long as the GMM is employed by the Company, upon the written request of the GMM the Executive Vice President, Merchandising with input from the Company's Chief Executive Officer shall consider extending the GMM's employment with the Company. Such request must be delivered to the Executive Vice President, Merchandising no later than the December 1st which precedes the January in which the requested extension will be considered. The Executive Vice President, Merchandising shall advise the GMM, in writing, on or before the February 1st following the GMM's written request, whether the requested extension is approved. The failure of the Executive Vice President, Merchandising to provide such written advice shall constitute approval of the GMM's request for extension. If the GMM's request for an extension is approved, this Agreement shall be extended two additional years.

2. Position and Duties. The GMM shall continue to serve as a GMM of the Company with overall responsibility for her assigned merchandising area. The GMM shall report directly to the Company's Executive Vice President, Merchandising. The GMM shall devote substantially all of her working time and efforts to the business and affairs of the Company. During the term of her employment, the GMM may engage in outside activities provided those activities do not conflict with her duties and responsibilities hereunder, and provided further that the GMM gives written notice to the Board of any significant outside business activity in which she plans to become involved, whether or not such activity is pursued for profit. The GMM may not render services to or invest in any business competitive with any existing or contemplated business of the Company except with respect to personal investments in securities, limited partnerships or similar passive investment interests that are publicly traded subject to the restrictions set forth in paragraph 9.

3. Place of Performance. The GMM shall be employed at the Company's New York buying office, except for required travel on the Company's business.

4. Compensation and Related Matters.

a. Salary. During her employment the Company shall pay the GMM a monthly salary of \$27,500.00, less applicable withholding (\$330,000.00 on an annualized basis). This salary shall be payable in equal installments in accordance with the Company's normal payroll practices applicable to senior officers. Subject to the first

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sentence of this paragraph, the GMM's salary may be adjusted upward from time to time by the Company in accordance with normal business practices of the Company.

b. Bonus. During her employment the Company shall continue to pay the GMM an annual bonus in accordance with the terms of the existing bonus incentive plan that covers the GMM (or any replacement plan of substantially equivalent or greater value that may subsequently be established and in effect at the

time for such action).

c. Expenses. During her employment the GMM shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by her in performing services hereunder, including all reasonable expenses of travel and living while away from home, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

d. Other Benefits. The GMM shall be entitled to continue to participate in all of the Company's employee benefit plans and arrangements in effect on the date hereof in which the GMM now participates (including without limitation each pension and retirement plan and arrangement, supplemental pension and retirement plan, deferred compensation plan, short-term and long-term incentive plan, stock option plan, life insurance and health-and-accident plan and arrangement, medical insurance plan, physical examination program, dental care plan, accidental death and disability plan, survivor income plan, relocation plan, financial, tax and legal counseling programs, and vacation plan). The Company shall not make any changes in such plans or arrangements which would adversely affect the GMM's rights or benefits thereunder, unless such change occurs pursuant to a program applicable to all senior executives of the Company and does not result in a proportionately greater reduction in the rights of, or benefits to, the GMM as compared with any other senior executive of the Company. The GMM shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company in the future to its executives and key management employees, subject to, and on a basis consistent with, the terms, conditions and overall administration of such plans and arrangements. Except as otherwise specifically provided herein, nothing paid to the GMM under any plan or arrangement presently in effect or made available in the future shall be in lieu of the salary or bonus payable under subsections (a) and (b).

e. Vacations. The GMM shall be entitled to the number of vacation days in each calendar year, and to compensation in respect of earned but unused vacation days, determined in accordance with the Company's vacation plan. The GMM shall also be entitled to all paid holidays given by the Company to its executives. Unused vacation days shall not be forfeited once they have been earned and, if still unused at the time of the GMM's termination of employment with the Company, shall be promptly paid to the GMM at their then-current value, based on the GMM's rate of pay at the time of her termination of employment.

f. Services Furnished. The Company shall furnish the GMM with office space and such services as are suitable to the GMM's position and adequate for the performance of her duties.

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5. Confidential Information.

a. The GMM agrees not to disclose, either while in the Company's employ or at any time thereafter, to any person not employed by the Company, or not engaged to render services to the Company, any confidential information obtained while in the employ of the Company, including, without limitation, any of the Company's inventions, processes, methods of distribution or customers or trade secrets; provided, however, that this provision shall not preclude the GMM from use or disclosure of information known generally to the public or from disclosure required by law or court order.

b. The GMM agrees that upon leaving the Company's employ she will make herself reasonably available to answer questions from Company officers regarding her former duties and responsibilities and the knowledge she obtained in connection therewith. In addition, she will not take with her, without the prior written consent of any officer authorized to act in the

matter by the Board, any study, memoranda, drawing, blueprint, specification or other document of the Company, its subsidiaries, affiliates and divisions, which is of a confidential nature relating to the Company, its subsidiaries, affiliates and divisions.

c. The GMM understands and agrees that her obligation pursuant to this paragraph 5 shall survive the termination of this Agreement and her termination of employment for any reason under this Agreement.

