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DELTA REPORT

10-K

DLTR - DOLLAR TREE, INC.

10-K - FEBRUARY 03, 2024 COMPARED TO 10-K - JANUARY 28, 2023

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TOTAL DELTAS 4331

 CHANGES 233

 DELETIONS 2572

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **January 28, 2023** **February 3, 2024**

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 0-25464



DOLLAR TREE, INC.

(Exact name of registrant as specified in its charter)

Virginia	26-2018846
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
500 Volvo Parkway	23320
Chesapeake, Virginia	(Zip Code)
(Address of principal executive offices)	

Registrant's telephone number, including area code: (757) 321-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	DLTR	NASDAQ Global Select Market

Securities registered pursuant to section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of common stock held by non-affiliates of the registrant on **July 29, 2022** **July 28, 2023**, the last business day of the registrant's most recently completed second fiscal quarter, was **\$35,108,117,366**, **\$31,570,609,673**, based upon the closing sale price for the registrant's common stock on such date. For purposes of this computation, all executive officers and directors have been deemed to be affiliates. Such determination should not be deemed to be an admission that such executive officers and directors are, in fact, affiliates of the registrant.

On **March 3, 2023** **March 18, 2024**, there were **221,227,564** **217,983,018** shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information called for in Items 10, 11, 12, 13 and 14 of Part III, to the extent not set forth herein, is incorporated by reference to the definitive Proxy Statement for the **2023** **2024** Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended **January 28, 2023** **February 3, 2024**.

DOLLAR TREE, INC.
FORM 10-K
FOR THE FISCAL YEAR ENDED **JANUARY 28, 2023 **FEBRUARY 3, 2024****
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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements" as that term is used in the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they address future events, developments and results and do not relate strictly to historical facts. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Forward-looking statements include, without limitation, statements preceded by, followed by or including words such as "believe," "anticipate," "expect," "intend," "plan," "view," "target" or "estimate," "may," "will," "should," "predict," "possible," "potential," "continue," "strategy," and similar expressions. For example, our forward-looking statements include, without limitation, statements regarding:

- Our plans and expectations regarding our current and future strategic initiatives, and the uncertainty with respect to the amount, timing and impact of those initiatives and investments on our business and results of operations;
- Our merchandising plans and initiatives and related impacts, including those regarding product and brand assortment, merchandisable space and store layout, cooler and freezer expansions, private brand products and planogram and category resets in the Family Dollar segment, multi-price assortments in the Dollar Tree segment, and our ability to adjust pricing;
- Our plans to add, renovate and remodel stores, including our plans relating to emerging store formats such as H2.5, rural and XSB formats for Family Dollar stores as discussed under "[Item 1.Business](#)," and our expectations regarding store standards and operations, efficiency initiatives, selling square footage and the performance of those formats;
- Our customer's response to our product offerings, value and shopping experience;

- Our expectations regarding the implementation and impact of investments in supply chain, distribution facilities, trucking fleet and transportation management systems, and store delivery and equipment, including new distribution centers, the expansion of existing distribution centers, and the capabilities of our distribution center network;
- Our expectations regarding the implementation and impact of investments in our technology infrastructure, our information security and cybersecurity plans, policies and procedures, and the design and implementation of internal controls around our technology transformation;
- Our plans to close, relocate or re-banner stores as a result of our store portfolio optimization review;
- The potential effect of general business or economic conditions on our business, including the direct and indirect effects of inflation, labor shortages, consumer spending levels, and unemployment in our markets;
- The uncertainty of the impact of the COVID-19 pandemic on Our expectations regarding cost increases in fiscal 2024, shrink and other factors affecting our business and results of operations, including uncertainties surrounding disruptions in our supply chain or sources of supply; profitability;
- Our expectations regarding import the implementation and domestic freight costs impact of wage investments, enhanced safety and fuel costs working conditions, and other workforce investments and goals, and increases in 2023;
- Our expectations regarding increased wage expenses, for higher wages and bonuses paid to associates, including increases in the minimum wage wages by States federal, states and localities, potential federal legislation increasing the minimum wage, and a potential increase in the minimum salary for exempt store managers;
- Our growth plans, including our plans to add, renovate, re-banner, expand, remodel, relocate or close stores and any related costs or charges, our leasing strategy for future expansion, and our ability to renew leases at existing store locations;
- Our anticipated net sales, comparable store net sales, net sales growth, gross profit margin, costs of goods sold (including product mix), shrink rates, earnings and earnings growth, inventory levels, selling, general and administrative and other fixed costs, and our ability to leverage those costs;
- The expected and possible outcome, costs, and impact of pending or potential litigation, arbitrations, other legal proceedings or governmental investigations, including (a) U.S. Food and Drug Administration ("FDA") proceedings arising out of or relating to the inspection of our issues associated with Family Dollar's West Memphis, Arkansas Family Dollar distribution center, ("Arkansas FDA Matter") our plans regarding these matters, and the retail product recall we initiated in February 2022 in connection with the Arkansas FDA Matter, (b) a proposed consolidated class action complaint filed against Family Dollar pertaining to the circumstances underlying the Arkansas FDA Matter, and (c) the federal grand jury subpoena and related U.S. Department availability of Justice investigation relating to issues associated with our West Memphis, Arkansas Family Dollar distribution center;
- Our plans to renovate existing Family Dollar stores and build new stores in the H2 store format, and the performance of that format on our results of operations;
- Our plans relating to new store openings and new store concepts such as Dollar Tree Plus and our Combo Store format;
- Our plans and expectations regarding our current initiatives and future strategic investments and the uncertainty indemnification or insurance with respect to the amount, timing and impact of those initiatives and investments on our business and results of operations;
- The impact of trade relations between the United States and China, including the effect of Section 301 tariffs on Chinese goods imposed by the United States, and other potential impediments to imports;
- The reliability of, and cost associated with, our sources of supply, particularly imported goods such as those sourced from China;
- The average size and suitability of our retail stores to be added in 2023; matters;
- Our cash needs including and estimated capital expenditures, our expectations regarding our uses of cash and proceeds of our commercial paper program, and our ability to fund our future capital expenditures, working capital requirements, repayment of indebtedness and repurchases of common stock under our repurchase program, and our expectations regarding potential increases in interest rates and the effect on our revolving credit facility;
- Our expectations regarding the construction of new distribution centers, the expansion of existing distribution centers, and the capabilities of our distribution center network;
- Our expectations regarding higher commodity and other costs associated with the build-out of new stores and the renovation of existing stores, limitations on the availability of certain fixtures and equipment, and construction, inspection, permitting and inspection contractor delays related to new store openings; openings and renovations of existing stores;
- Our leasing strategy for future expansion, and our ability to renew leases at existing store locations;
- Our expectations regarding competition, our market and our potential for long-term growth;
- Our expectations regarding competition related to environmental, social and our potential for long-term growth; governance matters;
- Management's estimates and expectations as they relate to income tax liabilities, effective tax rates, deferred income taxes, uncertain tax positions, and recognition of stock-based compensation; and

- Management's estimates associated with our critical accounting estimates, including inventory valuation, self-insurance liabilities and valuations for our goodwill and indefinite-lived intangible assets impairment analyses.

A forward-looking statement is neither a prediction nor a guarantee of future results, events or circumstances. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. Our forward-looking statements are all based on currently available operating, financial and business information. The outcome of the events described in these forward-looking statements is subject to a variety of factors, including, but not limited to, the risks and uncertainties discussed under ["Item 1A. Risk Factors,"](#) ["Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"](#) and elsewhere in this Form 10-K.

We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. Moreover, new risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on our forward-looking statements.

We do not undertake to publicly update or revise any forward-looking statements after the date of this Form 10-K, whether as a result of new information, future events, or otherwise.

Investors should also be aware that while we do, from time to time, communicate with securities analysts and others, it is against our policy to disclose to them any material, nonpublic information or other confidential commercial information. Accordingly, shareholders should not assume that we agree with any statement or report issued by any securities analyst regardless of the content of the statement or report. Furthermore, we have a policy against confirming projections, forecasts or opinions issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

Introductory Note

Unless otherwise stated, references to "we," "our" and "us" generally refer to Dollar Tree, Inc. and its direct and indirect subsidiaries on a consolidated basis. Unless specifically indicated otherwise, any references to "2023" or "fiscal 2024," "fiscal 2023," "2022" or "fiscal 2022," "2021" or and "fiscal 2021," and "2020" or "fiscal 2020," relate to as of or for the years ended [February 1, 2025](#), [February 3, 2024](#), [January 28, 2023](#) and [January 29, 2022](#) and [January 30, 2021](#), respectively.

PART I

Item 1. Business

Overview

We are a leading operator of [retail discount variety stores with a solid history of growth and performance. Our stores operate](#) [operating under the brand names of Dollar Tree, Family Dollar and Dollar Tree Canada. At](#) [January 28, 2023](#) [February 3, 2024](#), [we operated 16,340](#) [16,774](#) [retail discount variety retail](#) stores across 48 states and five Canadian provinces and over provinces. Over the long-term, we believe that the market can support more than 10,000 Dollar Tree stores and 15,000 Family Dollar stores across the United States, and approximately 1,000 Dollar Tree stores in Canada. We believe the convenience and value we offer are key factors in serving and growing our base of loyal customers.

We operate in two reporting business segments: Dollar Tree and Family Dollar. For discussion of the operating results of our reporting business segments, refer to ["Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"](#) under the caption "Segment Information" and [Note 11](#) [13](#) to our consolidated financial statements.

We execute a dual-banner strategy that aims to offer the best of our brands in various store formats to serve customers in all types of geographic markets. Dollar Tree is the leading operator of discount variety stores offering merchandise predominantly at the [fixed \\$1.25](#) price point, [with a growing range of \\$1.25](#) [additional price points](#). Dollar Tree stores serve customers with a broad range of income levels in suburban locations, striving continuously to "Wow" the customer with a compelling, fun and fresh merchandise assortment comprised of a variety of the things the customer wants and needs, all at incredible values in bright, clean and friendly stores. Family Dollar operates general merchandise retail discount stores providing customers with a selection of competitively-priced merchandise in convenient neighborhood stores. Family Dollar primarily serves a [lower than average](#) [lower-than-average](#) income customer in urban and rural locations, offering great values on everyday items.

We are committed to growing our [combined](#) business through new store openings, [expanded geographies, improved product offerings, store renovations and through our store relocation, expansion and remodel program. We plan to open new stores in underserved markets and to strategically increase our presence](#) [remodeling, investments in our existing markets. We are executing workforce and other initiatives to modernize and optimize our strategic initiatives including Dollar Tree Plusstores, our supply chain and the Family Dollar H2 distribution network and Combination Store \(or Combo Store\) format initiatives. We are focused on refining our assortment in every store by leveraging the complementary merchandise expertise of each segment, including Dollar Tree's sourcing and product development expertise and Family Dollar's consumer package goods and national brands sourcing expertise, technology.](#) These initiatives are discussed further below and in the overview ["Item 7. Management's Discussion and Analysis of each segment below, Financial Condition and Results of Operations."](#)

Corporate Culture

We believe that [honesty](#) [At Dollar Tree and integrity, and treating people fairly and with respect are Family Dollar our](#) core values [within](#) drive how we treat our [corporate culture. We believe that running](#) [customers and each other to support a business, welcoming shopping experience and certainly a public company, carries with it a responsibility to be above](#) [reproach when making operational and financial decisions. Our executive management team visits and shops at our stores like](#) [an engaging work environment. At every customer, and ideas and individual creativity on the part level of our organization, we build our culture by serving with accountability, inspiring belonging, championing empowerment, operating with excellence, and acting with integrity. With new senior leadership throughout the organization, we focus our ways of working on open, frequent communication and approach our roles with a continuous improvement mindset. Our new communication vehicles foster two-way dialogue and offer continuous touchpoints for associates are encouraged, particularly to hear about our strategy, values and ways of working, learn from senior leaders about our store managers who best know their stores business progress and their](#) [customers. We have standards for store displays, merchandise presentation, connect with one another. Additionally, our people programs, as well as our meaningful focus on diversity, equity, inclusion and store operations. We maintain an open-door policy for all associates. Our distribution centers are operated based on objective measures of](#)

performance belonging, reinforce our shared values and our store support center associates are available to assist associates in our stores and distribution centers. behaviors. For more information, see Human Capital Resources the "Our People" section below.

Dollar Tree

The Dollar Tree segment includes 8,134 8,415 stores operating under the Dollar Tree and Dollar Tree Canada brands, 15 distribution centers in the United States and two in Canada, Canada as of February 3, 2024. Our stores predominantly range from 8,000 - 10,000 selling square feet. During We continue to expand our brand assortment at the third quarter of 2021, we announced our new \$1.25 price point initiative and we completed the rollout of this initiative to all Dollar Tree stores in the United States during the first quarter of fiscal 2022, increasing the price point on a majority of our \$1.00 merchandise to \$1.25. During fiscal 2022, we began investing in new products and modifying existing products to provide greater value for our customers and increase customer traffic and store productivity. We continue are continuing to expand our multi-price product assortment, which began with our introduction of \$3 and \$5 Dollar Tree Plus initiative which provides our customers with extraordinary value product in select discretionary and consumable categories, priced at the expanded into \$3, \$4 and \$5 price points. During 2021, we entered into frozen and refrigerated product, and now comprises a wide assortment of other consumable and discretionary product. Through a partnership with Instacart, and as of January 28, 2023, our customers can shop online and receive same-day delivery from more than 7,800 7,500 Dollar Tree stores, as of February 3, 2024, without having to visit a store. We are the owners of several trademarks including "Dollar Tree" and the "Dollar Tree" logo.

