

**FIVE BELOW, INC.  
BOARD OF DIRECTORS**

**COMPENSATION COMMITTEE CHARTER**

**I. STATEMENT OF POLICY**

The Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Five Below, Inc. (the “**Company**”) has the responsibility and authority to review the performance and development of the Company’s management in achieving corporate goals and objectives and to assure that the Company’s executive officers (including the Chief Executive Officer) are compensated effectively in a manner consistent with the strategy of the Company, competitive practice, sound corporate governance principles and shareholder interests. Toward that end, the Committee shall oversee, review and administer all compensation, equity and employee benefit plans and programs.

**II. ORGANIZATION AND MEMBERSHIP**

The Committee shall consist of two or more directors, each of whom will be an “independent director” as required by the rules of The NASDAQ Stock Market LLC (“**NASDAQ**”), a “non-employee director” within the meaning of Rule 16b-3 (“**Rule 16b-3**”) promulgated under the Exchange Act of 1934, as amended (the “**Exchange Act**”), and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (“**Section 162(m)**”), subject to the exceptional and limited circumstances and cure period rules that may be applicable. The Board, in consultation with the Nominating and Corporate Governance Committee, shall make the determination on the independence of each member.

Each member of the Committee shall be appointed annually by the Board on the recommendation of the Nominating and Corporate Governance Committee. Any member of the Committee may be removed or replaced by the Board on the recommendation of the Nominating and Corporate Governance Committee at any time. Any vacancy occurring in the Committee shall be filled by the Board on the recommendation of the Nominating and Corporate Governance Committee. Each appointed Committee member will be subject to annual reconfirmation at the Board’s annual meeting. Unless a chair of the Committee (the “**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee and set the agenda for each Committee meeting. A Secretary of the Committee may be selected by the Chair of the Committee.

**III. MEETINGS**

The Committee shall meet as often as it determines is necessary to carry out its responsibilities. Meetings may be scheduled as needed and may be called by the Chair of the Committee or, if there shall be no such chair, by two members of the Committee. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with the provisions of the Company’s Bylaws that are applicable to a committee of the Board.

Except as otherwise provided by statute, a majority of the members shall represent a quorum of the Committee for the transaction of business at any meeting. Formal action to be taken by the Committee shall be by unanimous written consent or by the affirmative vote of at least a majority of the

members present (in person or by telephone conference call) at a meeting at which a quorum is present. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. A summary of all formal action taken by the Committee (or any subcommittee thereof) shall be reported at the next meeting of the Board following such action.

The Committee may, in its discretion, invite other directors of the Company, members of the Company's management or any other person, including, without limitation, outside counsel or consultants, whose presence the Committee believes to be desirable and appropriate to attend and observe meetings of the Committee. The Committee may exclude from its meetings any person it deems appropriate. No such person, including the Chief Executive Officer, may be present during any discussions, deliberations or voting of the Committee regarding the compensation of any such person.

#### **IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Committee shall have the following authority and responsibilities:

##### **A. Determination of Compensation and Benefits.**

1. Review annually and approve the Company's compensation strategy to ensure that it promotes shareholder interests and supports the Company's strategic and tactical objectives, and that it provides appropriate rewards and incentives for management and employees of the Company, including review of compensation-related risk management.
2. Review annually and approve corporate goals and objectives relevant to executive compensation and evaluate performance in light of those goals.
3. Review executive education and development programs.
4. Evaluate the performance of the Company's executives in light of the corporate goals and objectives set each year and set the compensation for the Company's executive officers including the Chief Executive Officer, including annual base salary, annual incentive bonuses, specific goals, equity compensation and any other benefits, compensation or arrangements.
5. Review and recommend to the Board the terms of any offer letters, employment agreements, termination agreements or arrangements, change-in-control agreements, indemnification agreements and other material agreements executed by the Company with an executive officer of the Company.
6. Approve any new compensation plan or any material change to an existing compensation plan, make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans subject to shareholder approval (if and as needed) and oversee the activities of the individuals and committees for overseeing the Company's compensation plans.
7. Administer the Company's equity compensation plan and benefits plans for any equity or cash compensation arrangements that are adopted by the Company from time to time, with such authority and powers as are set forth in the respective instruments establishing such arrangements, including establishing performance metrics, determining bonus payouts and granting equity awards to employees and executive officers.
8. Oversee and periodically review the operation of all the Company's employee benefit plans.
9. Review and recommend to the Board the appropriate structure and amount of compensation for the Board members, including all forms of cash compensation paid to members of the Board and the grant of all forms of equity compensation provided to members of the Board.

**B. Regulatory Compliance.** To further fulfill its responsibilities and duties, and in addition to the

items described above, the Committee shall:

1. Review the “Compensation Discussion and Analysis” (the “**CD&A**”) disclosure prepared pursuant to the requirements of Item 402(b) of Regulation S-K (or any successor disclosure item).
2. Prepare the Compensation Committee Report based on the review and discussion of the CD&A to recommend to the Board whether the CD&A disclosure should be included in the Company’s annual report on Form 10-K, proxy statement, information statement or similar document.
3. In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company’s policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and verifying that performance goals have been attained for purposes of Section 162(m).
4. Oversee the Company’s compliance with the Securities and Exchange Commission’s rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the NASDAQ rules that, with limited exceptions, shareholders approve equity compensation plans.
5. Perform any other activities that may be required by applicable laws, regulations or rules to be performed by a company’s “compensation committee” or as the Committee or the Board deems appropriate.

**C. Committee Performance Evaluation and Succession Planning.** To further fulfill its responsibilities and duties, and in addition to the items described above, the Committee shall:

1. Produce and provide to the Board on an annual basis a performance evaluation of the Committee’s performance of its duties under this Charter. The performance evaluation shall be conducted in such a manner as the Committee deems appropriate. Any member of the Committee may present the evaluation to the Board either orally or in writing.
2. Regularly report to the Board on the Committee’s activities, recommendations and conclusions.
3. At least annually, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
4. Review plans for the development, retention and succession of executive officers of the Company.
5. Oversee risks and exposures associated with leadership assessment, management succession planning and executive compensation programs and arrangements, including incentive plans and provide regular reports to the Board. In order to facilitate this review, the Committee shall meet in executive session with key management personnel and/or representatives of outside advisors as required.

## **V. RESOURCES; ACCESS TO RECORDS**

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities. In carrying out its duties and responsibilities, the Committee shall have full access to any relevant records, facilities and employees of the Company and may retain experts and outside consultants to advise the Committee. The Committee shall also have authority, in its sole discretion, to obtain advice and assistance from internal or external legal, accounting, compensation or other advisors. The Committee shall have sole authority, in its sole discretion, to engage, oversee, terminate and

determine the compensation and terms of engagement of any experts, outside consultants, external legal, accounting, compensation or other advisors. The Committee shall not retain or obtain advice from any such expert, outside consultant, external legal, accounting, compensation or other advisor without first taking into consideration factors relevant to such advisor's independence specified in NASDAQ Listing Rule 5605(d)(3) and considering and addressing any conflicts of interest between the Company and such advisor. The Committee may also request that any officer or other employee of the Company, the Company's counsel or any other person meet with any members of, or consultants to, the Committee. The Company shall provide appropriate funding, as determined by the Committee, to permit the Committee to perform its duties under this Charter and to compensate its experts, outside consultants, external legal, accounting, compensation or other advisors.

Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

## **VI. DELEGATION OF DUTIES**

The Committee shall be entitled to form and delegate any or all of its duties or responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's Articles of Incorporation, Bylaws, and applicable laws and rules of markets in which the Company's securities then trade.