6. Termination. The GMM's employment may be terminated during the term of this Agreement only as follows:

a. Death. The GMM's employment shall terminate upon her death.

b. Disability. If, as a result of the GMM's incapacity due to physical or mental illness, the GMM shall have been absent from her duties hereunder on a full-time basis for the entire period of six consecutive months, and within thirty days after written notice of termination is given by the Company or the GMM (which may occur before or after the end of such six-month period), the GMM shall not have returned to the performance of her duties hereunder on a full-time basis, the GMM's employment shall terminate. A termination of employment pursuant to this paragraph 6(b) shall be deemed an involuntary termination for purposes of this Agreement or any plan or practice of the Company.

c. Cause. The Company may terminate the GMM's employment for Cause. The Company shall have "Cause" to terminate the GMM's employment upon (A) the continued failure by the GMM to substantially perform her duties hereunder (other than a failure resulting from a disability as defined in subsection (b)) after written notice is delivered by the Company that specifically identifies the manner in which the GMM has not substantially performed her duties, or (B) the engaging by the GMM in knowing, illegal or grossly negligent conduct which is materially injurious to the Company monetarily or otherwise.

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d. Without Cause. The Company may terminate the GMM's employment at any time without cause. A termination "without cause" is a termination of the GMM's employment by the Company for any reason other than those set forth in subsections (a) [Death], (b) [Disability] or (c) [For Cause] of this paragraph.

e. Termination by the GMM for Good Reason. The GMM may terminate her employment with the Company for Good Reason which shall be deemed to occur if she terminates her employment within six months after (i) written notice of a failure by the Company to comply with any material provision of this Agreement which failure has not been cured within ten days after such written notice of noncompliance has been given by the GMM to the Company, or (ii) a significant diminishment in the nature or scope of the authority, power, function or duty attached to the position which the GMM currently maintains without the express written consent of the GMM.

f. Termination Following Change of Control. The GMM may terminate her employment with the Company within six months after a Change of Control, which shall be deemed to have occurred in the event of: (i) the direct or indirect sale or exchange by the stockholders of the Company of all or substantially all of the stock of the Company, in a single or series of related transactions, after which sale or exchange the stockholders of the Company immediately prior to such transactions do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the Company; (ii) a merger in which the Company is a party after which merger the stockholders of the Company do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the surviving company; or (iii) the sale, exchange, or transfer of

all or substantially all of the Company's assets (other than a sale, exchange, or transfer to one or more corporations where the stockholders of the Company before such sale, exchange, or transfer retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the corporation(s) to which the assets were transferred). Provided, however, that the GMM shall not be entitled to terminate her employment under this subsection in the event that the purchaser of the Company, or any successor by merger, consolidation or otherwise, or the entity to which all or a significant portion of the Company's assets have been transferred, shall have expressly assumed in writing all duties and obligations of the Company under this Agreement.

g. Voluntary Termination. The GMM may voluntarily terminate her employment with the Company at any time. A termination of employment by the GMM pursuant to paragraph 6(e) [For Good Reason] or (f) [Change of Control] shall not be deemed a voluntary termination by the GMM for purposes of this Agreement or any plan or practice of the Company but shall be deemed an involuntary termination.

h. Non-Renewal. If the GMM fails to request an extension of this Agreement in accordance with paragraph 1, or if the Board shall fail to approve such request, this Agreement shall automatically expire at the end of its term. Such expiration shall not entitle the GMM to any compensation or benefits except as earned by the GMM through the date of expiration of this Agreement and set forth in paragraph 8(e). The parties shall have no further obligations to each other thereafter except as set forth in paragraphs 5 and 11.