In our Dollar Tree Canada stores, we generally sell items principally for \$1.50(CAD) or less. Our revenue and assets in Canada are not material.

We strive to exceed our customers' expectations of the variety and quality of products they can purchase by offering items we believe typically sell for higher prices elsewhere. Merchandise imported directly typically accounts for approximately 41%-43% - 43% of our total retail value purchases, with the remaining merchandise purchased domestically. Among our foreign suppliers, China is the source of a vast majority of our direct imports and we believe that a significant portion of our goods purchased from domestic vendors is imported. Our domestic purchases include basic, home,

closeouts and promotional merchandise. We believe our mix of imported and domestic merchandise affords our buyers flexibility that enables them to consistently exceed our customers' expectations. In addition, direct relationships with manufacturers permit us to select from a broad range of products and customize packaging, product sizes and package quantities that best meet our customers' needs.

We carry approximately 8,000 items in our Dollar Tree stores, and as of the end of fiscal 2022 2023 approximately 25% 27% of our items were automatically replenished. The remaining items are pushed either allocated to the stores and a portion can be reordered or managed by our direct store managers on a weekly basis, delivery ("DSD") vendors. Through automatic replenishment, store-specific allocations and our store managers' ability to order product, DSD vendors, each store manager is able to satisfy the demands of their particular customer base.

We maintain a balanced selection of products within traditional variety store categories. We offer a wide selection of everyday basic products and we supplement these basic, everyday items with seasonal, closeout and promotional merchandise. We attempt to keep certain basic consumable merchandise in our stores continuously to establish our stores as a destination and increase traffic in our stores. Closeout and promotional merchandise is purchased opportunistically and represents less than 10% of our purchases.

The merchandise mix in our Dollar Tree stores consists of:

- consumable Consumable merchandise, which includes everyday consumables such as household paper and chemicals, food, candy, health and personal care products, and in most stores, frozen and refrigerated food;
- variety Discretionary merchandise, which includes the following:
 - Variety merchandise, which includes toys, durable housewares, gifts, stationery, party goods, greeting cards, softlines, arts and crafts supplies and other items; and
 - seasonal Seasonal goods, which include, among others, Christmas, Easter, Halloween and Valentine's Day merchandise.

For information regarding the amounts and percentages of our net sales contributed by the above merchandise categories for the last three fiscal years, please refer to Note 11 13 to our consolidated financial statements.

Family Dollar

The Family Dollar segment includes 8,359 stores operating under the Family Dollar brand and ten distribution centers as of February 3, 2024. In our 8,206 Family Dollar stores, we sell merchandise at prices that generally range from \$1.00 to \$10.00. Our Historically, our stores have predominantly range ranged from 6,000 - 8,000 selling square feet. The We are continuing to implement our store design initiatives at Family Dollar segment consists of our store operations under the Family Dollar brand and ten distribution centers. We have two primary initiatives for our Family Dollar stores, the H2 format and our Combo Store format, both of which incorporate elements of our Dollar Tree stores into Family Dollar stores. The H2 model stores include Dollar Tree \$1.25 provide significantly improved merchandise items offerings and establish a minimum number of freezer cooler doors. We tailor space and cooler doors throughout the store, assortment to local demographics with emerging formats including H2.5, our primary store format with 6,700 - 8,700 selling square feet, optimized layout and expanded frozen and refrigerated doors; larger rural stores with more than 8,700 selling square feet and assortments that may include Dollar Tree product; and XSB (Extra Small Box), which has less than 6,700 selling square feet and adds elements of H2.5 optimized to our smaller stores, particularly in urban markets. As of January 28, 2023, we operated approximately 4,360 H2 stores. The Combo Store format, which was designed specifically for small towns and rural communities with populations of 3,000 to 4,000 residents, blends Family Dollar's great value and assortment with select Dollar Tree merchandise categories under one roof. As of January 28, 2023, we operated approximately 810 Combo Stores. Our new and renovated H2 and Combo Stores have higher sales and operating income margins compared with legacy Family Dollar stores. During 2021, we entered into a partnership with Instacart and as of January 28, 2023 February 3, 2024, our customers can shop online via Instacart and receive same-day delivery from more than 7,500 7,300 Family Dollar stores without having to visit a store. We are the owners of the trademarks "Family Dollar," "Family Dollar Stores" and other names and designs of certain merchandise sold in Family Dollar stores.

Our Family Dollar stores provide customers with a quality, high-value assortment of basic necessities and seasonal merchandise. We offer competitively-priced national brands from leading manufacturers alongside name brand equivalent-value, lower-priced private labels. We continue to introduce new private brands at Family Dollar, convert control brands to private brands and align our "Family" brand message across key categories. We purchase merchandise from a wide base of suppliers and generally have not experienced difficulty in obtaining adequate quantities of merchandise. In fiscal 2022, 2023, we purchased approximately 15% of our merchandise at retail value through our relationship with McLane Company, Inc., which distributes consumable merchandise from multiple manufacturers. In addition, merchandise imported directly typically accounts for approximately 15%-17% - 17% of our total retail value purchases. Among our foreign suppliers, China is the source of a vast majority of our direct imports and we believe that a significant portion of our goods purchased from domestic vendors is imported.

While the number of items in a given store can vary based on the store's size, geographic location, merchandising initiatives and other factors, our typical Family Dollar store generally carries approximately 7,600 basic 11,800 items, alongside and as of the end of fiscal 2023 approximately 75% of our items that were automatically replenished. Across all of Family Dollar's formats we are ever-changing expanding our SKUs, continuing to add cooler doors, increasing our standard shelf profile, and seasonally-relevant throughout the year, implementing planogram and category resets.

The merchandise mix in our Family Dollar stores consists of:

- consumable Consumable merchandise, which includes food and beverages, tobacco, health and personal care products, household chemicals, paper products, hardware and automotive supplies, diapers, batteries, and pet food and supplies;
- home Discretionary merchandise, which includes the following:
 - Home products, which include housewares, home décor, giftware, and domestics, including comforters, sheets and towels;
 - apparel Apparel and accessories merchandise, which includes clothing, fashion accessories and shoes; and
 - seasonal Seasonal and electronics merchandise, which includes Christmas, Easter, Halloween and Valentine's Day merchandise, personal electronics, including pre-paid cellular phones and services, stationery and school supplies, and toys.

For information regarding the amounts and percentages of our net sales contributed by the above merchandise categories for the last three fiscal years, please refer to [Note 13](#) to our consolidated financial statements.

During the fourth quarter of fiscal 2023, we announced that we had initiated a comprehensive store portfolio optimization review which involved identifying stores for closure, relocation or re-banning based on an evaluation of current market conditions and individual store performance, among other factors. As a result of this portfolio optimization review, we plan to close approximately 970 underperforming Family Dollar stores, including approximately 600 stores to be closed in the first half of fiscal 2024, and approximately 370 stores to be closed at the end of each store's current lease term. Additionally, we identified approximately 30 underperforming Dollar Tree stores for closure and plan to close each store at the end of the store's current lease term. See "[Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)" and [Note 16](#) to our consolidated financial statements for additional information on the store portfolio optimization review.

Marketing & Retail Media

We believe the customer experience is important to the success of our business. Our marketing efforts are focused on providing value to our customers through advancing our capabilities and delivering on our brand promise of 'Helping you do more.' In the third quarter of fiscal 2023, we launched a new app for Family Dollar with the goal of offering improved product discovery and engagement with our smart coupon program, as well as to provide opportunities for our vendor partners to market their products through our app. In the fourth quarter of fiscal 2023, we entered into a multi-year sponsorship agreement with a NASCAR Cup Series racing team, which will spotlight the Dollar Tree and Family Dollar brands as well as the brands of our vendor partners.

Purchasing

We believe our substantial buying power and our flexibility in making sourcing decisions contributes to our successful purchasing strategy, which includes targeted merchandise margin goals by category. We leverage our merchandising team to source products that can be sold in both Dollar Tree and Family Dollar stores. We also believe our ability to negotiate with our vendor partners enables us to manage the margin impact of economic pressures. We primarily buy products on an order-by-order basis and have no material long-term purchase contracts or other assurances of continued product supply or guaranteed product cost. Historically, no merchandise vendor has accounted for more than 10% of total merchandise purchased by us.

Our merchandise systems provide us with valuable sales information to assist our buyers and improve product allocation to our stores. We use this information to target our inventory levels in our distribution centers and stores in order to plan for capacity and labor needs, the company.

Distribution

A strong and efficient distribution network is critical to our ability to grow and to maintain a low-cost operating structure. We currently operate 25 distribution centers in the United States, 15 of which are primarily dedicated to serving our Dollar Tree stores and ten distribution centers primarily serve our Family Dollar stores. We expect future distribution centers to be built with the capability to service both Dollar Tree and Family Dollar stores. New distribution sites are strategically located to reduce the distance between the distribution centers and stores, maintain flexibility and improve efficiency in our store service areas. We In fiscal 2024, we expect to re-open our West Memphis, Arkansas distribution center and to complete a significant expansion of our Ocala, Florida distribution center in 2024 which will include enhanced automation. We continue to make investments in our trucking fleet and transportation management systems and a new RotaCart delivery process to streamline the truck unloading and store delivery process. A RotaCart is a wheeled container that allows quick, easy store deliveries loaded by merchandise family groups. The RotaCarts are nestable, allowing for easy return to the distribution centers.

Our Dollar Tree stores receive approximately 92% 90% of their inventory from our distribution centers via contract carriers and our Family Dollar stores receive approximately 70% of their inventory from our distribution centers. The remaining store inventory, primarily perishable consumable items and other vendor-maintained display items, are delivered directly to our stores from vendors or third party distributors. Our Approximately 15% of the merchandise in Family Dollar stores receive approximately 15% of their merchandise from is distributed by McLane Company, Inc. For more information on our distribution center network, see "[Item 2. Properties](#)".

Distribution services in Canada are provided by a third party from facilities in British Columbia and Ontario.

Seasonality

For information on the impact of seasonality, see "[Item 1A. Risk Factors](#)" and "[Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)".

Competition

Our segment of the retail industry is fragmented and highly competitive and we expect competition to increase in the future. We operate in the discount retail sector, which is currently and is expected to continue to be highly competitive with respect to price, store location, merchandise quality, assortment and presentation, and customer service, including merchandise delivery and checkout options. Our competitors include single-price dollar stores, multi-price dollar stores, mass merchandisers, online retailers, discount retailers, drug stores, convenience stores, independently-operated discount stores, grocery stores and a wide variety of other retailers. In addition, several competitors have sections within their These other retail companies operate stores devoted to "one dollar" price point merchandise, which further increases competition. in many of the areas where we operate, and many of them engage in extensive advertising and marketing efforts. We believe we differentiate ourselves from other retailers by providing high-value, high-quality, low-cost merchandise in attractively-designed stores that are conveniently located. Our sales and profits could be reduced by increases in competition. There are no significant economic barriers for others to enter our retail sector.

Government Regulation

We are subject to a wide variety of local, state and federal laws and regulations within the United States and Canada. Compliance These laws and regulations relate to, among other things, the operation of our facilities and the sale of products, including without limitation product and food safety, marketing and labeling; labor and employment, including wage and hour, benefits, healthcare and workplace safety; pricing; antitrust and fair competition; privacy and information security; tariff and trade; energy and environmental protection; financial reporting and disclosure; licensing; intellectual property; and taxes. We routinely incur significant compliance-related costs, both direct and indirect, with respect to these laws and regulations often requires the dedication of our associates' time and attention, as well as financial resources. Historically, compliance with these laws and regulations did not which may have a material effect on our capital expenditures, earnings or competitive position; however, position. For more information, see "[Item 1A. Risk Factors](#)".

Intellectual Property

We are the owners of several trademarks including "Dollar Tree," the "Dollar Tree" logo, "Family Dollar," "Family Dollar Stores" and other names and designs of certain merchandise sold in fiscal 2022, we closed our West Memphis, Arkansas distribution center ("DC 202") following observations of rodent infestation at the facility Dollar Tree and Family Dollar stores. Our trademarks are generally valid and may be renewed indefinitely as well long as other items that required remediation. During the first quarter of fiscal 2022, approximately 400 stores serviced by DC 202 were temporarily closed they are in connection with a retail-level product recall. We incurred costs related to the product recall, remediation efforts and asset impairment during fiscal 2022. Remediation-related costs included merchandise disposal costs, payroll and legal costs as well as incremental freight costs resulting from stores being serviced by distribution centers which use and/or their registrations are farther away properly maintained.

