



DLA Piper LLP (US)
555 Mission Street, Suite 2400
San Francisco, California 94105
www.dlapiper.com

Brad Rock
brad.rock@dlapiper.com
T 415.836.2598
F 415.659.7309

December 29, 2017

VIA E-MAIL

OFFICE OF CHIEF COUNSEL
DIVISION OF CORPORATION FINANCE
SECURITIES AND EXCHANGE COMMISSION
100 F STREET, N.E.
WASHINGTON, DC 20549

Re: Ross Stores, Inc.
Notice of Intent to Omit from Proxy Materials the Shareholder Proposal from
The Humane Society of the United States

Ladies and Gentlemen:

This letter is to inform you that our client, Ross Stores, Inc., a Delaware corporation (“**Ross Stores**” or the “**Company**”), intends to omit from its proxy statement and form of proxy for its 2018 Annual Meeting of Stockholders (collectively, the “**2018 Proxy Materials**”) a stockholder proposal (the “**2018 Proposal**”) and statement in support thereof (the “**2018 Supporting Statement**”) received from The Humane Society of the United States (“**HSUS**” or the “**Proponent**”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “**Commission**”) no later than eighty (80) calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and *Staff Legal Bulletin No. 14D* (Nov. 7, 2008) (“**SLB 14D**”) provide that a stockholder proposal proponent is required to send the company a copy of any correspondence that the proponent elects to submit to the Commission or the staff of the Division of Corporation Finance (the “**Staff**”). Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the 2018 Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.



December 29, 2017
Page Two

THE PROPOSAL

The 2018 Proposal states:

RESOLVED, that shareholders ask that Ross adopt a policy, and amend other governing documents as necessary, to require that the Board's Chair be held by an independent director, as defined in accordance with applicable requirements of The NYSE. This independence requirement shall apply prospectively, so as not to violate any contractual obligation at the time this resolution is adopted. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. The policy should also specify how to select a new independent Chair if a current Chair ceases to be independent between annual shareholder meetings.

A copy of the 2018 Proposal and 2018 Supporting Statement is attached to this letter as Exhibit A. A copy of related correspondence from the Proponent is attached to this letter as Exhibit B-1.

BACKGROUND

The 2018 Proposal is nearly identical to the proposal HSUS submitted to Ross Stores last year, for the Company's 2017 Annual Meeting of Stockholders (the "**2017 Proposal**"). We submitted a letter on behalf of Ross Stores to the Staff last year, dated December 28, 2016, requesting that the Staff concur with the conclusion that Ross Stores could properly exclude the 2017 Proposal for substantially the same reasons as are set forth below. HSUS withdrew the 2017 Proposal before the Staff had responded to our no-action request. *See Ross Stores, Inc.* (avail. Jan. 31, 2017). The no-action request from Ross Stores and related correspondence with HSUS relating to the 2017 Proposal can be found at:

<https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2017/humanesociety013117-14a8.pdf>.

Sadly, the ongoing pattern continues for another year, in which the HSUS seeks to exploit SEC rules intended to promote stockholder access and voting rights as a tool for leverage in support of its personal interest and agenda to promote animal rights.

While the 2018 Proposal submitted by HSUS, like the 2017 Proposal, ostensibly relates to a matter of corporate governance, that is a pretext. As plainly indicated in emails sent by an HSUS representative to Ross Stores officers and directors prior to submitting the 2017 Proposal, as well as in other prior and subsequent communications from HSUS, in reality this is just a tactic and a further chapter in an ongoing campaign by HSUS to pressure the Company to adopt a "fur free" policy, consistent with the pursuit by HSUS of its mission to promote the broad adoption of such



December 29, 2017
Page Three

policies by retailers, food companies and others. In its own words, HSUS has “engaged with Ross for many years regarding the issue of products containing real fur.”

In an email dated September 13, 2016 addressed to Michael Balmuth (Executive Chairman of Ross Stores), P.J. Smith (then Corporate Engagement Manager, now Sr. Manager, Fashion Policy of HSUS) states:

*“I’m writing from The Humane Society of the United States to let you know that **we’re considering a shareholder proposal at Ross seeking an independent board chair policy, and to see if you or senior management would consider coming to the table with us instead.** . . .*

We’ve engaged with Ross for many years regarding the issue of products containing real fur. . . .

***Since Ross does not knowingly buy real animal fur, we hope you’ll agree that it won’t take much to make the policy public on your website. Is this something you’d support? Thanks so much, and I’m happy to chat any time. Have a great day.”** (emphasis added).*

A copy of the referenced email, as well as other related email correspondence from the Proponent, is attached to this letter as Exhibit C.