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7. Notice and Effective Date of Termination.

a. Notice. Any termination of the GMM's employment by the Company or by the GMM during the term of this Agreement (other than as a result of death) shall be communicated by written notice of termination to the other party hereto. Such notice shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the GMM's employment under that provision.

b. Date of Termination. The date of termination shall be:

(i) if the GMM's employment is terminated by her death, the date of her death;

(ii) if the GMM's employment is terminated pursuant to paragraph 6(b) [Disability], the date of termination shall be the 31st day following delivery of the notice of termination;

(iii) if the GMM's employment is terminated for any other reason by either party, the date on which a notice of termination is delivered to the other party; and

(iv) if the Agreement expires pursuant to paragraph 6(h) [Non-Renewal], the parties' employment relationship shall terminate on the last day of the term of this Agreement without any notice.

8. Compensation and Benefits Upon Termination.

a. Disability, Without Cause or For Good Reason. If the GMM's employment terminates pursuant to paragraph 6(b) [Disability], (d) [Without Cause] or (e) [For Good Reason], the Company shall:

(i) Salary: continue to pay the GMM her then-current salary through the remaining term of this Agreement as defined in paragraph 1;

(ii) Bonus: continue to pay the GMM an annual bonus(es) throughout such remaining term; each such bonus shall be in an

amount equal to the greater of (A) the GMM's bonus during the year prior to her termination or (B) the bonus that the GMM would have earned under the Company's bonus plan in the year that she was terminated had she remained in its employment; provided, however, that such post-termination bonuses shall not exceed the lesser of the 100% targeted amounts for those bonus payments in the prior and then-current year, and such bonuses shall not be paid until due under the Company's present bonus plan;

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(iii) Stock Options: with respect to any stock options granted to the GMM by the Company, the GMM shall immediately become vested in any unvested stock options upon such termination; and

(iv) Restricted Stock: with respect to any restricted stock granted to the GMM by the Company which has not become vested as of such termination, the GMM shall immediately become vested in a pro rata portion of such unvested stock determined on the basis of the number of full months that have elapsed from the date of grant of such restricted stock. Such pro rata vesting shall be determined separately with respect to each portion of any restricted stock grant that is subject to a different restriction lapse date. That is, for each portion of any restricted stock grant that is subject to a different restriction lapse date, the GMM shall immediately become vested in the number of shares that equals (i) the quantity A divided by B times C minus (ii) the number of shares that have previously vested [(A/B x C)-D], where A is the number of full months that have elapsed from the date of grant to and including the date of termination, B is the number of months between the date of grant and the restriction lapse date, C is the number of shares that would otherwise become vested on that restriction lapse date and D is the number of shares that have previously vested. As a hypothetical example, presume the GMM had been granted 30,000 shares of restricted stock on January 1, 1996, and that the restrictions on that grant lapse as to 10,000 shares on January 1, 1997, 5,000 shares on January 1, 1998, and 15,000 shares on January 1, 1999. If the GMM's employment terminated pursuant to paragraph 6(b) on July 1, 1996 (i.e., at a time when no shares had previously vested), the GMM would immediately become vested under this subsection (iv) in 5,000 of the shares whose restrictions were to lapse on January 1, 1997, 1,250 of the shares whose restrictions were to lapse on January 1, 1998, and 2,500 of the shares whose restrictions were to lapse on January 1, 1999.

The Company shall have no further obligations to the GMM as a result of such termination except as set forth in paragraph 11.

b. For Cause. If the GMM's employment is terminated for cause as defined in paragraph 6(c) (A) [Failure to Perform], the GMM shall receive the post-termination compensation and benefits described in paragraph 8(a) [Compensation and Benefits Upon Disability, Termination Without Cause or For Good Reason]. If the GMM's employment is terminated for cause as defined in paragraph 6(c) (B) [Materially Injurious Conduct], she shall only receive the post-termination compensation and benefits described in paragraph 8(d) [Compensation and Benefits Upon Voluntary Termination].

c. Change of Control. Upon a Change of Control (whether or not the GMM's employment terminates), the GMM shall immediately become vested in any shares of restricted stock granted to the GMM by the Company which had not vested prior to the Change of Control. In addition, if the GMM's employment terminates pursuant to paragraph 6(f) [Change of Control], the Company shall:

(i) Salary: continue to pay the GMM her then-current salary through the remaining term of this Agreement as defined in paragraph 1;

(ii) Bonus: continue to pay the GMM her annual bonus(es) throughout such remaining term; each such bonus shall be in an amount equal to the greater of (A) the GMM's bonus during the year prior to her termination or (B) the bonus that the GMM would have earned under the Company's bonus plan in the year that she was terminated had she remained in its employment; provided, however, that such post-termination bonuses shall not exceed the lesser of the 100% targeted amounts for those bonus payments in the prior and then-current year, and such bonuses shall not be paid until due under the Company's present bonus plan; and

(iii) Stock Options: with respect to any stock options granted to the GMM by the Company, the GMM shall immediately become vested in any unvested stock options upon such termination.