Human Capital Resources Our People

Our business success, is customer satisfaction and employee engagement are built upon our dedicated passionate and diverse associates who work and live in the communities we serve. Our goal is to provide a working work environment that is welcoming and inclusive, offers competitive pay and benefits, supports the growth and development, of our associates, and affirms our corporate values and mission. values. We recruit and hire in the communities we serve using associate referrals, local job fairs and social media as well as local community service partners to provide part-time and full-time jobs that can become lasting careers. Our Human Resources team, with oversight from our Board of Directors and its committees, develops and executes programs for compensation and benefits, onboarding and training, professional and leadership development, performance management, retention recognition and succession planning.

We greatly value show care for our people and invest by investing in their personal well-being and professional growth through various human capital a variety of people programs and initiatives, including the following: including:

- Compensation, benefits and well-being. We are committed to providing market-competitive pay for all positions, and we are a pay-for-performance organization, offering performance-based compensation opportunities at nearly all levels of the organization, including certain hourly-paid positions. In the last year, we made approximately \$175.0 million in annualized wage investments across the organization, which includes \$60.5 million of statutorily required minimum wage increases. We strive to ensure gender and racial pay equity for employees associates performing equal or substantially similar work. Eligible associates can participate in our Retirement Savings Plan, which provides a dollar for dollar dollar-for-dollar match on the first 5% of employee associate contributions, and all associates can participate in our Employee Stock Purchase Plan. All full-time and part-time associates are eligible for competitive health and welfare benefits, including medical, dental and vision. Associates may be eligible for other benefits including educational assistance, disability and life insurance as well as primary caregiver paid maternity and parental leave. We have a program that provides financial support to associates recovering from natural disasters and personal hardships as well as a scholarship program for associates with

children pursuing higher education. We also offer a voluntary benefit called "pay any day," which allows associates available. Associates are offered the flexibility to advance their payday earnings for flexibility in meeting to meet their personal bills and expenses.

- **Talent development and retention.** We believe in the growth and development of our associates and are committed to building a culture of learning in which that gives associates are given the opportunity to enhance their skills at every stage of their career. To support this objective, we provide a multitude of professional and leadership development experiences, including online and instructor-led trainings, tuition reimbursement for graduate, undergraduate, GED General Educational Development ("GED") and English as a Second Language classes, and discounted tuition at over 200 hundreds of colleges and universities for our associates and their families. Retention of our associates is a focus for all leaders and we continue to strive continuously aim to improve our turnover rate. To identify high-potential talent, individuals, leadership assesses talent at the store manager level and above on a regular basis through structured talent reviews and succession planning paired with customized development plans. This focus on talent resulted in more than 52,600 48,400 promotions in fiscal 2022. 2023. In fiscal 2023 we also started building our first

leadership academy, focusing on our field district managers and setting the stage for similar programs for other groups of leaders throughout the organization.

- **Diversity, equity and inclusion, inclusion ("DEI").** We believe our associates should mirror our highly diverse customer base and the communities we serve, serve, and our DEI efforts strive to inspire belonging both inside and outside our company. Our goal is to create and support a culture of inclusion within a diverse workforce where the unique skills and perspectives of our associates and customers are understood, respected and appreciated. To further this goal, we established a Diversity, Equity and Inclusion (DEI) have continued to build on our DEI Executive Council comprised of senior leaders from every department. The DEI Executive Council provides strategic and tactical leadership support to our Chief Diversity Officer (CDO) ("CDO") on all matters related to DEI. The CDO is charged with creating and implementing DEI-focused strategies consistent with our business goals, catalyzing cultural change throughout the organization and driving accountability at the senior management level for progress on key DEI objectives. In addition, we provide associate training on DEI topics and have formed a number of associate resource groups ("ARGs"), including: Asian American Pacific Islander League, Black Advocate Alliance, Champions for Women, Hispanic Heritage Network, Pride, and Veterans Engaging Together in Service. Our objective is to build a platform to encourage professional development, support community outreach, cultivate mentoring, attract diverse talent and promote cross-functional teamwork for all employees. associates. Each associate resource group will be ARG is supported by an a senior executive sponsor who is a member of the DEI Executive Council, or senior leadership team, an executive leader and a Human Resources partner to ensure efforts are aligned with the business.
- **Workplace safety.** We strive Safety is a foundational part of our culture, embedded in all aspects of how we run our business. Our expanded Asset Protection department, which includes Environmental, Health and Safety and Workplace Violence teams leads our comprehensive safety programming across all areas of our enterprise. Throughout the organization, we operate with a commitment to maintain "Safety First, Safety Always," with the shared understanding that a safe working environment for our associates with a safety program designed to promote accident prevention. Among other things, our environmental health and safety department establishes standard safety protocols and operating procedures across is the company, and our field managers are responsible for overseeing associate safety responsibility of every associate. Through training and conducting store safety audits. In response technology, we are able to the COVID-19 pandemic, we implemented several changes to implement measures that protect our associates and our customers, and leverage predictive analytics to ensure adherence to Centers for Disease Control proactively identify and Prevention recommendations support stores in need of safety assistance. Furthermore, preventing incidents of workplace violence is a critical aspect of our safety program. Our comprehensive workplace violence prevention efforts focus on five foundational areas of training; investigation; response; prevention and community outreach.
- **Communication and Engagement, engagement.** We believe that our associates are the most critical part of our business, and supporting an engaging culture where people can do their best work is a top priority for our leaders. Over the last year we have added new channels to foster two-way dialogue and ensure we are listening to our associates and taking action on their feedback. A recent culture assessment helped identify comprehensive strategic communication plan has been put in place to ensure our associates across the organization hear directly from our executive leaders on a regular basis to remain aligned with key priorities. And Workplace, our internal communication and collaboration tool introduced in fiscal 2023, gives associates a voice as well as visibility into the great work and progress happening across the company. Our annual associate engagement survey and semiannual pulse survey assess and highlight areas of focus that are important to our people, providing managers with quantitative and prepare the organization for a qualitative feedback directly from their teams. Our robust employee associate engagement survey process includes action planning to close the gap between have meaningful impact on our current culture and the culture we aspire to have, continued cultural evolution.

As of January 28, 2023 February 3, 2024, we employed more than 207,500 211,800 associates, as follows:

Store and Distribution Center Associates			
Store Support			
Dollar Tree	Family Dollar	Center Associates	Total

Store and Distribution Center Associates		Dollar Tree		Dollar Tree		Family Dollar	Store Support Center Associates	Total
Full-time	Full-time							
Associates	Associates	29,669	32,602	2,754	65,025			
Part-time	Part-time							
Associates	Associates	95,473	47,043	7	142,523			
Total	Total	125,142	79,645	2,761	207,548			

Part-time associates work an average of less than 30 hours per week, and the number of part-time associates fluctuates depending on seasonal needs.

We consider our relationship with our associates to be good, and have not experienced significant interruptions of operations due to labor disagreements.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on our website at www.dollartree.com as soon as reasonably practicable after electronic filing of such reports with the Securities and Exchange Commission ("SEC").

Item 1A. Risk Factors

An investment in our common stock involves a high degree of risk. Any failure to meet market expectations, including our comparable store net sales growth rate, earnings and earnings per share or new store openings, could cause the market price of our stock to decline. You should carefully consider the specific risk factors listed below together with all other information included or incorporated in this report and other filings that we make from time to time with the SEC, including our consolidated financial statements and accompanying notes. However, the risks and uncertainties that we face are not limited to those described below and those set forth in our SEC filings. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also arise. In such event, our business, financial condition, results of operations or prospects could be materially adversely affected.

Profitability and Operational Risks

Our profitability is vulnerable to increases in merchandise, shipping, freight and fuel costs, wage and benefit costs and other operating costs.

Future increases in costs such as the cost of merchandise, (including the substitution of higher cost domestic goods), wage and benefit costs, ocean shipping rates, domestic freight costs, fuel and energy costs, duties and tariffs, merchandise loss (due to theft, damage, or errors) and store occupancy costs would reduce our profitability. We experienced material increases in wage rates and labor costs as well as in shipping rates, freight and fuel costs in 2022, prior years, and we expect further increases in certain cost categories in 2023. We fiscal 2024. In addition to pressures from a tight labor market, we have incurred additional costs as a result of recent minimum wage increases by certain states and localities, and we expect additional minimum wage increases by states and localities in 2023. fiscal 2024. In addition, the federal minimum wage may increase depending on the outcome of legislation proposed in Congress, and the current administration may has announced it will consider raising the minimum salary for store managers associates who currently have exempt status under the Fair Labor Standards Act. Separately, government or industry actions addressing the impact of climate change, or shifts in customer preferences for more sustainable energy-efficient products, or our adoption of goals or initiatives aligned with related stakeholder expectations may result in increases in our merchandise or operating costs.

In our Dollar Tree segment, we raised our primary price point on merchandise to \$1.25 in fiscal 2021. In addition, we We also continue to implement our Dollar Tree Plus multi-price initiative which provides our customers with discretionary additional categories priced, for example, at the \$3 and \$5 price points and beginning in fiscal 2022, we added \$3, \$4 and \$5 frozen and refrigerated product in 3,500 stores. \$5. Although we have increased our price points at our Dollar Tree stores, our ability to adjust our product assortment, to operate more efficiently or to increase our comparable store net sales in order to offset cost increases is critical to maintaining our profitability levels. Supply chain constraints and higher commodity costs could make it more difficult for us to obtain sufficient quantities of certain products and could negatively affect our product assortment and merchandise costs. We can give no assurance that we will be able to adjust our product assortment, operate more efficiently or increase our comparable store net sales in the future. Although Family Dollar, unlike Dollar Tree, can more easily raise the price of merchandise, customers may buy fewer products if prices were to increase. Please see "[Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)" for further discussion of the effect of economic factors on our operations.

We are experiencing higher costs and disruptions in our distribution network which have had and could have an adverse impact on our sales margins and profitability.

Our success is dependent on our ability to import or transport merchandise to our distribution centers and store, pick and ship merchandise to our stores in a safe, timely and cost-effective manner. We manner, and we are relying on a number of initiatives to improve upon our logistics execution, including new management systems. In addition to our internal distribution network, we also rely heavily on third parties including ocean carriers and truckers in these processes. We may not anticipate, respond to or control all of the challenges of operating our distribution network. Additionally, when our distribution centers fail to operate effectively, we could experience increased freight or operational costs or merchandise shortages that could lead to lost sales. We have also experienced trucking shortages, and increased trucking and fuel costs. Some of the factors that have had and could have an adverse effect on our distribution network or costs in 2023 are:

- **Shipping costs.** We have experienced significantly higher international and domestic freight costs. Domestically, diesel fuel prices have been and are expected to remain higher and may increase further because of international tensions. A significant increase in our freight costs could have a material adverse impact on our business and results of operations. Changes in import duties, import quotas and other trade sanctions could also increase our costs.
- **Shipping disruptions.** We have experienced disruptions in the global supply chain, including issues with shipping capacity, port congestion and pandemic-related port closings and ship diversions. Our receipt of imported merchandise has been and may be further disrupted or delayed as a result of these or other factors. Delays could potentially have a material adverse impact on future product availability, product mix, sales and merchandise margin, especially at Dollar Tree. In addition, our supply chain may be disrupted as a result of other international events such as armed conflict, war, economic sanctions or acts of terrorism.
- **Efficient operations and management.** Distribution centers and other aspects of our distribution network are complex and difficult to operate efficiently. If we fail to execute properly, we may not be able to deliver merchandise at the quality and in the quantities and at the times demanded to successfully meet our customers' demand. We have also experienced and could continue to experience a reduction in operating efficiency resulting in delayed shipments of merchandise to our stores as a result of challenges in attracting and retaining an adequate and reliable workforce. Although we have offered sign-on bonuses, enhanced wages and other inducements in certain markets to address the shortage of labor at our distribution centers, such measures have increased our costs and are expected to continue to increase our costs, which could have an adverse effect on our margins and profitability. There can be no assurances that such measures will be adequate to attract and retain the workforce necessary for the efficient operation of our distribution centers.
- **Shipping costs.** We have previously experienced significant changes in freight costs. Ocean shipping and other freight costs could increase because of shocks or disruptions in the global supply chain and as freight contracts terminate or renew. A significant increase in our freight costs could have a material adverse impact on our business and results of operations. A return to more normalized costs/rates may lag a decrease in market rates based on the timing of freight contract terms. We have multi-year contracts expiring in 2025 that cover approximately 54% of our import purchase volume.
- **Trucking and diesel fuel costs.** We have experienced significant increases in trucking costs in recent years due to a truck driver shortage and other factors. The truck driver shortage also required us to increase our use of more expensive surge carriers to transport our merchandise.
- **Diesel fuel costs.** We have also experienced volatility in diesel fuel costs and are expecting increases to continue in fiscal 2023 and 2024 and may worsen, for example, because of the impact of international events such as trade restrictions on Russia on oil prices.
- **Shipping disruptions.** We have experienced disruptions in the global supply chain, including issues with shipping capacity, port congestion and pandemic-related port closings and ship diversions. In addition, our supply chain may be disrupted because of other international events such as armed conflict, war, economic sanctions or acts of terrorism. Current tensions in the Red Sea and traffic restrictions through the Panama Canal are causing global supply chain disruptions that could increase ocean shipping costs and transit times. Our receipt of imported merchandise has been and may in the future be disrupted or delayed because of these or other factors. Delays could potentially have a material adverse impact on future product availability, product mix, overall sales, and merchandise margins, especially at Dollar Tree.
- **Labor disagreement.** Labor disagreements, disruptions or strikes, including at ports, rail networks, transportation companies, or other parts of our distribution network may result in lost sales due to shipping delays or disruptions in the delivery of merchandise to our distribution centers or stores and increase our costs.
- **Vulnerability to natural or man-made disasters, including climate change.** A fire, explosion or natural disaster at a port or any of our distribution or store support facilities could result in a loss of merchandise and impair our ability to adequately stock our stores. Some facilities are vulnerable to earthquakes, hurricanes, tornadoes or floods, and an increase in the severity and frequency of extreme weather events and patterns may increase our operating costs, disrupt manufacturing or our supply chain, change customer buying patterns, result in closures of our stores or distribution and store support centers and impede physical access to our stores.
- **Labor disagreement.** Labor disagreements, disruptions or strikes, including at ports, rail networks or transportation companies, may result in lost sales due to shipping delays or disruptions in the delivery of merchandise to our distribution centers or stores and increase our costs.
- **Direct-to-store deliveries.** We rely on a limited number of suppliers for certain consumable merchandise, including frozen and refrigerated products. In fiscal 2022, we purchased and delivered approximately 15% of our merchandise for our Family Dollar segment, and to a lesser extent for our Dollar Tree segment, through our relationship with McLane Company, Inc., which distributes consumable merchandise from multiple manufacturers. We also rely on third parties to deliver frozen and refrigerated product, as well as chocolate in the summer, to our Dollar Tree stores. To the extent that supply chain disruptions and higher costs affect our suppliers, we may be subject to delays or reductions in deliveries and higher costs for merchandise. A substantial disruption in our relationship with or in service levels from these suppliers could have a material adverse impact on our business and results of operations.