Previously, HSUS has made numerous other efforts and threats in pursuing its unique agenda over the years, including the 2017 Proposal and a prior stockholder proposal in 2012, and other attempts to take advantage of rules and resources of federal governmental agencies that are intended for other purposes. These past efforts have also included campaigns of personal emails to the Company’s officers and Board members, offering to stop the governmental action if “appropriate action” (i.e. adoption of a “fur free” policy) is taken.

For the Company’s 2012 Annual Meeting of Stockholders, HSUS submitted an express proposal for the purpose of requesting a vote by the Company’s shareholders on adoption of a “fur free” policy. HSUS withdrew that proposal however, before the Staff had responded to a no-action request submitted by Ross Stores, presumably because the Staff had issued its response in connection with an essentially equivalent proposal, concurring with the other registrant/company’s determination to exclude it. *See Ross Stores, Inc.* (avail. Mar. 6, 2012) and *Dillard’s Inc.* (avail. Feb. 22, 2012). The 2012 no-action request from Ross Stores and related correspondence with HSUS can be found at:
<https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2012/humanesociety030612-14a8.pdf>.

More recently, HSUS sought to use the threat of federal rules intended to provide consumer protection rights as a tool to pursue its own desire to pressure the Company and other retailers to



December 29, 2017

Page Four

adopt and publicly announce “fur free” policies. In August of 2016, HSUS issued a press release to draw attention to the petition it filed with the US Federal Trade Commission (the “*FTC*”) to request that the FTC bring enforcement action under federal consumer protection laws against seventeen retailers, alleging false advertising in regard to garments containing fur. At page 22 of its 33-page long petition, HSUS noted that one item of women’s clothing (previously called out in a press release by HSUS in **2012**) had allegedly been obtained by an HSUS investigator from a Company store in October 2012, and that the investigator had examined the black fur trim and determined that it was animal fur and not faux fur as indicated on one sewn-in label. In conjunction with making the press release, a representative of HSUS sent an email to the Chief Executive Officer of Ross Stores (the “*CEO*”), ending with a post script note: “*p.s. In the past, we’ve recommended to the FTC that the agency remove certain companies from our petitions even after they’re filed, and would consider doing so here too, if appropriate actions could be taken on this issue.*” A copy of relevant items of email correspondence from representatives of HSUS is included in Exhibit C attached to this letter. The 2017 Proposal and now the 2018 Proposal are a continuation of this campaign by HSUS that is in reality about pressuring targeted retailers to adopt a “fur free” policy, by any available means.

As is apparent to anyone who visits the stores, Ross Stores does not target apparel or other merchandise that contains animal fur, or consistently carry any particular merchandise that contains fur. As an off-price retailer, Ross Stores sources its products primarily from excess inventory of other retailers and from production overruns by manufacturers. Items made from fur or that include fur are not a meaningful merchandise category for the Company, and are not significant or recognizable enough to even be separately tracked. To the extent the Company from time to time happens to carry isolated items that use any fur, they are typically items of apparel with purely incidental amounts of fur trim, such as on winter coats, or perhaps on fashion accessories or in the lining of gloves. The Company’s buying staff believes that products that use animal fur represent far less than one percent (1%) of the Company’s clothing, shoes and accessory purchases.

Ross Stores operates two brands of off-price retail apparel and home fashion stores. At October 28, 2017, Ross Stores operated 1,627 stores – 1,412 Ross Dress for Less® locations in 37 states, the District of Columbia and Guam, and 215 dd’s DISCOUNTS® stores in 16 states. Ross offers first-quality, in-season, name brand and designer apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 60% off department and specialty store regular prices every day. Ross Dress for Less targets customers who are primarily from middle income households, while dd’s DISCOUNTS features a more moderately-priced assortment of first-quality, in-season, name brand apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 70% off moderate department and discount store regular prices every day. Ross Stores sells recognizable brand-name merchandise that is current and fashionable in each category. The mix of sales year to date by department in fiscal 2017 has been



December 29, 2017
Page Five

approximately as follows: Ladies 28%; Home Accents and Bed and Bath 25%; Shoes 14%; Men's 13%; Accessories, Lingerie, Fine Jewelry and Fragrances 12%; and Children's 8%. The merchandise offerings also include product categories such as small furniture and furniture accents, educational toys and games, luggage, gourmet food and cookware, watches, sporting goods and, in select Ross stores, fine jewelry.

