

## FIVE BELOW, INC.

### RELATED PARTY TRANSACTION POLICY

This Related Party Transaction Policy (this “**Policy**”) has been adopted by the Board of Directors (the “**Board**”) of Five Below, Inc. (the “**Company**”).

#### I. INTRODUCTION

The Board recognizes that related party transactions may present actual, potential or perceived conflicts of interest and may raise questions as to whether such transactions are consistent with the best interests of the Company. Accordingly, the Board has adopted this Policy to ensure that all such related party transactions are in, or are not inconsistent with, the best interests of the Company. From time to time, and in no event less than annually, the Audit Committee of the Board (the “**Committee**”) shall review this policy and update it as applicable.

#### II. DEFINITIONS

Capitalized terms used in this Policy are defined as follows:

1. “**Director**” means any person serving as a member of the Company’s Board and any nominee for election to the Company’s Board.
2. “**Executive Officer**” means any executive officer (as such term is defined in the rules and regulations under the Securities Exchange Act of 1934, as amended) of the Company.
3. “**Immediate Family Member**” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and any person (other than a tenant or employee) sharing the household of such person.
4. “**Related Party**” means:
  - a. a Director or an Executive Officer, or any person who is an Immediate Family Member of any Director or Executive Officer;
  - b. a shareholder who owns any securities with respect to which he or she, directly or indirectly, has sole or shared (i) voting power and/or (ii) investment power in excess of 5% of any class of the Company’s securities or any Immediate Family Member thereof; or
  - c. an entity in which any of the foregoing is employed or is a partner, principal or owner of a 5% or more ownership interest.
5. “**Related Party Transaction**” means any financial transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness), in which the Company or any of its subsidiaries was, is or will be a participant and the amount involved exceeds \$120,000, and in which any Related Party had, has or will have a direct or indirect material interest.
6. “**Responsible Executive**” means the Company’s General Counsel, Vice President of Legal or such other officer as may be designated by the Committee from time to time.

#### III. APPROVAL PROCEDURES

The Company will not engage in any Related Party Transaction except in accordance with the following procedures:

1. Prior to entering into the Related Party Transaction, written notice of the proposed transaction must be provided to the Responsible Executive by the Related Party or by the responsible management personnel.

2. Notice of the proposed Related Party Transaction must include: (a) identification of the Related Party and the basis on which such person is a Related Party; (b) the interest of the Related Party in the transaction (including the Related Party's position(s) or relationship(s) with, or ownership in, a firm, corporation or other entity that is a party to, or has an interest in, the proposed transaction); (c) the material terms of the transaction (including the approximate dollar value of the amount involved in the proposed transaction and the approximate dollar value of the Related Party's interest in the proposed transaction); (d) any benefits to the Company of the transaction; (e) if applicable, the availability of other sources of comparable products or services; (f) an assessment of whether the transaction would be on terms comparable to the terms available to an unrelated third party; and (g) any other facts or circumstances deemed relevant by the person providing the notice.

3. Unless the Responsible Executive determines that the proposed transaction is not a Related Party Transaction, the Responsible Executive will notify the Chairman of the Committee (the "Chairman") of the proposed transaction, and the transaction will be referred to the Committee for consideration at the next scheduled Committee meeting.

4. If the Chairman determines that it is not practicable or desirable to defer consideration of the proposed transaction until the next scheduled Committee meeting, the Chairman will, if practicable and desirable, convene a special meeting of the Committee to consider the transaction or will take action on the transaction pursuant to delegated authority of the Committee to act between Committee meetings.

5. In determining whether to approve the proposed transaction, the Committee or the Chairman, as the case may be, will consider all available relevant facts and circumstances, including the information furnished in the notice of the transaction, as provided above. Specifically, the Committee or the Chairman, as the case may be, will consider: (a) the materiality and character of the Related Party's direct or indirect interest; (b) the commercial reasonableness of the terms; (c) the benefit or perceived benefit, or lack thereof, to the Company; (d) the opportunity cost of alternate transactions; and (e) the actual or apparent conflict of interest of the Related Party.

6. The Committee or the Chairman, as the case may be, will approve a Related Party Transaction only if it determines in good faith that: (a) the transaction is in, or is not inconsistent with, the best interests of the Company; and (b) is not in violation of any other policy or procedure of the Company.

7. The Chairman will report to the Committee at the next Committee meeting any approval or pre-approval made under this Policy pursuant to delegated authority.

#### **IV. RATIFICATION PROCEDURES**

To the extent practicable, management will monitor on a quarterly basis amounts paid or payable to, or received or receivable from, Related Parties.

In the event management becomes aware of a Related Party Transaction that has not been previously approved or previously ratified under this Policy, it will promptly notify the Responsible

Executive of the transaction in accordance with such notification procedures as provided in Part III above, and the Responsible Executive will thereupon notify the Chairman of the transaction.