We may stop selling or recall certain products for safety-related or other issues.

We may stop selling or recall certain products, including our private label brands, for safety-related or other issues, including product contamination, product content, improper manufacturing or distribution processes, improper testing, product mislabeling or product tampering. We may also stop selling or recall products if the products, the operations of our suppliers, or our operations violate applicable laws or regulations, including food, drug and cosmetic safety laws, or raise potential health and safety-related issues, including improper storage, product mishandling, contamination or other adulteration, or when products or their contents could cause injury, illness or death. Any recall may require significant management attention, and we could experience significant costs, lost sales, compliance or enforcement actions by governmental authorities which could result in fines or other penalties, and/or product liability legal claims and consumer lawsuits. Recalls may also subject us to public claims of false or deceptive advertising and other criticism. A significant product liability or other legal judgment against us, a regulatory enforcement action or a product recall could materially and adversely affect our reputation, financial condition and/or results of operations. Moreover, the negative publicity surrounding assertions against the products we sell or the standards we uphold could materially and adversely affect our business, reputation and/or profitability. Additionally, any product recall may lead to increased scrutiny of our operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

We have experienced the foregoing risks in connection with a retail-level recall that was initiated on February 18, 2022 in relation to our Family Dollar Distribution Center 202 in Arkansas ("DC 202"). For more information, see "Litigation, arbitration and government proceedings may adversely affect our business, financial condition and/or results of operations" on page 17 which includes, among other things, a description of legal proceedings relating to issues associated with DC 202.

Our business and results of operations could be materially harmed if we experience a decline in consumer confidence and spending as a result because of consumer concerns about the quality and safety of our products or our brand standards.

We could experience a decline in consumer confidence and spending if our customers become concerned about the quality and safety of the products we sell. To date, other than with respect to the stores temporarily closed to permit the removal and destruction The sale of relevant inventory, we have not experienced significant lost sales in connection with the Recall, but there can be no assurances that consumer confidence in the quality and safety private brand items is an important component of our products resulting from the Recall will not decline sales growth and gross profit rate enhancement plans. The sale and expansion of these offerings also subjects us to or increases certain risks, such as: product liability claims and product recalls; disruptions in the future. If there is a decline in consumer confidence in raw material and finished product supply and distribution chains; supplier labor and human rights issues, and other risks generally encountered by entities that source, sell and market exclusive branded offerings for retail. Failure to appropriately address these risks could materially and adversely affect our products or brands, our private brand initiatives, reputation, may be adversely affected and we may experience additional lost sales which could have a material adverse impact on our business and results of operations, operations and financial condition.

Inflation or other adverse change or downturn in economic conditions could impact our sales or profitability.

A deterioration in economic conditions could reduce consumer spending or cause customers to shift their spending to products we either do not sell or do not sell as profitably. Adverse economic conditions such as a recession could disrupt consumer spending and significantly reduce our sales, decrease our inventory turnover, cause greater markdowns, or reduce our profitability due to lower margins. Other factors that could result in or exacerbate adverse economic conditions include inflation, higher unemployment, consumer debt levels, trade disputes, as well as adverse climate or weather conditions, worsening or new epidemics, terrorism, or international tensions, including armed conflict and economic sanctions.

Furthermore, factors that could adversely affect consumer disposable income could decrease our customers' spending on products we sell most profitably. In fiscal 2022, 2023, we experienced continued to experience a material shift in consumer purchasing from higher-margin discretionary merchandise to lower-margin consumable goods which has negatively impacted our product mix and margins. goods. Factors that could reduce our customers' disposable income and over which we exercise no influence include but are not limited to, inflation in food, housing, fuel or other energy costs, increased unemployment, increases in interest rates, lack of available credit, higher tax rates and other changes in tax laws, increasing healthcare costs, and changes in decreases in, or elimination of, government subsidies such as unemployment and food assistance programs.

Although governmental authorities adopted substantial measures, programs, including fiscal and monetary stimulus, to provide economic assistance to individual households and businesses and support economic stability during the COVID-19 pandemic, certain of the government assistance payments to households were temporary and were permitted to expire. There can be no assurance that current or future governmental efforts to support the economy during the pandemic or a recession will be sufficient to support future consumer spending at levels experienced previously or mitigate the negative effect of the pandemic on the economy. Supplemental Nutrition Assistance Program ("SNAP"). If consumer spending on the goods we sell declines as a result, there could be a material adverse impact on our business and results of operations.

Many of the factors identified above that affect disposable income, as well as merchandise costs, commodity rates, transportation costs (including the costs of diesel fuel), costs of labor, insurance and healthcare, foreign exchange rate fluctuations, lease costs, barriers or increased costs associated with international trade and other economic factors also affect our ability to implement our corporate strategy effectively, our cost of goods sold and our selling, general and administrative expenses, also affect our ability to implement our corporate strategy effectively and may have other adverse consequences which we are unable to fully anticipate or control, all of which may adversely affect our sales or profitability. We have limited or no ability to control many of these factors.

If the COVID-19 pandemic and associated disruptions worsen or continue longer than expected, there could be a material adverse impact on our business and results of operations.

The continuing COVID-19 pandemic arising from a novel strain of coronavirus and its variants has caused on-going direct and indirect economic disruptions that have adversely affected, and are expected to continue to adversely affect, elements of our business. The COVID-19 pandemic, related public health measures and associated economic and social impacts have already contributed to, among other things, significant increases in the cost of operating our stores and distribution centers, disruptions in the patterns of consumer demand and traffic, and an increase in demand for online sales (which is an insignificant part of our business), home deliveries (which we began providing in 2021 through our partnership with Instacart) or curbside deliveries (which we do not offer), and changes in the labor markets.

There continues to be uncertainty and unpredictability about the lingering impact of COVID-19-related issues on our financial and operating results in future periods. If the pandemic worsens or continues longer than expected (as new variants emerge), governments may reinstate or extend business or personal restrictions, and we could be forced to

curtail or restrict operations or incur additional costs. If major new variants emerge, we might also experience new disruptions in our supply chain and sources of supply, suffer facility closures or encounter additional difficulties in hiring or retaining the workforce required for our business. These circumstances, if applicable for an extended duration or across significant parts of our operating footprint, or if they fall during particularly meaningful holiday seasons, could have a material adverse effect on our business and results of operations.

We are unable to predict the full extent to which COVID-19-related issues will affect the economy and our customers, associates, suppliers, vendors, other business partners or our business, results of operations and financial condition. If the economic consequences of the pandemic linger and/or worsen, it could amplify many of the other risks described in this report.

Risks associated with our domestic and foreign suppliers merchandise supply could adversely affect our financial performance.

We are dependent on our vendors, including direct ship vendors, to supply suitable merchandise in a timely and efficient manner, manner at favorable costs. If a vendor fails to deliver on its commitments due to financial or other difficulties, or if we are unable to source an expanded assortment of appropriate product to meet our merchandising strategies, we could experience merchandise shortages which could lead to lost sales or increased merchandise costs if alternative sources must be used.

We rely on the timely availability of imported goods at favorable wholesale prices. Merchandise imported directly typically accounts for approximately 41%-43% - 43% of our Dollar Tree segment's total retail value purchases and approximately 15%-17% - 17% of our Family Dollar segment's total retail value purchases. In addition, we believe that a significant portion of our goods purchased from domestic vendors is imported. Imported goods are generally less expensive than domestic goods and result in higher profit margins. A disruption in the flow of our imported merchandise or an increase in the cost of those goods may significantly decrease our profits. Risks associated with our reliance on imported goods may include disruptions in the flow of or increases in the cost of imported goods because of factors such as:

- duties, tariffs or other restrictions on trade, including Section 301 tariffs that have already been imposed on imported Chinese goods; tariffs;
- raw material shortages, work stoppages, government restrictions, strikes and political unrest, including any impact on vendors or shipping arising from epidemics, such as the COVID-19 pandemic; epidemics;
- economic crises in the United States or abroad and international disputes or conflicts, including military confrontation, blockade, war and economic sanctions;
- changes in currency exchange rates or government policies and local economic conditions, including inflation (including energy prices and raw material costs) in the country of origin;
- potential changes to international trade agreements or the failure of the United States to maintain normal trade relations with China and other countries; and
- changes in leadership and the political climate in countries from which we import products and their relations with the United States; and States.
- failure of manufacturers outside the United States to meet food, drug and cosmetic safety and labeling requirements or environmental standards set by government regulators or consumer expectations.

Our supply chain may be disrupted by changes in United States trade policy with China.

We rely on domestic and foreign suppliers to provide us with merchandise in a timely manner and at favorable prices. Among our foreign suppliers, China is the source of a substantial vast majority of our direct imports. A disruption in the flow of our imported merchandise from China or an increase in the cost of those goods may significantly decrease our profits.

While the United States scaled back punitive Section 301 tariffs on certain Chinese imports based on an agreement reached with China in 2020, the political outlook remains uncertain. The imposition of any new U.S. tariffs on Chinese imports or the taking of other actions against China in the future, and any responses by China, could impair our ability to meet customer demand and could result in lost sales or an increase in our cost of merchandise, which would have a material adverse impact on our business and results of operations.

Our growth is dependent on our ability to increase sales in existing stores and to expand our square footage profitably.

Existing store sales growth is critical to good operating results and is dependent on a variety of factors, including merchandise quality, relevance and availability, store operations and customer satisfaction. In addition, increased competition could adversely affect our sales. Failure to meet our sales targets could result in our needing to record material non-cash impairment charges related to our intangible assets. We believe increasing sales at Family Dollar depends in significant part have embarked on several initiatives including price reductions, to increase our sales and profitability, some of which remain in the early stages.

Our highest sales periods are during At the Christmas same time, the company recently concluded a comprehensive performance review of its store portfolio and Easter seasons, announced the closure of approximately 970 Family Dollar and we generally realize a disproportionate amount 30 Dollar Tree stores. For more information, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 16 to our net sales and our operating and net income during the fourth quarter. In anticipation, we stock extra inventory and hire many temporary employees to prepare our stores and help ship product from our distribution centers. A reduction in sales during these periods could adversely affect our operating results, particularly operating and net income, to a greater extent than if a reduction occurred at other times of the year. Untimely merchandise delays due to receiving or distribution problems could have a similar effect.

When Easter is observed earlier in the year, the selling season is shorter and, as a result, our sales could be adversely affected. Easter was observed on April 17, 2022 and will be observed on April 9, 2023. consolidated financial statements.

Expanding our square footage profitably depends on a number of uncertainties, including our ability to locate, lease, build out and open or expand stores in suitable locations on a timely basis under favorable economic terms. We also open or expand stores within our established geographic markets, where new or expanded stores may draw sales away from our existing stores. Obtaining an increasing number of profitable stores is an ever-increasing challenge.

In addition, our expansion is dependent upon the company and its third-party developers' abilities to acquire land, obtain financing, and secure necessary permits and approvals. We have experienced higher commodity and other costs associated with the build-out of new stores and the renovation of existing stores. We have also experienced delays in new store openings and the renovation of existing stores due to inspection, permitting and contractor delays. In addition, we have experienced delays in new store openings due to limitations on the availability of certain fixtures and equipment. We anticipate these increased costs and delays may continue for the foreseeable future, which could adversely affect our sales and profitability. Further, we may not manage our expansion effectively, and our failure to achieve our expansion plans could materially and adversely affect our business, financial condition and results of operations.

