



---

**ROSS STORES, INC.  
COMPENSATION COMMITTEE CHARTER**

**Role and Independence**

The Compensation Committee (“Committee”) of the Board of Directors (the “Board”) of Ross Stores, Inc. (the “Company”) serves to carry out the responsibilities of the Board relating to the compensation of the Company’s executive officers, including the compensation of the Company’s Chief Executive Officer and officers at the levels of Group Senior Vice President and above (the “Executive Officers”), including officers who are subject to Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Committee directs policies and oversees the administration of policies and plans that govern the cash, equity, and incentive compensation (“overall compensation”) of Executive Officers and of independent Board members. The Committee is also responsible for establishing the terms, criteria, and size of equity compensation grants under the Company’s Equity Incentive Plan, of cash bonuses under the Incentive Compensation Plan, and for providing oversight of the administration of those plans, of the Company’s Employee Stock Purchase Plan, 401(k) Plan, Nonqualified Deferred Compensation Plan (“NQDC Plan”), and Health and Welfare Plans, and of corresponding or similar plans of the Company’s subsidiaries. The Committee also serves to assist the Board in succession planning, in development and retention of senior management talent, and to help ensure leadership continuity and organizational strength to achieve the Company’s short and long term goals.

The Committee shall be comprised of at least two directors as determined by the Board, each of whom shall (1) qualify as an “independent director” under the corporate governance requirements of The Nasdaq Stock Market (“Nasdaq”) listing standards, (2) not accept (directly or indirectly) any consulting, advisory, or other compensatory fee from the Company or any subsidiary thereof, other than fees for serving on the Board and its committees, and (3) be a “non-employee director” within the meaning of Rule 16b-3 of the Exchange Act. The members of the Committee and its Chairperson shall be appointed by the Board, and shall serve at the discretion of the Board and for such term or terms as the Board may determine. In determining whether a director is eligible to serve on the Committee, the Board will also consider whether the director is affiliated with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company, and to determine whether such affiliation would impair the director’s independent judgment as a member of the Committee.

The Committee shall review and reassess the adequacy of this Charter at least annually, and shall submit any recommended updates to the Board for its consideration. Additionally, the Committee may conduct an annual review and evaluation of its performance with respect to the requirements of this Charter.

## **Responsibilities and Authority**

- The Committee shall meet on a regularly-scheduled, formal basis at least twice a year, and on such other occasions, formally or informally, as the Committee or Board may determine. The Committee may meet in person, telephonically, or via other electronic means, and Committee action related to approval of executive compensation matters may also be taken via unanimous written consent when deemed necessary or desirable by the Committee or its Chairperson. The Chief Executive Officer shall not be present during voting or deliberations on his or her compensation by the Committee.
- The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings.
- The Committee shall have full authority to oversee the administration of the Company's 401(k) Plan, NQDC Plan, and Health and Welfare Plans, and corresponding or similar plans of the Company's subsidiaries (together, "Plans"), including the power and authority to:
  - Amend such Plans as the Compensation Committee determines to be appropriate and as may be required by law;
  - Delegate duties and responsibilities with regard to ordinary course (non-fiduciary) design and administration of one or more of the Plans (including authority to approve non-material revisions to such Plans) to officers and employees of the Company or its subsidiaries;
  - Constitute one or more administrative committees comprised of officers and employees of the Company or its subsidiaries, and delegate any or all of the duties and responsibilities with regard to administration of one or more of the Plans (including fiduciary responsibilities) to such committees, adopt charters for such committees, and otherwise direct and establish the scope of authority for such committees, and appoint the members of such committees (by name and/or title); provided, however, that such administrative committees shall not be granted authority to obligate the Company or its subsidiaries to make additional or greater matching contributions to any Plan, or to amend any Plan in a manner that substantially increases the cost thereof to the Company.
- The Committee shall be responsible for:
  - Approving the compensation philosophy of the Company and overseeing its implementation of that philosophy;

