

# SAFE HARBOR MATCHING CONTRIBUTION NOTICE

**Plan Name: 99 Cents Only Stores LLC 401(k) Plan**

(the "Plan")

Your Employer has elected to make Safe Harbor Matching Contributions to eligible Participants in accordance with statutory requirements. This notice describes the Safe Harbor Matching Contribution and how you become eligible to receive this contribution.

Safe Harbor Matching Contributions will be made for the Plan Year beginning January 1, 2020 and will continue to be made unless the Plan is amended or terminated. Capitalized and certain other terms not defined within this notice may be defined or described in the Plan's Summary Plan Description (SPD).

Your Employer *may* amend the Plan, at any time during the Plan Year, to reduce or eliminate the Safe Harbor Matching Contribution. If your Employer amends the Plan to reduce or eliminate the Safe Harbor Matching Contribution during the Plan Year, then the Plan Administrator will provide a supplemental notice to participants and the suspension or reduction will not apply until at least 30 days after that notice is provided.

## ***Safe Harbor Matching Contribution Eligibility***

Your Employer will make a Safe Harbor Matching Contribution to:

- all eligible Participants

To be eligible, you must also meet the Plan's age, Eligibility Service, and Entry Date requirements for making Deferral Contributions and be part of a class of Employees eligible to participate in the Plan. You will be entitled to receive the Safe Harbor Matching Contribution if you make Deferral Contributions to the Plan during the Plan Year.

## ***Eligible Compensation for Safe Harbor Matching Contributions and Deferrals***

Eligible Compensation for computing the Safe Harbor Matching Contribution is your taxable compensation for the Plan Year reportable by your Employer on your IRS Form W-2, however, the following are excluded:

- Differential Wages
- unused leave
- reimbursements or other expense allowances
- fringe benefits
- moving expenses
- deferred compensation
- welfare benefits
- All sources (with the exception of the Safe Harbor Matching Employer Contributions) exclude severance pay received prior to termination of employment. (Severance pay received following termination of employment is a severance amount as described in Subsection 2.01(k) and is always excluded.)

Compensation under the Plan is limited to the applicable dollar limit in effect for the Plan Year. Compensation for your first year of eligible Plan participation will be measured for the portion of your initial Plan Year that you are eligible.

You can elect to contribute a portion of your Compensation as a Deferral Contribution to the Plan by contacting Fidelity Investments or executing a salary reduction agreement with your Employer. When you request a change to your Deferral election it is generally updated as soon as administratively feasible at the beginning of every month. In addition, you can suspend your Deferral Contributions at any time. The percentage of Compensation you defer is limited to the lesser of 90% for the Plan Year or the annual IRS limit. If you will be age 50 or older during the taxable year, you may exceed these limitations to the extent allowed under your Plan.

## ***Safe Harbor Matching Contribution Formula***

***Standard Matching Formula:*** Your Employer will make a Matching Contribution to your Account based on your Deferral Contributions in an amount equal to 100% of the first 3% of your Compensation that you contribute to the Plan and 50% of the next 2% of your Compensation that you contribute to the Plan for each Plan Year ("Contribution Period").

**Example:** Your Compensation for the Contribution Period is \$10,000 and you contribute 6% (\$600) of it to the Plan as Deferral Contributions. You will receive Safe Harbor Matching Contributions of \$400 calculated as follows:

<b><u>Compensation Contributed to the Plan</u></b>	<b><u>Safe Harbor Matching Contribution Formula</u></b>	<b><u>Contribution Amount</u></b>
First 3% (\$10,000 x 3%) = \$300	100%	\$300 x 100% = \$300

Next 2% (\$10,000 x 2%) = \$200	50%	\$200 x 50% = \$100
Amount above 5%: (\$10,000 x 1%) = \$100	0%	\$100 x 0% = \$ 0
<b>Total</b>		<b>\$ 400</b>

### ***Vesting and Withdrawal of Safe Harbor Matching Contributions***

Safe Harbor Matching Contributions are always 100% vested and non-forfeitable. They may only be withdrawn from your Account upon death, attainment of the Plan's normal retirement age (the later of age 65 or the fifth anniversary of your Employment Commencement Date), attainment of age 59 ½, termination of employment, or plan termination if no successor plan is established.