The Company shall reimburse the GMM for any excise taxes paid by the GMM pursuant to Internal Revenue Code section 4999 as a result of any "excess parachute payments" that she receives from the Company as determined under section 280G of said Code. This reimbursement shall not include any additional amount to cover the GMM's income or other taxes on such reimbursement. The Company shall have no further obligations to the GMM as a result of such termination except as set forth in paragraph 11.

d. Death or Voluntary Termination. If the GMM's employment terminates pursuant to paragraph 6(a) [Death] or 6(g) [Voluntary Termination], she (or her designee or her estate) shall be paid her salary through her termination date and not thereafter. She (or her designee or her estate) shall not be entitled to any bonus payments which were not fully earned prior to her termination date, and she (or her designee or her estate) shall not be entitled to any pro-rated bonus payment for the year in which her employment terminates. Any stock options granted to the GMM by the Company will continue to vest only through the date on which her employment terminates (provided, however, that if the GMM's employment terminates as a result of her voluntary termination (but not as a result of her death) within six months after a Change of Control, the GMM shall immediately become fully-vested in any unvested stock options previously granted to her by the Company) and any restricted stock that was granted to the GMM by the Company that is unvested as of the date on which her employment terminates will automatically be reacquired by the Company and the GMM (or her designee or her estate) shall have no further rights with respect to such restricted stock. The Company shall have no further obligations to the GMM as a result of the termination of her employment pursuant to paragraph 6(a) [Death] or 6(g) [Voluntary Termination] except as set forth in paragraph 11.

e. Non-Renewal. If the Agreement expires as set forth in paragraph 6(h) [Non-Renewal], the Company shall have no further obligations to the GMM except as set forth in paragraph 11 and except that with respect to any restricted stock granted to the GMM by the Company which has not become vested as of such expiration date, the GMM shall immediately become vested in a pro rata portion of such unvested stock determined on the basis of the number of full months that have elapsed from the date of grant of such restricted stock (as described more fully in paragraph 8(a) (iv)).

9. Employment and Post-Employment Restrictions. The Company and GMM acknowledge that the Company has a special interest in and derives significant benefit from the unique skills and experience of the GMM. In addition, the GMM will use and have access to some of the Company's proprietary and valuable Confidential Information during the course of GMM's employment. Accordingly, except as hereafter noted, during the term of GMM's employment with the Company and in the event that the GMM voluntarily terminates her employment with the Company prior to March 1, 1999, GMM agrees that for a period of three years following her voluntary termination pursuant to paragraph 6(g),

she shall not provide any labor, work, services or assistance to (whether as an officer, director, employee, partner, agent, owner, independent contractor, stockholder or otherwise) Burlington Coat Factory Warehouse Corporation, Dillard Department Stores, Inc., Filene's Basement Corp., The Federated Stores, The May Department Stores Company, The TJX Companies, Inc. and Value City Department Stores, Inc. as well as all subsidiaries, divisions and/or the surviving entity of any of the above that do business in the retail industry in the case of a merger or acquisition. However, this subsection shall not prohibit GMM from making any investment of 1% or less of the equity securities of any publicly-traded corporation that is engaged in any business of the type or character engaged in by the Company. The preceding sentence shall have no force and effect in the event that (i) GMM's employment with the Company is terminated (1) by the Company pursuant to paragraph 6(c)[with Cause], 6(d)[without Cause] or (2) by GMM pursuant to either paragraph 6(e)[Termination by the Executive for Good Reason] or paragraph 6(f)[Termination Following Change of Control] or (ii) the Company fails to approve or grant an extension of this Agreement in accordance with paragraph 1 hereof.

During the term of GMM's employment with the Company and for a period of three years following the termination of that employment for any reason, GMM shall not directly or indirectly solicit any other employee of the Company to terminate his or her employment with the Company.

10. Exercise of Stock Options Following Termination. If the GMM's employment terminates pursuant to paragraph 6(a)[Death] or (b)[Disability], she (or her estate) may exercise her right to purchase any vested stock under the stock options granted to her by the Company for up to one year following the date of her termination, but not later than the termination date of such options. In all other instances, she may exercise that right for up to three months following the date of her termination, but not later than the termination date of such options. All such purchases must be made by the GMM in accordance with the applicable stock option plans and agreements between the parties.