Our profitability is affected by the mix of products we sell.

Our gross profit margin decreases when we increase the proportion of higher cost goods we sell. For example, some of our consumable products carry higher costs than other goods, so our gross profit margin will be negatively impacted as the percentage of our sales from higher cost consumable products increases. Imported merchandise and private label goods generally carry lower costs than domestic goods. Our product mix is affected by the supply of goods, including imported goods, and could be negatively impacted by various factors, including those described under "We are experiencing higher Higher costs and disruptions in our distribution network which have had and could have an adverse impact on our sales margins and profitability" on page 11.

In our Family Dollar segment, our success also depends on our ability to select and obtain sufficient quantities of relevant merchandise at prices that allow us to sell such merchandise at profitable and appropriate prices. A sales price that is too high causes products to be less attractive to our customers and our sales at Family Dollar could suffer. We are continuing to refine our pricing strategy at Family Dollar to drive customer loyalty and have a strategic pricing team to improve our value and to increase profitability. Our inability to successfully implement our pricing strategies at Family Dollar could have a negative effect on our business.

In addition, our Family Dollar segment has a substantial number of private brand items, and the number of such items has been increasing. We believe our success in maintaining broad market acceptance of our private brands depends on many factors, including our pricing, costs, quality, customer perception and customer perception, timely development and introduction of new products. We may not achieve or maintain our expected sales for our private brands and, as a result, our business and results of operations could be adversely impacted. Additionally, the increased number of private brands could negatively impact our existing relationships with our non-private brand suppliers.

Pressure Our business is seasonal, and adverse events during the fourth quarter could materially affect our full-year financial results.

Our highest sales periods are during the Christmas and Easter seasons, and we generally realize a disproportionate amount of our net sales and our operating and net income during the fourth quarter. In anticipation, we stock extra inventory and hire many temporary employees to prepare our stores and help ship product from our distribution centers. Lead times for seasonal product purchases are longer and could result in inventory markdowns if sales do not meet expectations. A reduction in sales during these periods could adversely affect our operating results, particularly operating and net income, to a greater extent than if a reduction occurred at other times of the year. Untimely merchandise delays due to receiving or distribution problems could have a similar effect. When Easter is observed earlier in the year, the selling season is shorter and, as a result, our sales could be adversely affected. Easter was observed on April 9, 2023, and will be observed on March 31, 2024.

Failure to protect our inventory or other assets from loss and theft may impact our financial results.

Risk of loss or theft of assets, including inventory shrinkage, is inherent in the retail business and has recently reached historically high rates. Loss may be caused by error or misconduct of associates, customers, vendors or other third parties including through organized retail crime and professional theft, and may be further impacted by macroeconomic factors, including the enforcement environment, or may be the result of damage or destruction of our inventory by natural disasters. We have experienced charges in the past, and our inability to cost-effectively prevent and/or minimize the loss or theft of assets, or to accurately predict and accrue for the impact of those losses, could adversely affect our operating results.

We have risks related to the security of our facilities including risks of personal injury to customers or associates.

We operate stores and other facilities in locations subject to a risk for crimes of break-ins, theft, property damage, and interpersonal violence, which may include an active shooter or mass casualty/damage event. While we have instituted programs aimed at reducing these risks, particularly of workplace violence, no security or safety program is 100% effective, and there is a risk that they will not prevent the occurrences of such crimes or related harms. Any such incidents of violence could have a negative effect on our business, financial condition, results of operations, associate relations or customer reputation.

We face significant pressure from competitors which may reduce our sales and profits.

The retail industry is highly competitive with respect to price, customers, store locations, merchandise quality, product assortment, service offerings, product sourcing, labor, and market share. The marketplace is highly fragmented as many different retailers compete for market share by utilizing a variety of store formats and merchandising strategies, including mobile and online shopping. To remain competitive, we may be required to change our product offering or lower our prices, but our ability to do so may be limited with the result that we could see lower sales or reduced profitability.

We expect competition to increase in the future. There are no significant economic barriers for others to enter our retail sector. Some of our current or potential competitors have greater financial, distribution, marketing and other resources than we do. The substantial growth in e-commerce has also encouraged the entry of many new competitors, new business models, and an increase in competition from established companies looking for ways to create successful online shopping alternatives. We cannot guarantee that we will continue to be able to

compete successfully against existing or future competitors, and we believe that doing so may require substantial capital expenditures. Our ability to effectively compete will depend upon our ability to successfully develop and execute on our strategic initiatives. Please see "[Item 1. Business](#)" for further discussion of the effect of competition on our operations.

Our business could be adversely affected if we fail to attract, manage our organizational talent and retain capacity, including attracting and retaining qualified associates and key personnel.

Our growth and performance are dependent on the skills, experience and contributions of our associates, executives and key personnel for both Dollar Tree and Family Dollar. Various factors, including the pandemic, constraints on overall labor availability, wage rates, regulatory or legislative impacts, At our stores and benefit costs could impact our ability to attract distribution centers, we must recruit, develop, train, and retain qualified and diverse associates at our stores, distribution centers in relatively large numbers, while also working to decrease turnover in these positions. Our ability to meet labor needs while controlling costs is subject to many external factors, including competition for and corporate offices.

We are experiencing a shortage availability of associates qualified personnel, unemployment levels, wage rates and applicants salary levels (including the heightened possibility of increased federal, state and/or local minimum wage rates/salary levels), health and other insurance costs, changes in employment and labor laws or other workplace regulations (including those relating to fill staffing requirements at our distribution centers, stores employee benefit programs such as health insurance and corporate offices due to the current paid leave programs), labor shortage affecting businesses. This has adversely affected the operating efficiency of our distribution centers activism, associate safety issues, associate expectations and stores productivity, and our ability to transport merchandise from our distribution centers to our stores. reputation and relevance within the labor market. If we are unable to attract, develop and retain adequate numbers of qualified associates, our operations, customer service levels, legal and regulatory compliance, and support functions could suffer. In addition, to the extent a significant portion of our associate base unionizes, or attempts to unionize, our labor and other related costs could increase. The potential financial impact of union organization is further compounded by the possibility of federal agencies adopting or imposing changes to existing labor law that could facilitate union organizing. We currently do not have any employees represented by unions. Our ability to pass along labor and other related costs to our customers is constrained by our pricing model, and we may not be able to offset such increased costs elsewhere in our business.

Successful execution of our plans and strategies also depends on the efforts of key management personnel. The labor market for these executives and other key personnel is nationwide in scope and intensely competitive. The loss of such personnel, or the inability to hire, train, motivate and retain them, or to manage changes to our distribution centers organizational structure and stores capacity, could, at least temporarily, have an adverse effect on the company's operating results and financial condition. In addition, failure to develop an adequate succession plan for senior positions could reduce our organizational capabilities and competitive advantage during a transition. Turnover in such positions can disrupt progress in implementing business strategies, result in a loss of institutional knowledge, cause greater workload demands for remaining team members and divert attention away from key areas of the business, or otherwise negatively impact the company's growth prospects or future operating results.

We rely on third parties in many aspects of our business, which creates additional risk.

Due to the scale and scope of our business, we must rely on relationships with third parties, including our suppliers, distributors, landlords, contractors, and external business partners. If we are unable to effectively manage our third-party relationships and the agreements under which our third-party partners operate, our results of operations may and cash flows could be adversely affected, impacted. Further, failure of these third parties to meet their obligations to the company or substantial disruptions in the relationships between the company and these third parties could adversely impact our operations and financial results. Additionally, while we have policies and procedures for managing these relationships, they inherently involve a lesser degree of control over business operations, governance and compliance, thereby potentially increasing our financial, legal, reputational and operational risk.

In fiscal 2023, we purchased and delivered approximately 15% of our merchandise for our Family Dollar segment, and to a lesser extent for our Dollar Tree segment, through our relationship with McLane Company, Inc., which distributes consumable merchandise from multiple manufacturers. We also rely on third parties to deliver frozen and refrigerated product, as well as chocolate in the summer, to our Dollar Tree stores.

Risks Relating to Strategic Initiatives

We may not be successful in implementing or in anticipating the impact of important strategic initiatives, and our plans for implementing such initiatives may be altered or delayed due to various factors, which may have an adverse impact on our business and financial results.

We completed the conversion of our predominant product price from \$1.00 to \$1.25 for the vast majority of merchandise in all Dollar Tree stores during the first quarter of fiscal 2022. Although to date the increase in the price point has more than offset the decline in the execute on a number of units sold, there can be no assurances that the price increase will not have an adverse effect on our business in the future. In addition, we are continuing to implement our important strategic initiatives that are designed to create growth, improve our results of operations and drive long-term shareholder value, including:

- across the expansion of a multi-price initiative in Dollar Tree stores;
- the introduction of selected Dollar Tree merchandise into Family Dollar stores;
- the roll-out of the Combo Store format that combines a Dollar Tree store and Family Dollar store in a single location;
- the renovation of Family Dollar stores to the H2 and other formats;
- our partnership with Instacart to provide home delivery of merchandise purchased online; and
- our plans relating to new store openings for Dollar Tree and Family Dollar generally, banners to drive productive sales growth and improve operating efficiency, including, among others:
- We continue to expand our Dollar Tree brand assortment at the \$1.25 price point and expand our multi-price product assortment.

- Our initiatives at Family Dollar provide tailored store formats and significantly improved merchandise offerings.
- Our comprehensive store portfolio optimization review to improve profitability by identifying candidates for closure or re-banning.
- Across both banners, we have initiatives to provide competitive pay and benefits, enhanced training, and other projects to support our workforce as well as initiatives to optimize and modernize our stores.
- Our supply chain initiatives include optimizing our transportation network and distribution methods.
- We continue our significant investments in our technology across our business, including our store network and point-of-sale, merchandising and supply chain.

The implementation, timing and results of these complex strategic initiatives are subject to various risks and uncertainties, including the acceptance of multi-priced merchandise by Dollar Tree customers; customer acceptance of new store concepts which may require that we make significant estimates and merchandise offerings; construction and permitting delays relating to new and renovated stores; the availability of desirable real estate locations for lease at reasonable rates; the lingering impact of the COVID-19 pandemic and associated economic issues; the success of assumptions in our strategies; planning. These initiatives place significant demands on our accounting, financial, information technology, and other factors beyond systems, and on our control. In addition, several of business overall. We are dependent on our management's ability to oversee these initiatives depend on effectively and implement them successfully. If our estimates and assumptions about our initiatives are incorrect, or if we miscalculate the timeliness, cost and availability of adequate levels of the appropriate domestic and imported merchandise, our ability resources or time, we need to complete them or fail to execute on them effectively, our plans and expectations with respect to those initiatives and our ability to implement those initiatives within budget and with the expected return. To the extent that shipping delays, supply chain disruptions and other distribution logistics adversely affect the availability pursuit of merchandise necessary to implement our strategic initiatives, we may delay or reduce our planned rate of implementation of one or more of those initiatives.

In addition, building on our current initiatives, we are currently developing plans to make additional multi-year strategic investments across the Dollar Tree and Family Dollar banners to further position the company for long-term sustained growth. We anticipate that these investments will relate to four key areas of our business: our associates, our distribution center network and supply chain, our product pricing and value proposition, and our technology infrastructure. Within these areas, the focus of these investments is expected to be on associate wages, improved store execution, enhanced safety and working conditions, increased supply chain efficiencies, competitive pricing at Family Dollar, and enhancements to our systems infrastructure. There is a risk that our investments in these initiatives may increase our costs and reduce our margins and profitability.

To be effective, our strategies have and will continue to require significant investment in cross-functional operations and management focus, along with supporting investments. If we are unable to attract and retain employees or contract with third parties having the specialized skills needed to support our efforts, implement improvements to systems in a timely manner, our ability to compete and our results of operations could be adversely affected. In addition, if the initiatives related to our multi-priced merchandise at Dollar Tree, new store concepts and merchandise offerings at Family Dollar, and improved customer experience do not achieve their intended purposes, appeal to our customers or if we are unable to consistently meet our brand execution promises in a cost-effective manner, we may experience a loss of customer confidence or lost sales, which could adversely affect our reputation and results of operations.

There can be no assurance that we will be able. A failure to implement important strategic initiatives properly execute our plans and business strategies, delays in accordance executing our plans and business strategies, increased costs associated with executing on our expectations plans and business strategies, or that they will generate expected returns, which may result in an failure to identify alternative strategies could have a material adverse impact effect on our business, financial position, results of operations, and financial results. cash flows.

We could incur have incurred losses due to impairment of long-lived assets, goodwill and intangible other long-lived assets.

Under U.S. generally accepted accounting principles, we review our long-lived assets for impairment whenever economic events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Identifiable intangible assets with an indefinite useful life, including goodwill, are not amortized but are evaluated annually for impairment. A more frequent An evaluation is also performed if events or circumstances indicate that impairment could have occurred.