1. If the transaction is pending, the transaction will be referred for action by the Committee or the Chairman in accordance with the procedures set forth in Part III above.

2. If the transaction is ongoing, the Chairman will, if practicable and desirable, convene a special meeting of the Committee to consider the transaction or will take action on the transaction pursuant to delegated authority of the Committee to act between Committee meetings. The Committee or the Chairman, as the case may be, will evaluate the transaction in accordance with the procedures set forth in Part III above. Based on its evaluation, the Committee or the Chairman will: (a) ratify the transaction; (b) direct that the Company terminate the transaction; or (c) ratify the transaction subject to any changes or modifications that it deems appropriate (taking into consideration the Company's contractual obligations).

3. If the transaction has been completed, the transaction will be submitted for evaluation by the Committee or the Chairman as provided in Part III above. Based upon its evaluation, the Committee or the Chairman, as the case may be, will: (a) ratify the transaction; (b) direct that the Company rescind the transaction (taking into consideration the Company's contractual obligations); and/or (c) direct that the Company take any other action which it deems appropriate in the circumstances.

## **V. STANDING PRE-APPROVAL FOR CERTAIN RELATED PARTY TRANSACTIONS**

The Committee has reviewed the types of Related Party Transactions described below and determined that each of the following Related Party Transactions shall be deemed to be preapproved by the Committee, even if the aggregate amount involved will exceed \$120,000.

1. Any employment by the Company of an Executive Officer of the Company if:

a. the related compensation is required to be reported in the Company's proxy statement pursuant to the compensation disclosure requirements of the of the Securities and Exchange Commission ("SEC") under Item 402 of Regulation S-K (generally applicable to "named executive officers"); or

b. the Executive Officer is not an Immediate Family Member of another Executive Officer or Director of the Company, the related compensation would be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements if the Executive Officer was a "named executive officer," and the Company's Compensation Committee approved (or recommended that the Board approve) such compensation.

2. Any compensation paid to a Director if the compensation is required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements.

3. Any transaction with another company at which a Related Party's only relationship is as a Director and/or beneficial owner of less than 10% of that company's equity interests.

4. Any transaction where the Related Party's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis (e.g., dividends or stock splits).

5. Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids.

6. Any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.

7. Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

## **VI. REVIEW OF ONGOING TRANSACTIONS AND EMPLOYMENT RELATIONSHIPS**

The Committee will undertake an annual review of ongoing Related Party Transactions, and the ongoing employment of Immediate Family Members of Directors or Executive Officers, in accordance with the following procedures:

1. In advance of the Committee's first meeting of each fiscal year, management will provide the Committee with information concerning all ongoing Related Party Transactions previously approved or ratified that remain ongoing. Management will also provide the Committee with information concerning the ongoing employment of Immediate Family Members of Directors or Executive Officers. Such information will include the matters set forth in the notification provisions of Part III above together with any matters transpiring with regard to the Related Party Transactions or employment relationships since they were last considered by the Committee.

2. The Committee will review the status of each ongoing Related Party Transaction based on all relevant facts and circumstances under the criteria for evaluating Related Party Transactions set forth in Part III above. The Committee will review the status of the ongoing employment of the Immediate Family Member of a Director or Executive Officer based on all relevant facts and circumstances under the criteria for evaluating such employment relationships set forth in Part III above.

3. The Committee will then determine whether to continue the respective transactions or employment relationships or whether to direct that such transactions or employment relationships be terminated or continued with modification (taking into consideration the Company's contractual obligations).

## **VII. GENERAL**

1. All Related Party Transactions that are required to be disclosed in the Company's filings with the SEC, as required by the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and the related rules and regulations thereunder, shall be so disclosed in accordance with such laws, rules and regulations. Further, if necessary, the material features of this Policy shall be disclosed in the Company's registration statement on Form S-1 and any subsequent Annual Reports on Form 10-K and proxy statements, as required by applicable laws, rules, and regulations. In addition, this Policy can be found on the Company's website, <http://investor.fivebelow.com>.

2. No Director on the Committee will participate in any review, consideration or approval of any transaction involving such Director, any Immediate Family Member of such Director or any entity with which such Director is affiliated, except that such Director shall provide all material information concerning the Related Party Transaction to the Committee or the Committee's Chairman. Another member of the Board may be designated to join the Committee for purposes of such review.

3. In the event that the Committee determines that any person has engaged in a willful violation of this Policy, the Committee may recommend to the full Board that the Company take such disciplinary action as the Committee deems appropriate.

4. This Policy is intended to facilitate compliance with Item 404 of Regulation S-K. Notwithstanding anything herein to the contrary, this Policy shall be interpreted in a manner consistent with Item 404 of Regulation S-K. In any circumstance where this Policy differs from any existing or newly enacted law, rule or regulation governing the Company, such law, rule or regulation will take precedence over the policies stated herein until such time as this Policy is changed to conform therewith.