

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF 99¢ ONLY STORES**

(Amended and Restated November 2007)

This Charter identifies the purpose, composition, meeting requirements, committee responsibilities, annual evaluation procedures and studies of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of 99¢ Only Stores, a California corporation (the “*Company*”).

I. PURPOSE

The Committee has been established to: (a) assist the Board in ensuring that a proper system of long-term and short-term compensation is in place to provide performance-oriented incentives to management, and that compensation plans are appropriate and competitive and properly reflect the objectives and performance of management and the Company; (b) discharge the Board’s responsibilities relating to compensation of the Company’s executive officers; (c) evaluate the Company’s Chief Executive Officer and set his or her remuneration package; (d) fulfill certain requirements with respect to the Company’s annual proxy statement; and (e) perform such other functions as the Board may from time to time assign to the Committee. In performing its duties, the Committee shall seek to maintain an effective working relationship with the Board and the Company’s management.

II. COMPOSITION

The Committee shall be composed of at least three, but not more than five, members (including a Chairperson). The Committee shall be composed entirely of “independent directors,” as such term is defined in the rules and regulations of the New York Stock Exchange; “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934; and “outside directors” for purposes of Section 162(m) of the Internal Revenue Code. The members of the Committee and the Chairperson shall be selected annually by the Board and serve at the pleasure of the Board. A Committee member (including the Chairperson) may be removed at any time, with or without cause, by the Board. The Board may designate one or more independent directors as alternate members of the Committee, who may replace any absent or disqualified member or members at any meetings of the Committee. No person may be made a member of the Committee if his or her service on the Committee would violate any restriction on service imposed by any rule or regulation of the United States Securities and Exchange Commission or any securities exchange or market on which shares of the common stock of the Company are traded. No person may be made a member of the Committee if he or she would be part of a “compensation committee interlock” as described in the rules of the United States Securities and Exchange Commission. The Committee shall have authority to delegate responsibilities listed herein to subcommittees of the Committee, which shall consist of at least two members of the Committee, if the Committee determines such delegation would be in the best interest of the Company.

III. MEETING REQUIREMENTS

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities, including at least once each year in a separate executive session without the CEO present to carry out its duties with respect to Section IV.A. The Committee shall meet at the call of its Chairperson. The Committee may meet in person, by telephone conference call, or by any other means permitted by law or the Company's Bylaws. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Without a meeting, the Committee may act by unanimous written consent of all members. The Committee shall determine its own rules and procedures, including designation of a chairperson pro tempore, in the absence of the Chairperson, and designation of a secretary, who shall prepare minutes. The Committee shall keep written minutes of its meetings, which shall be recorded or filed with the books and records of the Company. Any member of the Board shall be provided with copies of such Committee minutes if requested.

The Committee may ask members of management or others whose advice and counsel are relevant to the issues then being considered by the Committee, to attend any meetings and to provide such pertinent information as the Committee may request.

The Chairperson of the Committee shall be responsible for leadership of the Committee, including preparing the agenda, presiding over Committee meetings, making Committee assignments and reporting the Committee's actions to the Board from time to time (but at least once each year) as requested by the Board.

IV. COMMITTEE RESPONSIBILITIES

In carrying out its oversight responsibilities, the Committee's policies and procedures should remain flexible to enable the Committee to react to changes in circumstances and conditions so as to ensure the Company remains in compliance with applicable legal and regulatory requirements.

The Committee's responsibilities include the following:

A. Chief Executive Officer Compensation and Evaluation

1. To (a) review and approve goals and objectives relevant to the Chief Executive Officer's compensation package, (b) establish a procedure for evaluating the Chief Executive Officer's performance, (c) annually evaluate such performance in light of the goals and objectives established and (d) have the Committee Chairperson review, after completion of the annual evaluation, with the Chief Executive Officer the results of the Committee's evaluation of the Chief Executive Officer's performance; and
2. To review, at least annually, and set the base salary and annual and long-term incentive compensation of the Chief Executive Officer, after taking

into account the annual evaluation of the Chief Executive Officer referred to in the preceding paragraph.

In discharging the responsibilities set forth under this Section IV.A, the Committee may consider, as appropriate, individual as well as Company-wide and other performance and results against annual and long-term performance goals, and may take into account, as appropriate, shareholder return, economic and business conditions, remuneration given to the Chief Executive Officer in the past and comparative and competitive compensation and benefit performance levels.

B. Compensation of Other Executive Officers and Senior Management

1. To review and approve the base salary and annual and long-term incentive compensation of non-CEO executive officers, as well as any employment and compensation arrangements between the Company and any such executive officers; and
2. At the request of the Board or the Chief Executive Officer, to review and approve the base salary and annual and long-term incentive compensation of other members of senior management, as well as any employment and compensation arrangements between the Company and any such individual.

C. Non-Employee Director Compensation

1. To review and make recommendations to the Board with respect to the compensation and benefits of non-employee directors.

D. Incentive Compensation and Equity-Based Plans

1. To review and make recommendations to the Board as to officer incentive compensation plans and equity-based plans, and other incentive compensation plans and equity-based plans that are subject to Board approval;
2. To oversee the administration of the Company's incentive compensation and equity-based plans and programs and, on an ongoing basis, to monitor them to assure that they remain competitive and consistent with compensation objectives set by the Board and/or the Committee; and
3. To grant awards of shares, options and other equity units pursuant to the Company's equity-based plans.

E. Other Duties

1. To review, discuss with management and approve the Compensation Discussion and Analysis for inclusion in the Company's annual proxy

statement or annual report to shareholders in accordance with the rules and regulations of the United States Securities and Exchange Commission;

2. To review, discuss with management and approve the Compensation Committee Report for inclusion in the Company's annual proxy statement or annual report to shareholders in accordance with the rules and regulations of the United States Securities and Exchange Commission; and
3. To perform such other duties as the Board may assign to the Committee.

V. ANNUAL EVALUATION PROCEDURES

The Committee shall annually assess its performance to confirm that it is meeting its responsibilities under this Charter. In this review, the Committee shall consider, among other things, (a) the appropriateness of the scope and content of this Charter, (b) the appropriateness of matters presented for information and approval, (c) the sufficiency of time for consideration of agenda items, (d) frequency and length of meetings and (e) the quality of written materials and presentations. The Committee may recommend to the Board such changes to this Charter as the Committee deems appropriate.

VI. STUDIES

The Committee may conduct or authorize studies of matters within the Committee's scope of responsibilities as described above, and may retain, at the expense of the Company, independent counsel and other experts as it deems necessary to assist the Committee in any such studies. The Committee shall have sole authority to retain and terminate any compensation expert to be used to survey the compensation practices in the Company's industry and to provide advice so that the Company can maintain its competitive ability to recruit and retain highly qualified personnel. The Committee shall have the sole authority to negotiate and approve the fees and retention terms of any compensation expert retained.

VII. MISCELLANEOUS

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules with the understanding that the Committee may, to the extent permitted by applicable laws and regulations, diverge therefrom, and potentially adopt additional or differing procedures and standards, as appropriate under the circumstances.