For example, in the fourth quarter of fiscal 2023 the company initiated a comprehensive store portfolio optimization review, and its recently announced decisions to close approximately 970 underperforming Family Dollar stores and approximately 30 underperforming Dollar Tree stores has led to additional impairments of related assets. The Family Dollar goodwill and trade name comprise a substantial portion of our goodwill and indefinite-lived intangible assets and management's judgment utilized in the Family Dollar goodwill and trade name impairment evaluations is critical. Please refer to "Critical Accounting Estimates and Assumptions" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Should we experience business challenges or significant negative industry or general economic trends, we could recognize additional impairments to our goodwill, intangible assets and other long-lived assets. We monitor key assumptions and other factors utilized in our goodwill impairment analysis, and if business or other market conditions develop that are materially different than we currently anticipate, we will conduct an additional impairment evaluation. Any reduction in or impairment of the value of goodwill or intangible assets will result in a charge against earnings, which could have a material adverse impact on our reported results of operations and financial condition. During the fourth quarter of fiscal 2023, we recorded a \$1,069.0 million non-cash goodwill impairment charge, a \$950.0 million non-cash trade name impairment charge, and a \$503.9 million non-cash store asset impairment charge. For additional information on goodwill recent impairments, please refer to Note 15 and Note 16 to our consolidated financial statements under the caption "Goodwill and Nonamortizing Intangible Assets." statements.

Cybersecurity and Technology Risks

We rely on computer and technology systems in our operations, and any material failure, inadequacy, interruption or security failure of those systems, including because of a cyber-attack, cyberattack, could harm our ability to effectively operate and grow our business and could adversely affect our financial results.

We rely extensively on our computer and technology systems and, in certain cases, those of third-party service providers to support nearly all key functions in our business, including managing inventory, operating our stores, processing credit card and customer transactions and summarizing results. Our ability to effectively manage our business and coordinate the distribution and sale of our merchandise depends significantly on the capabilities, confidentiality, integrity and availability of these systems and on our ability to

successfully acquire and integrate upgraded or replacement systems as needed to support our business requirements and strategic initiatives. We also rely on third-party providers and platforms for many of these computer and technology systems and support.

Although we have operational safeguards in place, they may not be effective in preventing the failure of these systems or platforms to operate effectively and be available to us. This may be as the result of deliberate breach in the security of these systems or platforms by bad actors, including through malicious software, ransomware and other cyber-attacks, cyberattacks, which may originate from state actors and may increase during times of international tensions. Failures may also be caused by various other factors, including power outages, catastrophic events, physical theft, computer and network failures, inadequate or ineffective redundancy, obsolescence or failure of vendor support, problems with transitioning to upgraded or replacement systems or platforms and related business process changes, flaws in third-party software or services, errors or improper use by our employees or third-party service providers.

We plan to make To support the growth of our business, we are making substantial investments in our information technology systems. Transitioning to these new or upgraded processes and systems requires significant capital investments and personnel resources. Implementation is also highly dependent on the coordination of numerous associates, contractors and software and system providers. While these efforts have resulted in fiscal 2023 improvements to support our operational systems, we expect to continue to incur expenses to implement additional improvements and upgrades to our systems. Many of these expenditures have been and may continue to be incurred in advance of the growth realization of any direct benefits to our business. We cannot guarantee that we will be successful at improving our operational systems, or that our efforts will result in the anticipated benefits to us. We may also experience difficulties in implementing or operating our new or upgraded operational or IT systems, including, but not limited to, ineffective or inefficient operations, significant system failures, system outages, delayed implementation and loss of system availability, which could lead to increased implementation and/or operational costs, loss or corruption of data, delayed shipments, excess inventory and interruptions of operations resulting in lost sales and/or profits. If our information technology systems, upgrades and associated change management are not adequate to support our business and our strategic initiatives, our growth financial condition and the success of our initiatives may be adversely affected. If these systems are damaged or fail to function adequately, we may incur substantial costs to repair or replace them, may experience loss of critical data and interruptions or delays in our ability to manage inventories or process customer transactions and may receive negative publicity, which could adversely affect our results of operations could be adversely affected, and business. In addition, remediation of any problems with our systems could take an extensive amount of time and could result in significant, unplanned expenses. business may become less competitive.

The potential unauthorized access to customer information our systems could disrupt operations or lead to the theft of data which may violate privacy laws and could damage our business reputation, subject us to negative publicity, litigation and costs, and adversely affect our results of operations or business. financial condition.

Many of our information technology systems, such as those we use for our point-of-sale, web and mobile platforms, including online and mobile payment systems, and for administrative functions, including human resources, payroll, accounting, and internal and external communications, contain personal, financial or other confidential information that is entrusted to us by our customers and associates as well as proprietary and other confidential information related to our business and suppliers.

We are exposed to persistent and substantial risks from cybersecurity threats, as the number of cyberattacks targeting retailers and corporate networks grows, and the volume, intensity and sophistication of attempted attacks, intrusions and threats from around the world increase daily. Both we and our vendors have experienced data security incidents; however, to date, these incidents have not been material to our results of operations. The security measures that we and/or our third-party suppliers partners put in place cannot provide absolute security to prevent harm to our systems or safeguard our customers' personal information (including debit and credit card information), our associates' private data, suppliers' data, and our business records and intellectual property and other sensitive information.

Cybercriminals, who may include well-funded state actors or organized criminal groups, are rapidly evolving their cyberattack techniques and tactics, which are becoming increasingly more sophisticated and challenging to detect. We and/or our third-party suppliers may be vulnerable to and unable to anticipate, detect, and appropriately respond to cyber-security cybersecurity attacks, including data security breaches and data loss.

We are also subject to laws and regulations in various jurisdictions in which we operate regarding privacy, data protection and data security, including those related to the collection, storage, handling, use, disclosure, transfer and security of personal data, data of customers, associates, or others. These laws permit regulators to assess potentially significant fines for data privacy violations and may create a right for individuals to bring class action suits seeking damages for violations. Our efforts to comply with consumer privacy laws and other similar privacy and data protection laws may impose significant costs and challenges that are likely to increase over time, and we could incur substantial penalties or be subject to litigation related to violation of existing or future data privacy laws and regulations.

Likewise, we are subject to the Payment Card Industry Data Security Standards ("PCI-DSS") which is mandated by the card brands and administered through the Payment Card Industry Security Standards Council. As a Level 1 Merchant, we are subject to assessment and attestation for PCI-DSS compliance on an annual basis. A failure to meet and maintain compliance with PCI-DSS requirements could result in our inability to continue to accept credit cards as a form of payment, which would materially impact our ability to sell our products. In addition, our credibility and reputation within the business community and with our customers may be affected, which could result in our customers discontinuing the use of debit or credit cards in our stores or not shopping in our stores altogether. Non-compliance with PCI-DSS requirements also may subject us to recurring and accumulating fines until compliance is achieved. Considerable investments to strengthen our information security could also be required should we ever be deemed to be non-compliant. We are currently in compliance with the PCI-DSS standards.

Moreover, significant additional capital investments and other expenditures could also be required to continue to strengthen our overall cyber-security cybersecurity posture and prevent future security breaches, including costs associated with additional security technologies, personnel, experts and services (e.g., credit-monitoring services) for those whose data has been breached. These costs, which could be material, could adversely impact our results of operations in the period in which they are incurred and may not meaningfully limit the success of future attempts to breach our information technology systems.

The unavailability of our information technology systems on which we rely or the failure of those systems or software to perform as required to support our business needs for any reason and any inability to respond to, or recover from, such events, could disrupt our business, decrease performance, and increase overhead costs. If we, are unable to secure our customers' credit card and confidential information, vendors, or other private third parties with whom we do business experience significant data relating security incidents or fail to our associates, suppliers or our business, detect and appropriately respond to significant incidents, we could be subject to negative publicity, costly government

enforcement actions or private litigation and increased costs. If in addition, our customers could lose confidence in our ability to protect their information, technology systems and processes are insufficiently provisioned stop using our loyalty programs, or improperly designed and implemented to support our business, our strategic initiatives may not deliver anticipated results. stop shopping with us altogether. Any of these factors could have a material adverse effect on our reputation, results of operations or business, financial condition.

Legal, Regulatory and Environmental, Social and Governance ("ESG") Risks

Litigation, arbitration and government Legal proceedings may adversely affect our reputation, business, financial condition and/or results of operations. operations or financial condition.

Our business is subject to the risk of litigation and arbitration other proceedings involving employees, associates, consumers, suppliers, competitors, shareholders, government agencies, or others through private actions, class actions, derivative actions, governmental investigations, administrative proceedings, regulatory actions, mass arbitration arbitrations or other similar actions.

In addition, due to our operations and/or the types of products that we sell our operations are subject to regulatory oversight by the FDA, U.S. Food and Drug Administration ("FDA"), the USDA, U.S. Department of Agriculture, the Occupational Safety and Health and Safety Administration, states' attorneys-general and other federal, state, local and applicable foreign governmental authorities. If Where such authorities believe that we have failed to comply with applicable regulations and/or procedures, they may require prompt corrective action, and/or proceed directly to other forms of enforcement action, including the imposition of operating restrictions, including a ceasing of operations in one or more facilities, enjoining and restraining certain violations of applicable law pertaining to products, seizure of products, and assessing civil or criminal sanctions or penalties. penalties, and requiring enhancements to our compliance programs or reporting requirements. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively selling our products and could have a material adverse effect on our business, financial condition and/or results of operations.

From January 11, 2022 through February 11, 2022, DC 202 was inspected. For example, we recently resolved a previously disclosed investigation by the FDA and USDA. On February 11, 2022, the FDA issued Form 483 observations primarily regarding rodent infestation at DC 202, as well as other items that require remediation. In connection therewith, on February 18, 2022, we initiated a retail-level product recall of FDA and USDA-regulated products stored and shipped to approximately 400 stores from DC 202 from January 1, 2021 through such date (the "Recall"). We temporarily closed DC 202 for extensive cleaning, temporarily closed the affected stores to permit the removal and destruction of inventory subject to the Recall, ceased sales of relevant inventory subject to the Recall, committed to the FDA to continue to cease the shipment of FDA-regulated products from DC 202 until FDA approval is received, and initiated corrective actions at DC 202. In June 2022, we stopped shipping to stores from DC 202 and have since closed the facility and disposed of all of the inventory that was in the facility. On November 9, 2022 we received an FDA warning letter in connection with the DC 202 inspection. The conditions and issues detailed in the warning letter are generally the same as those described in the Form 483 observations or were otherwise observed during the inspection. The warning letter acknowledged certain remedial actions we have taken in response to the Form 483 observations, including conducting the recall and closing the facility. We are taking this matter extremely seriously and continue to cooperate with the FDA. If the FDA and/or other governmental authorities are not satisfied with these corrective actions or observe issues in our other

distribution centers or stores, they may initiate other enforcement or administrative actions, which may have a material adverse effect on our business, financial condition and/or results of operations. Also see "We may stop selling or recall certain products for safety-related or other issues" on page 12.

Since February 22, 2022, we have received 14 putative class action complaints related to issues noted above associated with DC 202. The lawsuits are proceeding in federal court in Tennessee using the federal court's multi-district litigation ("MDL") process. An amended consolidated complaint seeking class action status was filed October 17, 2022 alleging violations of the Mississippi, Arkansas, Louisiana, Tennessee, Alabama and Missouri consumer protection laws, breach of warranty, negligence, misrepresentation, deception and unjust enrichment related to the sale of products that may be contaminated by virtue of rodent infestation and other unsanitary conditions. Plaintiffs seek damages, attorney fees and costs, punitive damages and the replacement of, or refund of, money paid to purchase the relevant products, and any other legal relief available for their claims (in each case in unspecified amounts), including equitable and injunctive relief. On April 28, 2022, the State of Arkansas filed a complaint in state court alleging violations of the Arkansas Deceptive Trade Practices Act, gross negligence and negligence, strict liability in tort, unjust enrichment and civil conspiracy related to the same underlying matters as the putative class actions above. The State of Arkansas is seeking injunctive relief, restitution, disgorgement, damages, civil penalties, punitive damages and suspension or revocation of our authorization to do business in Arkansas.

We have defended and intend to continue defending ourselves vigorously in the foregoing litigations. We filed a motion to dismiss the amended consolidated complaint and a ruling on the motion by the court is expected in early 2023. If our motion is denied in whole or in part (including on appeal), the case would move to class certification, which we intend to oppose. We are unable to determine at this time whether our motion to dismiss will be granted or whether a class can be certified. We do not believe that the cases will, individually or in the aggregate, have a material adverse effect on our business or financial condition. However, we cannot assure that these litigations, individually or in the aggregate, will not have a material adverse effect on our results of operations for the period or year in which they are reserved or resolved.