The Board of Directors of Ross Stores (the "**Board**") currently consists of eleven (11) authorized members. The roles of Chairman of the Board ("**Chair**") and of CEO are held by two separate individuals. A separation of those roles has been in place on the Board for twenty years. The current CEO is Barbara Rentler; she has been in that position since 2014. Michael Balmuth currently serves as Executive Chairman. Mr. Balmuth was formerly the Company's CEO from 1996 to 2014. Beginning in fiscal 2014, the Board has also designated a Lead Independent Director to act as a liaison between Chair, CEO and independent directors, and to serve as the designated Chair of the Nominating and Corporate Governance Committee. The designation of a Lead Independent Director is a widely adopted approach in structuring Board leadership to enhance the involvement and oversight of management by the independent directors. The Lead Independent Director position currently rotates annually among the independent directors.

BASES FOR EXCLUSION

The Company believes that the 2018 Proposal is excludable under at least two of the bases for exclusion set forth in Rule 14a-8(i) under the Securities Exchange Act of 1934 (the "**Exchange Act**"):

1. [Rule 14a-8(i)(4)] *Personal Grievance; Special Interest*: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to [the proponent], or to further a personal interest, which is not shared by the other shareholders at large; and
2. [Rule 14a-8(i)(3)] *Violation of Proxy Rules*: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials.

ANALYSIS

A. The 2018 Proposal is designed to result in a benefit to HSUS, or to further a personal interest of HSUS, which is not shared by the other shareholders at large.

Rule 14a-8(i)(4) permits the exclusion of a shareholder proposal that is designed to result in a benefit to the proponent, or to further a personal interest of the proponent, which is not shared by



December 29, 2017
Page Twelve

of the 2018 Proposal without describing or explaining those standards, the 2018 Proposal is impermissibly vague and indefinite so as to be inherently misleading and, therefore, excludable under Rule 14a-8(i)(3).

2. Materially False or Misleading Supporting Statements.

Under Rule 14a-8(i)(3), a proposal may also be omitted from a registrant's proxy statement if the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials.

In SLB 14B, the Staff indicated that it is appropriate for a company to rely on Rule 14a-8(i)(3) to exclude or modify a shareholder proposal where "substantial portions of the supporting statement are irrelevant to a consideration of the subject matter of the proposal such that there is a strong likelihood that a reasonable stockholder would be uncertain as to the matter on which he or she is being asked to vote." It is also a basis for exclusion where "the company demonstrates objectively that a factual statement is materially false or misleading." SLB 14B. *See, e.g., McDonald's Corp.* (avail. Mar. 13, 2001) (granting no-action relief because the proposal to adopt "SA 8000 Social Accountability Standards" did not accurately describe the standards).

The Proponent has removed several of the off-topic paragraphs found in the 2017 Supporting Statement from the 2018 Supporting Statement, but the 2018 Supporting Statement still remains largely an argument for separation of the Chair and CEO positions, and is irrelevant to the question of requiring an independent Chair. This creates a mistaken and misleading impression as to the subject of the 2018 Proposal, and the impression that Ross Stores does not already separate those roles, when *in fact the Board of Ross Stores has had a separate Chair and CEO for twenty years.*

The quote in the 2018 Supporting Statement that is attributed to Andy Grove (famous former chairman of Intel Corporation): "If he's an employee, he needs a boss, and that boss is the Board" is taken completely out of context. The full quote (as generally cited) is: "The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he's an employee, he needs a boss, and that boss is the board. The chairman runs the board. How can the CEO be his own boss?" In context, this is entirely an argument for separation of the Chair and CEO roles, and not for an independent director as Chair. It is materially misleading to attribute to Andy Grove support for an entirely different proposition than he stated.

The next paragraph cites a Sullivan & Cromwell survey, stating that approximately 70% of respondents believe *the head of management should not concurrently chair the Board.* Again,



December 29, 2017
Page Thirteen

this is an argument for separation, and irrelevant to the issue of adopting a policy to require an independent Chair. This is misleading to include.

The next paragraph is misleading when it cites ISS as “recommend[ing] voting in favor of proposals such as this one which seek policies to ensure the Board Chair is an independent director.” In fact, ISS has a more nuanced approach in which numerous attributes of a company’s governance and recent history are taken into consideration, on a case by case basis, in determining whether to support such a proposal. It is not at all clear that ISS would actually support the 2018 Proposal given the specifics and other Board governance attributes of Ross Stores, and it is misleading to suggest that ISS does or would in fact support it. Until 2014, ISS had a stated voting recommendation policy that would have likely led ISS to recommend “AGAINST” this Proposal, because Ross Stores has a separate CEO and Chair, and also a Lead Independent Director with a specified role and duties in support of Board oversight of management. In 2015, ISS adopted a change in its voting recommendation guidelines on the issue of an independent director as Chair, in favor of a “holistic” approach to that question. However, ISS still includes, on a case-by-case basis, the same considerations it had in 2014. While ISS indicates that in general it favors an independent director as Chair, it is misleading to suggest that ISS categorically recommends a vote “FOR” such a proposal.