### ***Additional Contributions Available Under the Plan***

In addition to the Safe Harbor contributions described above, the Plan provides other contributions as described below. Generally, contributions may be withdrawn upon death, attainment of the Plan's normal retirement age (the later of age 65 or the fifth anniversary of your Employment Commencement Date), termination of employment, or plan termination if no successor plan is established.

#### **Deferral Contributions**

Vesting Schedule Always 100% vested and non-forfeitable.

#### **Employee Rollover Contributions**

Vesting Schedule Rollover from another qualified retirement plan

Always 100% vested and non-forfeitable.

#### **Discretionary Matching Contributions**

Vesting Schedule 0-1 0% /1-2 0% /2-3 20% /3-4 40% /4-5 60% /5-6 80% /6+ 100%

#### **Qualified Matching Contributions**

Vesting Schedule Always 100% vested and non-forfeitable.

#### **Qualified Non-elective Contributions**

Vesting Schedule Always 100% vested and non-forfeitable.

### ***Withdrawals Available Under the Plan***

Generally, contributions may be withdrawn upon death, attainment of the Plan's normal retirement age (the later of age 65 or the fifth anniversary of your Employment Commencement Date), termination of employment, or plan termination if no successor plan is established. Withdrawals from the plan while still employed may be available, if you qualify. Not all contribution types are available for all withdrawals, and certain withdrawals may incur a suspension period under which you may not contribute to the Plan. Further information about in-service withdrawals may be found in the In-Service Withdrawals Section of your SPD. Generally, withdrawals made before age 59 ½ are subject to a 10% additional tax; you can learn more about the extra tax in IRS Publication 575, Pension and Annuity Income.

- **Age 59 ½ Withdrawal:** If you have reached 59 ½ years of age, you may withdraw all or a portion of your entire vested Account.
- **Rollover Contribution Withdrawal:** If you have made Rollover Contributions then you may elect to withdraw all or a portion of those Contributions. There is no limit on the number of withdrawals of this type.
- **Hardship withdrawal:** Hardship distributions from your Deferral Contributions account must be for a specified reason – for qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction from or foreclosure on your principal residence, or repairing qualifying damages to your principal residence), qualifying post-secondary education expenses, or qualifying burial or funeral expenses. Before you can take a hardship distribution, you must have taken other permitted withdrawals and loans from all plans under the Employer or any related Employer. If you take a hardship distribution, you may not contribute to the Plan or any other related employer plans for 6 months. Types of contributions available for hardship withdrawals are: Deferral less earnings.
- Loans from your vested Account balance may be available if you qualify. You can obtain more information about loans in the Plan's Loan Procedures supplied by the Plan Administrator.
- **Withdrawal for Participants Performing Qualified Military Service:** If you are performing Qualified Military Service, you may elect to withdraw during your active duty period. You will be suspended from making any contributions for 6 months following the distribution.

## ***Other Information***

More information about the contributions made pursuant to the Plan or a copy of the most current Summary Plan Description (SPD) can be obtained by contacting:

Ms. Maria Dominguez  
4000 Union Pacific Avenue  
City of Commerce, CA 90023  
(323) 881-5750

The information contained herein has been provided by the Plan Administrator.

## **Required Disclosure Information**

You are required to receive this notice to inform you that any contributions for which you do not provide investment direction will be invested in the Plan's designated default investment option for 99 Cents Only Stores LLC 401(k) Plan (the "Plan"), as further described in the attached Default Fund Information Sheet.

If you are satisfied with your current investment elections, no action is required on your part. You do have the right under the Plan to direct the investment of your existing balances, which includes contributions and any earnings on those contributions, and your future contributions to any of the Plan's available investment options. In the event that you have not made an investment election or the Plan Sponsor has not provided direction for a given contribution, it will be invested into the Plan's designated default investment option. If your contributions are initially invested in the designated default investment option, you have the right to transfer out of the designated default investment option to another investment option.

To obtain information about other plan investment options, please log onto NetBenefits® at <http://www.netbenefits.com> or call (800) 835-5097 to speak to a representative. You may also make changes to your investment elections for future contributions and/or exchange all or a portion of your existing balance into other options available under the Plan via NetBenefits® or by phone. We encourage you to review your investment mix and deferral percentage and update as appropriate.