11. Insurance and Indemnity. The Company shall, to the extent permitted by law, include the GMM during the term of this Agreement under any directors and officers liability insurance policy maintained for its directors and officers, with coverage at least as favorable to the GMM in amount and each other material respect as the coverage of other directors and officers covered thereby. This obligation to provide insurance and indemnify the GMM shall survive expiration or termination of this Agreement with respect to proceedings or threatened proceedings based on acts or omissions of the GMM occurring during the GMM's employment with the Company or

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with any affiliated company. Such obligations shall be binding upon the Company's successors and assigns and shall inure to the benefit of the GMM's heirs and personal representatives.

12. Successors; Binding Agreement. This Agreement and all rights of the GMM hereunder shall inure to the benefit of and be enforceable by the GMM's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the GMM should die while any amounts would still be payable to her hereunder all such amounts shall be paid in accordance with the terms of this Agreement to the GMM's written designee, or if there be no such designee, to the GMM's estate.

13. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the GMM: Barbara Levy

c/o Ross Stores, Inc.
1372 Broadway, Tenth Floor
New York, NY 10018

If to the Company: Ross Stores, Inc.
8333 Central Avenue
Newark, CA 94560-3433
Attention: Corporate Secretary

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

14. Modification or Waiver; Entire Agreement. No provision of this Agreement may be modified or waived except in a document signed by the GMM and the chairman of the Compensation Committee of the Board or such other person as may be designated by the Board. This Agreement, along with any stock option or restricted stock agreements between the parties, constitute the entire agreement between the parties regarding their employment relationship. To the extent that this Agreement is in any way inconsistent with any prior restricted stock or stock option agreements entered into after February 17, 1993, between the parties, this Agreement shall control. No agreements or representations, oral or otherwise, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

15. Governing Law; Severability. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

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16. Mitigation. In the event the GMM's employment with the Company terminates for any reason other than death, the GMM shall be obligated to seek other employment following such termination in order to mitigate payments that the Company may be required to make to her or for her benefit hereunder. Such obligation shall not apply during any period in which the GMM is disabled. If the GMM obtains other employment during any period in which she is entitled to receive continued salary or bonus payments under paragraph 8, any salary or bonus payments earned by the GMM during such period shall reduce the Company's obligation to pay continued salary and/or bonus payments under paragraph 8 by the amount of the salary and/or bonus payments so earned by the GMM.

17. Withholding. All payments required to be made by the Company hereunder to the GMM or her estate or beneficiaries shall be subject to the withholding of such amounts as the Company may reasonably determine it should withhold pursuant to any applicable law. To the extent permitted, the GMM may provide all or any part of any necessary withholding by contributing Company stock with value, determined on the date such withholding is due, equal to the number of shares contributed multiplied by the closing NASDAQ price on the date preceding the date the withholding is determined.

18. Arbitration. In the event of any dispute or claim relating to or arising out of the parties' employment relationship or this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, race, sex, disability or other discrimination), all such disputes shall be fully, finally and exclusively resolved by binding arbitration conducted by the American Arbitration Association in Alameda County, California; provided, however, that this arbitration provision shall not apply to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's trade secrets or proprietary information or to any disputes or claims relating to or arising out of GMM's failure to comply with the requirements of paragraph 9 regarding Employment and Post-Employment Restrictions.

ROSS STORES, INC.

 STATEMENT RE: COMPUTATION OF EARNINGS PER SHARE
 (Amounts in thousands, except per share amounts)

	Three Months Ended			
	May 4, 1996		April 29, 1995	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings	13,936 =====	13,936 =====	\$3,866 =====	\$3,866 =====
Weighted average shares outstanding:				
Common shares	25,029	25,029	24,532	24,532
Common equivalent shares:				
Stock options	618	779	121	121
Weighted average common and common equivalent shares outstanding	25,647 =====	25,808 =====	24,653 =====	24,653 =====
Earnings per common and common equivalent share	\$.54	\$.54	\$.16	\$.16

EXHIBIT 15

June 17, 1996

Ross Stores, Inc.
Newark, California

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim condensed consolidated financial statements of Ross Stores, Inc. for the three-month periods ended May 4, 1996 and April 29, 1995, as indicated in our independent accountants' report dated May 24, 1996; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended May 4, 1996 is incorporated by reference in Registration Statements Nos. 33-61373, 33-51916, 33-51896, 33-51898, 33-41415, 33-41413 and 33-29600 of Ross Stores, Inc. on Form S-8.

We are also aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

Yours truly,

Deloitte & Touche LLP
San Francisco, CA

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF EARNINGS FOR THE THREE
MONTHS ENDED MAY 4, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH
FINANCIAL STATEMENTS.

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