As this detailed analysis of the 2018 Supporting Statement shows, it is misleading on multiple levels. Fundamentally, it is misleading because it remains mainly off topic. Setting aside the obligatory introductory and concluding paragraphs, well over half of the discussion in the remaining four paragraphs is off topic. It is largely an argument in support of separating the Chair and CEO positions – which would mislead a stockholder either into thinking that subject (separation of the two roles) is what the 2018 Proposal addresses (when it doesn’t), and/or into believing that Ross Stores does not already do so (when it does).

The 2018 Supporting Statement is misleading in its key elements and its citations, which are mischaracterized as being focused on and supportive of the independence/non-independence of a separate Chair. As in the no-action letters referenced above, the 2018 Supporting Statement contains substantial discussion of matters that are unrelated to and do not support the actual subject matter of the 2018 Proposal. These statements are misleading because they mischaracterize or are irrelevant to the “core topic” of the 2018 Proposal and are likely to confuse shareholders as to what they are being asked to approve. In view of the foregoing, the Company has concluded that the 2018 Proposal may be excluded in reliance on Rule 14a-8(i)(3).



December 29, 2017
Page Fourteen

CONCLUSION

Ross Stores hereby requests that the Staff concur with the conclusion that it can properly exclude the 2018 Proposal, and confirm that the Staff will not recommend any enforcement action if Ross Stores excludes the 2018 Proposal from the 2018 Proxy Materials. Should you disagree with the conclusions set forth herein, we would appreciate the opportunity to confer with you prior to the issuance of the Staff's response. Moreover, Ross Stores reserves the right to submit to the Staff additional bases upon which the 2018 Proposal may properly be excluded from the 2018 Proxy Materials.

By copy of this letter, the Proponent is being notified of Ross Stores' intention to omit the 2018 Proposal from its 2018 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance in this matter, please do not hesitate to call me at (415) 836-2598.

Very truly yours,

DLA Piper LLP (US)

A handwritten signature in blue ink that reads 'Brad Rock'.

Brad Rock

Partner

Enclosures

cc: Ken Jew, Senior Vice President, General Counsel
Ross Stores, Inc.

The Humane Society of the United States
Attn: P.J. Smith, Sr. Manager, Fashion Policy
2100 L Street, N.W.
Washington, DC 20037

EXHIBIT A

PROPOSAL

RESOLVED, that shareholders ask that Ross adopt a policy, and amend other governing documents as necessary, to require that the Board's Chair be held by an independent director, as defined in accordance with applicable requirements of The NYSE. This independence requirement shall apply prospectively, so as not to violate any contractual obligation at the time this resolution is adopted. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. The policy should also specify how to select a new independent Chair if a current Chair ceases to be independent between annual shareholder meetings.

SUPPORTING STATEMENT:

Having a company executive serve as board Chairman, as Ross does, represents risky governance and puts shareholders at risk, since the role of management is to run the company and the Board's role is to provide independent oversight of management.

As Intel's former Chair Andrew Grove stated: "If he's an employee, he needs a boss, and that boss is the Board."

Increasingly, board members seem to agree. According to a Sullivan & Cromwell survey of 400 Board members, approximately 70% of respondents believe the head of management should not concurrently Chair the Board.

Indeed, shareholders are best served by an independent Board Chair who can provide a balance of power between the company and its Board and support strong Board leadership. The primary duty of a Board of Directors is to oversee company management on behalf of its shareholders. We believe a non-independent Chairman position creates a conflict of interest, resulting in excessive influence by, and oversight of, management.

Not surprisingly, numerous institutional investors recommend that Board Chairs be independent directors. For example, the California Public Employees' Retirement System (CalPERS)—America's largest public pension fund—encourages such a policy. And proxy analysis and voting firm Institutional Shareholder Services (ISS) recommends voting in favor of proposals such as this one which seek policies to ensure the Board Chair is an independent director.

We believe that ensuring the Board Chair position is held by an independent director would benefit the company and its shareholders and encourage shareholders to vote **FOR** this proposal.