On March 1, 2022, a federal grand jury subpoena was issued to us by the Eastern District of Arkansas requesting the production of information, documents and records pertaining to pests, sanitation and compliance with law regarding certain of our procedures and products. In connection with this matter, we have been investigating the condition of FDA-regulated product shipped from DC 202. We are cooperating fully with the U.S. United States Department of Justice investigation, including having produced documents (the "DOJ") regarding a historical rodent issue at Family Dollar's West Memphis, Arkansas distribution center ("DC 202") and provided additional information. As part the related adulteration of products regulated by the FDA. Under this resolution, a Family Dollar subsidiary pled guilty to a one count misdemeanor violation of Title 21, United States Code, Sections 331(k), 333(a)(1) for causing FDA-regulated products to become adulterated and paid \$200,000 in fines and a forfeiture money judgment in the amount of \$41,475,000 to the United States. For a discussion of other impacts of this cooperation, we may engage in discussions resolution, see also "Our failure to comply with the government in an effort applicable law, or to reach a negotiated resolution. Due adequately respond to the inherent uncertainties associated with this matter, no assurance can be given as changes to

the timing such laws, could increase our expenses, expose us to legal risks or outcome of this matter, which could include penalties and company undertakings. otherwise adversely affect us" below.

Our products could also cause illness or injury, harm our reputation, and subject us to litigation. We are dependent on our vendors to ensure that the products we buy comply with all applicable safety standards. However, product liability, personal injury or other claims may be asserted against us relating to product adulteration, product tampering, mislabeling, recall and other safety issues with respect to the products that we sell, or with respect to our handling or storage of such products, including as a result of the issues raised by the pending Arkansas FDA Matter (which has products. Recent such matters have led to increased scrutiny of our operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses). A significant product liability, consumer fraud, or other legal judgment against us, a related regulatory compliance or enforcement action or a product recall could materially and adversely affect our reputation, financial condition and/or results of operations. Moreover, even if a product liability, consumer fraud or other claim is unsuccessful, has no merit or is not pursued, the negative publicity surrounding assertions against the products we sell could materially and adversely affect our reputation. We seek but may not be successful in obtaining contractual indemnification from our vendors, where appropriate, or insurance coverage, and if we do not have adequate contractual indemnification or insurance available, such claims could adversely affect our business, financial condition and/or results of operations. Our ability to obtain the benefit of contractual indemnification from vendors may be hindered by our ability to enforce contractual indemnification obligations against such vendors, for example because the vendors are overseas or lack financial resources. Our litigation-related expenses could increase as well, which also could have a materially negative impact on our financial condition and/or results of operations even if a claim is unsuccessful or is not fully pursued.

The outcome of such matters is often difficult to assess or quantify. Plaintiffs in these types of lawsuits or proceedings may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss may remain unknown for substantial periods of time. In addition, certain of these matters, if decided adversely to us or settled by us, may result in an expense that may be material to our consolidated financial statements as a whole or may negatively affect our operating results if changes to our business operations are required. If we experienced a material loss arising from these matters, we could also become subject to shareholder derivative suits and securities litigation. The cost to defend current and future litigation or proceedings, including arbitrations, may be significant. There also may be adverse publicity associated with litigation, including litigation related to product or food safety, customer information and environmental or safety requirements, which could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable.

For a discussion of current legal matters, please see "Item 3. Legal Proceedings" and Note 45 to our consolidated financial statements under the caption "Contingencies." Resolution of these matters, if decided against us, could have a material adverse effect on our results of operations, accrued liabilities or cash flows.

Changes in laws and government regulations or in other stakeholder expectations concerning business conduct, or our failure to comply with applicable law, or to adequately estimate the impact of respond to changes or expectations, laws, could increase our expenses, expose us to legal risks or otherwise adversely affect us.

Our business We operate in an increasingly regulated environment across a large and diverse geographic footprint, and we devote substantial resources to ensure effective compliance with numerous and frequently changing laws and regulations. The complexity of this regulatory environment and related compliance costs continue to increase due to additional legal and regulatory requirements, our expanding operations, and increased regulatory scrutiny and enforcement efforts. New or revised laws, regulations, orders, policies and related interpretations and enforcement practices, including product and food safety, marketing, labeling or pricing; information security and privacy; artificial intelligence; labor and employment; employee wages and benefits; health and workplace safety (including Occupational Safety and Health Administration rules); imports and customs; taxes; bribery; climate change; and environmental compliance, may significantly increase our expenses or require extensive system and operating changes that could materially increase our cost of doing business.

If our programs do not adequately anticipate regulatory expectations or requirements, or if we fail to appropriately design and maintain an effective enterprise compliance program and system of controls to prevent and detect non-compliance, including implementing and communicating a strong culture of compliance, there is subject a possibility any failure to a wide array of comply with applicable laws and regulations would subject us to enhanced legal risks and changes adverse outcomes. Violations of applicable laws and regulations or untimely or incomplete execution of a required product recall can result in significant penalties (including loss of licenses, eligibility to those accept certain government benefits such as SNAP or significant fines), class action or other litigation, governmental investigation or action and reputational damage. As part of our recent resolution of the DOJ investigation regarding DC 202, we agreed to implement improved internal controls, compliance codes, policies, and procedures, many of which were already underway or completed, and to make periodic reports to the DOJ for three years. The failure to properly manage our overall compliance program and fully comply with our obligations could adversely affect our ability to conduct business, result in significant fines and other penalties, damage our brand and reputation, and negatively impact our financial position and results of operations.

New laws and regulations could have an adverse effect on our business. For example, various municipalities regulate have begun regulating the placement or proximity of our stores or may place requirements on labor relations or the types of products we sell. In addition, the adoption of new environmental laws and regulations in connection with climate change and the proposed transition to a low carbon economy, including any federal or state laws enacted to regulate or tax greenhouse gas emissions, could significantly increase our operating or merchandise costs or reduce the demand for our products. These laws and regulations may include, but are not limited to, requirements relating to hazardous waste materials, recycling, single-use plastics, extended producer responsibility, use of refrigerants, carbon pricing or carbon taxes, product energy efficiency standards and product labeling. If carbon pricing or carbon taxes are adopted, there is a significant risk that the cost of merchandise from our suppliers will increase and adversely affect our business and results of operations.

In addition, significant changes in laws or regulations that impact our relationship with our workforce, such as minimum wage increases, health care, labor relations laws or workplace safety, could increase our expenses and adversely affect our operations. An increase in federal corporate tax rates also could adversely affect our profitability. Changes in other regulatory areas, such as consumer credit, privacy and information security, product and food safety, energy or environmental protection, and tariff and other trade restrictions, among others, could cause our expenses to increase or result in product recalls. Further,

Our business is subject to evolving disclosure requirements and expectations with respect to environmental, social and governance matters that could expose us to numerous risks.

Our business faces increasing public scrutiny related to social responsibility, climate change and other ESG practices. We risk damage to our brand and reputation, including risk to our plans for profitable growth, if we fail to comply act responsibly in a number of areas, such as worker safety and welfare, diversity and inclusion, environmental stewardship, support for local communities, and corporate governance and transparency. Adverse incidents could impact the value of our brand, the cost of our operations and relationships with applicable laws and regulations, including wage and hour laws, we could be subject to legal risk, including government enforcement action and class action civil litigation, associates, customers or investors, all of which could adversely affect our results business and results.

In addition, increasingly regulators, customers, investors, associates, and other stakeholders are focusing on ESG matters and related disclosures. These changing rules, regulations and stakeholder expectations have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations and expectations. For example, developing and acting on initiatives within the scope of operations.

ESG, and collecting, measuring, and reporting ESG-related information and metrics can be costly, difficult and time consuming and is subject to evolving reporting standards, including the SEC's proposed climate-related reporting requirements. We operate may also communicate certain initiatives and goals, regarding environmental matters, diversity, responsible sourcing and social investments and other ESG-related matters, in an increasingly regulated environment across our SEC filings or in other public disclosures. These initiatives and goals within the scope of ESG could be difficult and expensive to implement, the technologies needed to implement them may not be cost effective and may not advance at a large and diverse geographic footprint, sufficient pace, and we devote substantial resources could be criticized for the accuracy, adequacy, or completeness of the disclosure. Further, statements about our ESG-related initiatives and goals, and progress toward those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to ensure effective compliance, mature, and assumptions that are subject to change in the future. If we are unable to meet our programs do not adequately anticipate emerging regulatory ESG-related goals or evolving stakeholder expectations and industry standards, if our ESG-related data, processes and reporting are incomplete or requirements, inaccurate, or if we fail are perceived to have not responded appropriately design and maintain an effective enterprise compliance program and system of controls to prevent and detect non-compliance, including implementing and communicating a strong culture of compliance, there is a possibility any failure to comply with applicable laws and regulations would subject us to enhanced legal risks and adverse outcomes.

In addition to the legal requirements above, we are subject growing concern for ESG issues, consumers may choose to the influence of stop purchasing our products or purchase products from a wide range of non-governmental stakeholders whose expectations on topics related to those described above may impact competitor, and our business. We reputation, business or financial condition may be pressured by our shareholders, associates or customers, or others in the communities where we operate to adopt practices or policies that are more prescriptive than those required by law. Similar influences may impact our merchandise and other vendors which would indirectly affect our business. To the extent that these influences result in changes to our operations, we could experience higher costs, and there can be no assurance we will experience offsetting positive effects on our results of operations. If our stakeholders perceive that we have not adequately addressed their expectations, our reputation could be negatively affected which could have an adverse impact on our business and results of operations. adversely affected.

Risks Relating to Indebtedness and Our Common Stock

Our substantial indebtedness inability to access credit or capital markets, a downgrade of our credit ratings and/or increases in interest rates could adversely negatively affect our financial condition, limit our ability to obtain additional financing restrict our costs, results of operations and make us more vulnerable financial condition.

We rely on internally generated funds and borrowings under our credit facilities and commercial paper program to economic downturns fund our seasonal working capital requirements for existing and competitive pressures.

Our substantial level of indebtedness could adversely affect our ability to fulfill our obligations new stores, distribution network programs and have a negative impact on our financing options and liquidity position. As of January 28, 2023, our total indebtedness is \$3.45 billion. We may in the future incur substantial additional indebtedness other capital projects. In addition, we have \$1.5 billion \$3.45 billion of additional borrowing availability under senior notes outstanding as of February 3, 2024.

Our continued access to financial markets depends on multiple factors, including market conditions, our revolving operating performance and our credit facility, less amounts outstanding for letters ratings. Changes in the credit and capital markets, including as a result of credit totaling \$4.4 million.

In addition, financial market disruptions, rising interest rates, bank failures or other macroeconomic conditions, could increase the cost of financing or restrict our access to these potential sources of future liquidity. Further, our credit ratings impact the cost and availability of future borrowings and, accordingly, our cost of capital financing. Our ratings reflect the opinions of the ratings agencies of our financial strength, operating performance and ability to meet our debt obligations. There can be no assurance that we will achieve a particular rating or maintain a particular rating A downgrade in our credit ratings could limit our access to credit and capital markets, limit the future.

The terms of the institutions willing to provide credit facilities to us, result in more restrictive financial and other covenants in our debt agreements governing and would likely significantly increase our indebtedness may restrict our current overall financing costs and future operations, particularly our ability to respond to changes or to pursue our business strategies, and could adversely affect our capital resources, financial condition and liquidity, results of operations.

The agreements that govern our indebtedness contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests, including, among other things, restrictions on our ability to incur liens; make changes in lines of business, subject to certain exceptions; and consolidate or merge with or into, or sell all or substantially all of our assets to, another person.

In addition, certain of these agreements require us to comply with certain financial maintenance covenants. Our ability to satisfy these financial maintenance covenants can be affected by events beyond our control, and we cannot assure you that we will meet them.

A breach of the covenants under these agreements could result in an event of default under the applicable indebtedness, which, if not cured or waived, could result in us having to repay our borrowings before their due dates. Such default may allow the debt holders to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. If we are forced unable to refinance these borrowings access financial markets when needed, on less favorable terms or if we

were at all, whether to experience difficulty in refinancing the debt prior to maturity, fund our capital expenditures or working capital needs not satisfied by cash flows from operations, our results of operations or financial condition could be materially and adversely affected.

In addition, an event of default under our credit facilities may permit the lenders we have exposure to terminate all commitments to extend further credit. In the event our lenders or holders of notes accelerate the repayment of such borrowings, we cannot assure you that we will have sufficient assets to repay such indebtedness.

As a result of these restrictions, we may be limited in how we conduct our business; unable to raise additional debt financing to operate during general economic or business downturns; or unable to compete effectively, take advantage of new business opportunities or grow in accordance with our plans.

Our variable-rate indebtedness subjects us to interest rate risk, which could cause our annual debt service obligations to increase significantly.

Our revolving credit facility is subject to variable rates that expose us to interest rate risk. We may also incur additional indebtedness subject to variable rates in the future. Interest rates have increased in fiscal 2022 and further increases are anticipated. When future interest rates increase, our debt service obligations based on the variable rate indebtedness increase even though the amount borrowed remains the same, and our net income decreases. Although we may enter into interest rate swaps involving the exchange of floating for fixed-rate interest payments, to reduce interest rate volatility, we cannot assure you we will choose to or be able to do so.

