

99¢ Only Stores

Corporate Governance Guidelines

On behalf of the Company's shareholders, the Board is responsible for overseeing the management of the business and affairs of the Company. The board of Directors has adopted the following guidelines to promote the effective governance of the Company. These guidelines are intended to serve as a flexible framework within which the Board may conduct its business, and the Board may deviate from these guidelines from time to time.

1. The Company board of directors shall have a majority of independent directors who are determined by the board to be independent according to the criteria established by Section 303A of the New York Stock Exchange Listed Company Manual and its Commentary.
2. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders, and to conduct themselves in accordance with their duties of care and loyalty. Members of the board of directors are responsible for setting corporate policies and establishing corporate goals and objectives; assessing achievement of corporate goals and objectives; and reviewing general management performance. Board membership includes the responsibility to attend board and committee meetings; review management reports and other material in advance of meetings so as to provide an informed basis for making board decisions; and review minutes and other material relevant to board or committee meetings not attended.

3. The board shall at all meetings, and at other times convenient to the parties, have full and unfettered access to management, and when deemed necessary, may engage appropriate independent advisors.
4. Director compensation shall be reasonable with respect to form and amount, taking into account the time, effort and complexity involved in discharging their duties as a director, and viewed in comparison with compensation generally paid to board members of NYSE listed corporations as measured by published surveys conducted by national organizations.
5. All new directors receive an orientation from the Chief Executive Officer and are expected to maintain the necessary level of expertise to perform their responsibilities as a director. The Company will continually make available to members of the board of directors current information as to company structure and activities; matters of competitive concern; and conditions within any relevant industry that may bear upon board adopted policies and upon Company goals and objectives.
6. The board expects satisfactory performance by the Company Chief Executive Officer and senior management as measured by over-all achievement of established Company goals and objectives. The board shall review, from time to time, the sufficiency in training, experience and temperament of persons who occupy positions in senior management so as to be assured there is an adequate pool of persons capable of succession to higher management office on an evolutionary or, if necessary, on an emergency basis. The Compensation Committee is responsible for evaluating the performance of the Chief Executive Officer and setting his compensation.

7. At least once each year the board, as a whole, shall meet to evaluate the conduct and activities of the board and its committees in fulfilling its duties and responsibilities.

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