EXHIBIT B-1

2017 CORRESPONDENCE FROM HSUS TO ROSS STORES



THE HUMANE SOCIETY
OF THE UNITED STATES

Eric L. Bernthal, Esq.
Chair of the Board

Jennifer Leaning, M.D., S.M.H.
Vice Chair

Kathleen M. Linehan, Esq.
Board Treasurer

Wayne Pacelle
President & CEO

Michael Markarian
Chief Program & Policy Officer

Laura Maloney
Chief Operating Officer

G. Thomas Waite III
Treasurer & CFO

Andrew N. Fowan, Ph.D.
*Chief International Officer
& Chief Scientific Officer*

Roger A. Kindler
*General Counsel
Vice President & CLO*

Janet D. Frake
Secretary

DIRECTORS

Jeffrey J. Arciniegas
Eric L. Bernthal, Esq.
Michael J. Blackwell, D.V.M., M.P.H.
Jemy Cesak
James Costes
Anita W. Coupe, Esq.
Neil B. Fang, Esq., CPA
Jane Greenspun Gale
Cathy Kangas
Jonathan D. Kaufelt, Esq.
Paula A. Kislak, D.V.M.
Jennifer Leaning, M.D., S.M.H.
Kathleen M. Linehan, Esq.
John Meckey
Mary L. Max
Patrick L. McDonnell
Judy Ney
Sharon Lee Patrick
Judy J. Peil
Marion G. Prebst
Jonathan M. Ratner
Joshua S. Reichert, Ph.D.
Walter J. Stewart, Esq.
Andrew Weinstein
Jason Weiss
David O. Wiebers, M.D.
Lona Williams

July 14, 2017

John G. Call, EVP of Finance and Legal and Corporate Secretary
Ross Stores
5130 Hacienda Drive
Dublin, CA 94568

Via UPS and email: john.call@ros.com

RE: Shareholder Proposal for Inclusion in the 2018 Proxy Materials

Dear Mr. Call,

Enclosed with this letter is a shareholder proposal submitted for inclusion in the proxy statement for the 2018 annual meeting and a letter from The Humane Society of the United States' (HSUS) brokerage firm, BNY Mellon, confirming ownership of Ross Stores common stock. The HSUS has continuously held at least \$2,000 in market value of Ross Stores common stock for the one-year period preceding and including the date of this letter and will hold at least this amount through and including the date of the 2018 shareholder meeting.

Please contact me if you need any further information or have any questions. If Ross Stores will attempt to exclude any portion of this proposal under Rule 14a-8, please advise me within 14 days of your receipt of this proposal. I can be reached at 301-366-6074 or pjsmith@humanesociety.org. Thank you for your assistance.

Sincerely,

PJ Smith
Sr. Manager, Fashion Policy

Celebrating Animals | Confronting Cruelty

2100 L Street, NW Washington, DC 20037 t 202.452.1100 f 202.778.6132 humanesociety.org



BNY MELLON

Frank J. Mangone
Vice President
Sr. Relationship Manager

BNY Mellon Wealth Management
Family Office
200 Park Avenue, Floor 10
New York, NY 10016

T 212 922 7526 F 877 340 3476
frank.mangone@bnymellon.com

July 14, 2017

John G. Call, EVP of Finance and Legal and Corporate Secretary
Ross Stores
5130 Hacienda Drive
Dublin, CA 94568

Dear Mr. Call,

BNY Mellon National Association, custodian for The Humane Society of the United States, verifies that The Humane Society of the United States has continuously held at least \$2,000.00 in market value of Ross Stores common stock for the one-year period preceding and including the date of this letter. Thank you.

Best Regards,

Frank J. Mangone
Vice President
BNY Mellon Wealth Management
212-922-7526

RESOLVED, that shareholders ask that Ross adopt a policy, and amend other governing documents as necessary, to require that the Board's Chair be held by an independent director, as defined in accordance with applicable requirements of The NYSE. This independence requirement shall apply prospectively, so as not to violate any contractual obligation at the time this resolution is adopted. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. The policy should also specify how to select a new independent Chair if a current Chair ceases to be independent between annual shareholder meetings.

SUPPORTING STATEMENT:

Having a company executive serve as board Chairman, as Ross does, represents risky governance and puts shareholders at risk, since the role of management is to run the company and the Board's role is to provide independent oversight of management.

As Intel's former Chair Andrew Grove stated: "If he's an employee, he needs a boss, and that boss is the Board."

Increasingly, board members seem to agree. According to a Sullivan & Cromwell survey of 400 Board members, approximately 70% of respondents believe the head of management should not concurrently Chair the Board.