- Establishing corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluating the performance of the Chief Executive Officer in light of these goals and objectives and, either on its own or together with the independent directors as a group (provided that such independent directors who are not members of the Committee qualify as independent directors under the Nasdaq listing standards), determining and establishing the compensation of the Chief Executive Officer. In determining long term components of the Chief Executive Officer's compensation, the Committee shall take into consideration such factors as it determines appropriate, which may include (without limitation) the Company's prior performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, the awards granted to the Company's Chief Executive Officer in past years, and the retention of the Chief Executive Officer;
- Establishing compensation levels and practices, including base salaries, bonus targets, incentive payments, equity grants, benefits, and perquisites for the Company's Executive Officers;
- Establishing the annual retainer, meeting fees (if any), and equity-based compensation for independent Board members and for chairpersons and members of committees of the Board;
- Reviewing and approving the significant terms of employment agreements, amendments, or renewals to contracts of Executive Officers, including severance arrangements and change in control arrangements;
- Approving the appointment to office of persons chosen to serve as Executive Officers (including as a result of promotion or new hiring);
- Based upon review and discussion with management, recommending to the Board whether the Compensation Discussion and Analysis prepared by management should be included in the Company's annual proxy statement and Form 10-K, and preparing the related report required by the rules of the Securities and Exchange Commission;
- Reviewing and recommending to the Board the adoption, amendment, and termination of incentive and equity compensation plans applicable to Executive Officers, and providing oversight of the administration of such plans, including establishing performance criteria, determining and certifying whether and the extent to which targets have been met prior to the payment of awards, and performing other such duties and responsibilities as are designated in plan documents or as are required by law;

- Reviewing the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking or are likely to have adverse effects on the Company, reviewing at least annually the relationship between risk management policies and practices and compensation, and evaluating compensation policies and practices that could mitigate any such risks;
  - Providing oversight of the administration of the Company's policies with regard to recovery of erroneously awarded incentive compensation ("Clawback" policies);
  - Reviewing and recommending to the Board for approval the frequency with which the Company will conduct Say on Pay votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay votes required by Section 14A of the Exchange Act, and reviewing and approving the proposals regarding the Say on Pay vote and the frequency of the Say on Pay vote to be included in the Company's annual proxy statement; and
  - Overseeing the development of succession plans for certain senior management positions, including the Chief Executive Officer, plus the assessment of bench strength and development of retention plans for executive continuity.
- The Committee's review and approval of compensation for Executive Officers and directors shall be consistent with the overall Company budget approved by the Board. The Committee will report on its actions and approvals with respect to compensation decisions to the Board.
- The Committee shall have the authority, in its sole discretion, to select, retain, and/or replace, as needed, and to seek or obtain the advice of any legal counsel, compensation and benefits consultants, and other outside experts or advisers (any such persons are referred to as "Advisers") that the Committee believes to be necessary or appropriate to assist it in the performance of its duties hereunder. The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any Adviser retained by the Committee. In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company, and may also request that any officer or employee of the Company (including the Company's senior Human Resources executive and the Company's legal counsel) meet with or provide services to any members of the Committee or its Advisers. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such external Advisers retained by the Committee. Prior to the selection of or receipt of advice from any external Adviser, the Committee shall perform an independence assessment, taking into consideration the following factors:
  - The provision of other services to the Company by the firm/agency that employs the Adviser;
  - The amount of fees received from the Company by the firm/agency that employs the Adviser, as a percentage of total revenue of the firm/agency that employs the Adviser;

- The policies and procedures of the firm/agency that employs the Adviser that are designed to prevent conflicts of interest;
- Any business or personal relationship of the Adviser with any member of the Committee;
- Any stock of the Company owned by the Adviser (or by the firm/agency that employs the Adviser); and
- Any business or personal relationship of the Adviser (or the firm/agency that employs the Adviser) with any Executive Officer of the Company.

No such independence assessment is required for the Committee to seek advice from (i) in-house legal counsel of the Company, or (ii) any Adviser that acts in a role limited to the following activities: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the Adviser, and about which the Adviser does not provide advice. The Committees may select or receive advice from any Adviser it prefers, including ones that are not independent, after considering the six independence assessment factors outlined above.

- Nothing in this Charter shall be construed to require the Committee to retain any Adviser, or to implement or act consistently with the advice or recommendations of any Adviser to the Committee; the Committee retains the full authority and ability to exercise its own judgment in fulfillment of its responsibilities.
- The Chairperson of the Committee will periodically report to the Board regarding Committee activities, approvals, issues and related recommendations.
- The Committee shall also carry out and may exercise any other power or responsibilities as may be delegated to it by the Board from time to time.