Indeed, shareholders are best served by an independent Board Chair who can provide a balance of power between the company and its Board and support strong Board leadership. The primary duty of a Board of Directors is to oversee company management on behalf of its shareholders. We believe a non-independent Chairman position creates a conflict of interest, resulting in excessive influence by, and oversight of, management.

Not surprisingly, numerous institutional investors recommend that Board Chairs be independent directors. For example, the California Public Employees' Retirement System (CalPERS)—America's largest public pension fund—encourages such a policy. And proxy analysis and voting firm Institutional Shareholder Services (ISS) recommends voting in favor of proposals such as this one which seek policies to ensure the Board Chair is an independent director.

We believe that ensuring the Board Chair position is held by an independent director would benefit the company and its shareholders and encourage shareholders to vote **FOR** this proposal.

EXHIBIT B-2

2016 CORRESPONDENCE FROM HSUS TO ROSS STORES



THE HUMANE SOCIETY
OF THE UNITED STATES

Erik L. Berrthal, Esq.
Chair of the Board
Jennifer Leasing, M.D., S.M.H.
Vice Chair
Kathleen M. Linehan, Esq.
Board Treasurer
Wayne Poizelle
President & CEO
Michael Markarian
Chief Programs & Policy Officer

Laura Maloney
Chief Operating Officer

G. Thomas Waite III
Treasurer & CFO

Andrew N. Rowan, Ph.D.
*Chief International Officer
& Chief Scientific Officer*

Roger A. Kandler
*General Counsel
Vice President & CLO*

Janet D. Frake
Secretary

DIRECTORS

Jeffrey J. Arciniegas
Eric L. Berrthal, Esq.
Michael J. Blacowell, D.V.M., M.P.H.
Jery Cesak
James Costos
Arlia W. Coupe, Esq.
Neil B. Fong, Esq., CPA
Jane Greenspous Gale
Cathy Kangas
Jonathan D. Kaufelt, Esq.
Paula A. Kislik, D.V.M.
Jennifer Leasing, M.D., S.M.H.
Kathleen M. Linehan, Esq.
John Mackey
Mary I. Max
Patrick L. McDonnell
Judy Nitz
Shaon Lee Patrick
Judy J. Peil
Manzer G. Probst
Jonathan M. Ratner
Joshua S. Reichert, Ph.D.
Walter J. Stewart, Esq.
Andrew Weinstein
Iason Weiss
David O. Wiebers, M.D.
Lona Williams

October 31, 2016

John G. Call, EVP of Finance and Legal and Corporate Secretary
Ross Stores
5130 Hacienda Drive
Dublin, CA 94568

Via UPS and email: john.call@ros.com

RE: Shareholder Proposal for Inclusion in the 2017 Proxy Materials

Dear Mr. Call,

Enclosed with this letter is a shareholder proposal submitted for inclusion in the proxy statement for the 2017 annual meeting and a letter from The Humane Society of the United States' (HSUS) brokerage firm, BNY Mellon, confirming ownership of Ross Stores common stock. The HSUS has continuously held at least \$2,000 in market value of Ross Stores common stock for the one-year period preceding and including the date of this letter and will hold at least this amount through and including the date of the 2017 shareholder meeting.

Please contact me if you need any further information or have any questions. If Ross Stores will attempt to exclude any portion of this proposal under Rule 14a-8, please advise me within 14 days of your receipt of this proposal. I can be reached at 301-366-6074 or pjsmith@humanesociety.org. Thank you for your assistance.

Sincerely,

PJ Smith
Corporate Engagement Manager

Celebrating Animals | Confronting Cruelty

2100 L Street, NW Washington, DC 20037 t 202.452.1100 f 202.778.6132 humanesociety.org



BNY MELLON

Frank J. Mangone
Vice President
Sr. Relationship Manager

BNY Mellon Wealth Management
Family Office
200 Park Avenue, Floor 8
New York, NY 10016

T 212 922 7526 F 877 340 3476
frank.mangone@bnymellon.com

October 31, 2016

John G. Call, EVP of Finance and Legal and Corporate Secretary
Ross Stores
5130 Hacienda Drive
Dublin, CA 94568

Dear Mr. Call,

BNY Mellon National Association, custodian for The Humane Society of the United States, verifies that The Humane Society of the United States has continuously held at least \$2,000.00 in market value of Ross Stores common stock for the one-year period preceding and including the date of this letter. Thank you.

Best Regards,

Frank J. Mangone
Vice President
BNY Mellon Wealth Management
212-922-7526

RESOLVED, that shareholders ask that Ross Stores Inc. adopt a policy, and amend other governing documents as necessary, to require that the Board's Chair be an independent director, as defined by NYSE. This independence requirement shall apply prospectively, so as not to violate any contractual obligation at the time this resolution is adopted. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. The policy should also specify how to select a new independent Chair if a current Chair ceases to be independent between annual shareholder meetings.

SUPPORTING STATEMENT:

As Executive Chair, Ross Stores' Board Chair is a company executive rather than an independent director—a practice that's come under increasing scrutiny for putting shareholders at risk. This concept of a Board Chair independence requirement is based on the following logic:

1. The role of management, including the CEO, is to run the company; and
2. the Board's role is to provide independent oversight of management, including of the CEO; therefore
3. there is a potential conflict of interest and lack of checks and balances when a CEO is his or her own overseer while simultaneously managing the business.

As Intel's former chair Andrew Grove asks, "Is a company a sandbox for the CEO, or is the CEO an employee? If he's an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?"

Increasingly, board members seem to agree. According to a Sullivan & Cromwell survey of 400 Board members, approximately 70% of respondents believe the head of management should not concurrently Chair the Board.

Indeed, this is a growing issue: in 2012, 44% of all S&P 500 companies had Boards not chaired by their CEO.

An independent Board Chair has also been found to improve financial performance. A 2012 GMI Ratings report, titled *The Costs of a Combined Chair/CEO*, found that companies with a separate CEO and Chair provide investors with five-year shareholder returns nearly 28% higher than those of companies helmed by a party of one.

It makes sense, then, that numerous institutions support separation, including CalPERS (America's largest public pension fund) and Institutional Shareholder Services (ISS). Additionally, The Council of Institutional Investors, whose members invest over \$3 trillion, states that a "board should be chaired by an independent director."

Ensuring the Board Chair position is held by an independent director—rather than by company management—would benefit Ross Stores and its shareholders, and we encourage shareholders to vote FOR this proposal.

EXHIBIT C

PRIOR CORRESPONDENCE FROM HSUS TO ROSS STORES

From: PJ Smith <XXXX@humanesociety.org>
Date: September 13, 2016 at 4:05:36 PM EDT
To: "michael.balmuth"
Subject: Ross/HSUS

Dear Michael,

I hope you're well. I'm writing from The Humane Society of the United States to let you know that we're considering a shareholder proposal at Ross seeking an independent board chair policy, and to see if you or senior management would consider coming to the table with us instead.

As background: Everyone from the company who I've worked with has been terrific, including Mark LeHocky, who was a great emissary for Ross. We've engaged with Ross for many years regarding the issue of products containing real fur. Ross has told us privately that it does not knowingly sell items containing real fur, though unfortunately will not confirm that point in a public statement.

Today, animal welfare issues have come to bear such social and business relevance that we now ask all companies to make their sourcing policies transparent—which is indeed what dozens of the largest companies with animals in their supply chains (especially those that are publicly-owned) have done. For examples: [Armani](#), [Hugo Boss](#), [H&M](#), [Zara](#), [Overstock.com](#), [SeaWorld](#) and many [top food companies](#).

Since Ross does not knowingly buy real animal fur, we hope you'll agree that it won't take much to make the policy public on your website. Is this something you'd support? Thanks so much, and I'm happy to chat any time. Have a great day.

Best,
PJ Smith

P.J. Smith
Corporate Engagement Manager
XXXX@humanesociety.org
301.366.XXXX

[Sample email from HSUS to Ross Stores directors]

From: PJ Smith <XXXX@humanesociety.org>
Date: October 5, 2016 at 5:35:02 AM GMT+9
To: "stephen.milligan">
Subject: Ross board of directors

Hi Steve,

I hope you're well. I'm writing from The Humane Society of the United States to let you know that we're considering a shareholder proposal at Ross seeking an independent board chair policy, and to see if you'd support senior management coming to the table with us instead.

As background: Everyone from the company who I've worked with has been terrific, including Mark LeHocky, who's been a great emissary for Ross. We've engaged with Ross for many years regarding the issue of products containing real fur. Ross has told us privately that it does not knowingly sell items containing real fur, though unfortunately will not institute a public-facing fur-free statement.

Today, animal welfare issues have come to bear such social and business relevance that we now ask all companies to make their sourcing policies transparent—which is indeed what dozens of the largest companies with animals in their supply chains (especially those that are publicly-owned) have done. For examples: [Armani](#), [Hugo Boss](#), [H&M](#), [Zara](#), [Overstock.com](#), [SeaWorld](#) and many [top food companies](#).

Since Ross does not knowingly buy real animal fur, we hope you'll agree that it won't take much to make the policy public on your website. Is this something you'd support? Thanks so much, and I'm happy to chat any time. Have a great day.

Best,
PJ Smith

P.J. Smith
Corporate Engagement Manager
XXXX@humanesociety.org
301.366.XXXX

From: PJ Smith [<mailto:XXXX@humanesociety.org>]
Sent: Monday, December 12, 2016 2:28 PM
To: Michael Balmuth (NYBO Exec); Barbara Rentler (Chief Executive Officer)
Subject: HSUS

Hi Michael and Barbara,

Hope you're well. Wanted to let you know that I'll be in the San Francisco area for the month of January in case you'd like to get together to discuss HSUS's shareholder proposal and possible policy language for Ross now that TJ Maxx/Marshall's and Burlington Coat Factory are fur free.

From my past discussions with Mark LeHocky, I don't think it requires much for us to get aligned on this, and hope you agree.

Looking forward to hearing from you. Have a happy holiday!

Best,
PJ

P.J. Smith
Senior Manager, Fashion Policy
XXXX@humanesociety.org
301.366.XXXX

From: PJ Smith [<mailto:XXXX@humanesociety.org>]

Sent: Tuesday, August 09, 2016 6:19 PM

To: Barbara Rentler (Chief Executive Officer)

Subject: FYI, HSUS to FTC: take action against 17 retailers that sold animal fur as “faux fur”

Dear Ms. Rentler - I'm writing regarding Ross's misrepresentation of animal fur garments, as detailed in our newly-released investigation report and petition to the Federal Trade Commission (see below).

Are you open to discussing how Ross might be able to rectify these issues? If so, we're happy to connect.

Best,
PJ Smith

p.s. In the past, we've recommended to the FTC that the agency remove certain companies from our petitions even after they're filed, and would consider doing so here too, if appropriate actions could be taken on this issue.

http://www.humanesociety.org/news/press_releases/2016/08/hsus-ftc-action-against-fur-retailers-080916.html

HSUS to FTC: take action against 17 retailers that sold animal fur as “faux fur”

Amazon, Neiman Marcus, Kohl's, Nordstrom among those facing potential civil or criminal penalties

The Humane Society of the United States asks the Federal Trade Commission to bring enforcement action under federal consumer protection laws against 17 retailers for false advertising of fur garments. The retailers sold a combined 37 different styles of apparel and accessories that were advertised or labeled as “faux fur,” but actually included animal fur from raccoon dogs, rabbits and coyotes.

In its largest collection of industry misrepresentations to date, The HSUS highlights violations from December 2011 through December 2015 by retailers Amazon, A-List/Kitson, Barneys, Belk, Bluefly, Century 21 Department Stores, Eminent/Revolve, Gilt, Kohl's, La Garconne, Mia Belle Baby, Neiman Marcus, Nordstrom, Ross, Ruelala, Searle and Stein Mart.

“Consumers would be horrified to know they have been duped into purchasing animal fur when they thought they were buying a humane alternative,” said Pierre Grzybowski, Research and Enforcement manager of The HSUS's Fur-Free Campaign. “The FTC must crack down on this industry-wide problem of misrepresentation that The HSUS has been uncovering and documenting year-after-year for a decade.”

The sale of these coats, footwear, key chains, handbags and cardigans as “faux fur,” when in fact they include animal fur, is a violation of the Fur Products Labeling Act, The Federal Trade Commission Act, and in some cases a violation of outstanding cease-and-desist orders already issued by the agency. Violations can carry penalties of up to one year in prison and/or fines of up to \$40,000.

MICHAEL Michael Kors, Marc by Marc Jacobs, Burberry Brit, Canada Goose, Rebecca Minkoff, Elie Tahari and Rag & Bone are among the 32 different brands of apparel and accessories sold by the retailers named in the petition.

The submission represents the latest in a series of HSUS investigations and actions regarding rampant false advertising and labeling in the animal fur apparel industry. The HSUS previously sought FTC action on the problem in March 2007, April 2008, November 2011, July 2014 and April 2015. But lack of vigorous industry-wide enforcement has allowed widespread violations to go unchecked.

Neiman Marcus and Eminent/Revolve are already under 20-year cease-and-desist orders from the FTC following an HSUS petition that identified similar violations in 2011.

More details can be found in the links below:

- [Enforcement petition](#)
- [Graphical summary](#)

P.J. Smith

Corporate Engagement Manager

XXXX@humanesociety.org

301.366.XXXX

The Humane Society of the United States

1255 23rd Street, NW, Suite 450

Washington, DC 20037

humanesociety.org