Borrowings rates under our revolving credit facility bear and issuances under our commercial paper program and to the extent we raise additional debt in the capital markets to meet maturing debt obligations or otherwise. Significant and sustained increases in market interest at a rate derived from the Secured Overnight Financing Rate ("SOFR"). As a result of the discontinuation of LIBOR as a reference rate in June 2023, there is uncertainty as to whether the transition from LIBOR to SOFR or another reference rate will result in financial market disruptions or higher interest costs to borrowers, which rates could materially increase our interest expense financing costs and have an adverse effect on negatively impact our business and results of operations. Additionally, any successor rate to SOFR under our revolving credit facility may not have the same characteristics as SOFR or LIBOR. As a result, the amount of interest we may pay on our revolving credit facility is difficult to predict.

Risks Relating to Our Common Stock reported results.

Our business or the value of our common stock could be negatively affected as a result of actions by shareholders.

We value constructive input from investors and regularly engage in dialogue with our shareholders regarding strategy and performance. The Board of Directors and management team are committed to acting in the best interests of all of our shareholders. There is no assurance that the actions taken by the Board of Directors and management in seeking to maintain constructive engagement with our shareholders will be successful. Shareholders who disagree with our strategy or the way we are managed may seek to effect change in the future, through various strategies that could include private engagement, publicity campaigns, proxy contests, and litigation. Responding to these actions may be costly and time-consuming, disrupt our operations, divert the attention of our Board of Directors, management, and employees, associates, and impact our relationship with investors, vendors, and other third parties. Shareholder engagement also may result in changes to our business plans, operations, strategies, initiatives, governance, management, and risk factors. The perceived uncertainty as to our future direction resulting from these actions of shareholders could also affect the market price and volatility of our common stock.

The price of our common stock is subject to market and other conditions and may be volatile.

The market price of our common stock may fluctuate significantly in response to a number of factors. These factors, some of which may be beyond our control, include the perceived prospects and actual results of operations of our business; changes in estimates of our results of operations by analysts, investors or us; trading activity by our large shareholders; trading activity by sophisticated algorithms (high-frequency trading); our actual results of operations relative to estimates or expectations; actions or announcements by us or our competitors; litigation and judicial decisions; legislative or regulatory actions or changes; and changes in general economic or market conditions. In addition, the stock market in general has from time to time experienced extreme price and volume fluctuations. These market fluctuations could reduce the market price of our common stock for reasons unrelated to our operating performance.

Certain provisions in our Articles of Incorporation and By-Laws could delay or discourage a change of control transaction that may be in a shareholder's best interest.

Our Articles of Incorporation and By-Laws contain provisions that may delay or discourage a takeover attempt that a shareholder might consider in his/her best interest. These provisions, among other things:

- things, provide that only the Board of Directors, the chairman or vice chairman of the Board, the chief executive officer or shareholders who own 15% or more of the outstanding shares of our common stock may call special meetings of the shareholders;
- establish certain advance notice procedures for nominations of candidates for election as directors and for shareholder proposals to be considered at shareholders' meetings; and
- permit the Board of Directors, without further action of the shareholders, to issue and fix the terms of preferred stock, which may have rights senior to those of the common stock.

However, we believe that these provisions allow our Board of Directors to negotiate a higher price in the event of a takeover attempt which would be in the best interest of our shareholders.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We understand the importance of cybersecurity in maintaining the confidentiality, integrity, and availability of our systems and data. Our business operations leverage information technology infrastructure and third-party vendors and systems which makes us susceptible to various cyber threats. We have implemented a comprehensive cybersecurity risk management program to mitigate these risks and safeguard our assets.

We have measures in place to prevent, detect, and manage material risks from unauthorized access to our electronic information systems. These include various controls, technologies, and processes that protect confidential, proprietary, business and personal information that we collect, process, store, and transmit as part of our business operation.

We also consider cybersecurity, along with other business risks, within our enterprise risk management framework. Our assessment, identification and management of cybersecurity and data privacy risks are reported as part of our regular enterprise risk assessments, security audits and risk management programs. In addition, we leverage recognized consulting firms to conduct application security and penetration testing assessments annually. We also require employees with access to information systems, including all corporate employees, to undertake cybersecurity training and compliance programs annually.

Our cybersecurity program utilizes the National Institute of Standards and Technology framework along with risk-based analysis and judgment, to choose the most effective security controls to address potential risks. We consider various factors such as likelihood and severity of risk, impact on our organization and others if a risk materializes, feasibility and cost of controls, and the effects of controls on our operations and others.

Because we rely on third-party providers and platforms for many of our computer and technology systems and support, we use a variety of processes and tools to address cybersecurity threats related to the use of third-party technology and services, including pre-acquisition diligence, imposition of contractual obligations, and performance monitoring. As a part of our monitoring, we regularly obtain System Organization and Control Reports (SOC Reports) for key third-party financial systems.

As part of our overall strategic initiatives, we have made significant investments in internal and external resources to support and enhance our technology infrastructure over the next several years. As part of this technology transformation, we plan to continue growing our information security team, enhance our cyber response plan and data privacy policies and evolve our procedures around third-party risk management.

No material cybersecurity incidents occurred in fiscal 2023, but future incidents cannot be predicted. Additionally, in "[Item 1A. Risk Factors](#)" under the heading "Cybersecurity and Technology Risks," forward-looking cybersecurity threats that could have a material impact on our business are discussed. Those sections of Item 1A should be read in conjunction with this Item 1C.

Although we have operational safeguards in place, we still face significant risks from cybersecurity threats, as the number of cyberattacks targeting retailers and corporate networks grows, and the volume, intensity and sophistication of attempted attacks, intrusions, and threats from around the world increase daily. We (and third parties upon whom we rely) may be unable to implement security controls fully, continuously, and effectively as intended. As described above, we utilize a risk-based approach that focuses on proactively preventing security risks followed by prompt detection and containment of risks identified. Security controls, no matter how well designed or implemented, may only mitigate, and not fully eliminate risks. In addition, events, when detected by security tools or third parties, may not always be immediately understood or acted upon. If our technology systems, networks, or information are compromised by malicious software, ransomware, or other cyberattacks, we could lose critical data or confidential information of our customers, vendors or associates, experience disruptions in our ability to distribute and sell merchandise and manage inventories, incur substantial remediation costs and/or become subject to negative publicity, costly government actions or litigation.

Notwithstanding the deliberate approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. While we maintain cybersecurity insurance, the costs related to cybersecurity threats or disruptions may not be fully insured.

Governance

Our Audit Committee, which includes a member with cybersecurity experience, oversees our management of risks relating to information security and data privacy. At least semiannually, the Audit Committee is responsible for reviewing and discussing our risk exposures related to information security and data privacy with management. These management updates are designed to inform the Audit Committee of any potential risks relating to information security or data privacy and any relevant mitigation or remediation tactics being implemented. In addition, as part of our regular enterprise risk management assessments, cybersecurity risks are reported to and assessed by the Enterprise Risk Committee, comprised of senior leadership from key business functions.

To more effectively prevent, detect and respond to information security threats, we have a dedicated Chief Information Security Officer ("CISO") whose team is responsible for our overall information security, cyber risk, and business continuity. The CISO brings over 25 years of extensive experience in information technology and information security and serves as the designated executive leader for cyber or data-related incident response activities. Our CISO's experience includes leading cybersecurity programs for Fortune 100 companies.

In addition to the CISO, the Chief Information Officer and Chief Legal Officer are responsible for overseeing risks related to cybersecurity and data privacy. Our Chief Information Officer's experience includes more than 25 years of leading all information technology strategies and operations and oversight of IT systems for various Fortune 100 companies, and our Legal Department has personnel specializing in data privacy and cybersecurity who assist our team in assessing and managing cybersecurity risks.

We have a Cybersecurity Incident Response Plan that is integrated into our crisis management program. The plan provides protocols for evaluating and responding to cybersecurity incidents, including incident disclosure and reporting, notification to senior management and relevant committees, and meeting external reporting obligations. The plan is reviewed and updated regularly by our CISO and Chief Legal Officer to ensure its continued effectiveness. We recently performed tabletop exercises where we performed walkthroughs of cyber incident situations to test our response plan. We plan to continue testing on a periodic basis going forward.

Item 2. Properties

As of [January 28, 2023](#) [February 3, 2024](#), we operated [16,096](#) [16,526](#) stores across the contiguous United States and the District of Columbia and operated [244](#) [248](#) stores within five Canadian provinces.

The Dollar Tree segment includes 8,134 stores operating under the Dollar Tree and Dollar Tree Canada brands with stores predominantly ranging from 8,000 - 10,000 selling square feet. The Family Dollar segment includes 8,206 stores operating under the Family Dollar brand with stores predominantly ranging from 6,000 - 8,000 selling square feet. For additional information on store counts and square footage by segment for the years ended January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023, see "[Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)" under the caption "Overview."

We lease the vast majority of our stores and expect to lease the majority of our new stores as we expand. Our leases typically provide for a short initial lease term, generally between five and ten years, with options to extend; in some cases we have initial lease terms of up to fifteen years. We believe this leasing strategy enhances our flexibility to pursue various expansion opportunities resulting from changing market conditions. As current leases expire, we believe that we will be able to obtain lease renewals, if desired, for present store locations, or to obtain leases for equivalent or better locations in the same general area.

Our network of distribution centers is strategically located throughout the United States to support our stores. As of January 28, 2023 February 3, 2024, we operated 25 distribution centers in the United States occupying a total of 23.2 million square feet, 15 of which are primarily dedicated to serving our Dollar Tree stores and ten distribution centers primarily of which serve our Family Dollar stores. We expect future distribution centers to be built with the capability to service both Dollar Tree and Family Dollar stores. Our distribution network supports multiple store formats including H2, Combo Stores and Dollar Tree Plus. We ship to our H2 format stores from our Family Dollar distribution centers and we ship to our Dollar Tree Plus format stores from our Dollar Tree distribution centers. Our Combo Stores receive shipments from both Dollar Tree and Family Dollar distribution centers. Except for 0.4 million square feet of our distribution center in San Bernardino, California and short-term leases for offsite facilities, all of our distribution center capacity is owned.

Each of our distribution centers contains use advanced materials material handling technologies, including radio-frequency equipment, warehouse management systems, and radio frequency to track our inventory tracking equipment and specialized information systems. ensure efficient operations. With the exception of three of our facilities, each of our distribution centers in the United States also contains automated conveyor and sorting systems. Significant investments are underway to improve climate control conditions in our distribution centers.

Distribution services in Canada are provided by a third party from facilities in British Columbia and Ontario.

Our store support center in Chesapeake, Virginia is located in an approximately 0.5 million square foot office tower that we own.

For more information on financing of our new, expanded and renovated stores, and distribution centers, see "[Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)" under the caption "Funding Requirements."

Item 3. Legal Proceedings

From time to time, we have been involved in litigation and other proceedings, including matters related to commercial disputes, as well as trade, regulatory and other claims related to our business. For information regarding legal proceedings in which we are involved, please see [Note 15](#) to the our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, under the caption "Contingencies." For a further description of certain of these matters and their impact, see "[Item 1A. Risk Factors](#)". "We may stop selling or recall certain products for safety-related or other issues" on page 12 and "Litigation, arbitration and government Legal proceedings may adversely affect our reputation, business, financial condition and/or results of operations" on page 17. "Our failure to comply with applicable law, or to adequately respond to changes to such laws, could increase our expenses, expose us to legal risks or otherwise adversely affect us" on page 19.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on The Nasdaq Global Select Market® under the symbol "DLTR." As of March 3, 2023 March 18, 2024, we had 2,125 shareholders of record.

Issuer Purchases of Equity Securities

During fiscal 2022, fiscal 2021 and fiscal 2020, we repurchased 4,613,696, 9,156,898 and 3,982,478 We periodically repurchase shares of our common stock respectively, on under share repurchase programs authorized by our Board of Directors. Under the existing Board repurchase authorization, we may repurchase up to \$2.5 billion of our common stock in open market at a total cost of \$647.5 million, \$950.0 million and \$400.0 million, respectively. The fiscal 2022 share repurchases occurred prior to the fourth quarter. As of January 28, 2023, we had \$1.85 billion remaining under our Board repurchase authorization. or privately negotiated transactions with financial institutions. The repurchase authorization does not have an expiration date.

We repurchased 3,905,599, 4,613,696 and 9,156,898 shares of common stock on the open market at a cost of \$504.3 million, \$647.5 million and \$950.0 million in fiscal 2023, fiscal 2022 and fiscal 2021, respectively. The fiscal 2023 share repurchases occurred prior to the fourth quarter and the cost incurred includes the applicable excise tax. As of February 3, 2024, we had \$1.35 billion remaining under our existing \$2.5 billion Board repurchase authorization.

Stockholder Matters

We anticipate that substantially all of our cash flow from operations in the foreseeable future will be retained for the development and expansion of our business, the repayment of indebtedness and, as authorized by our Board of Directors, the repurchase of stock. We do not anticipate paying cash dividends on our common stock in the foreseeable future, fiscal 2024.

Stock Performance Graph

The following graph sets forth the yearly percentage change in the cumulative total shareholder return on our common stock during the five fiscal years ended January 28, 2023 February 3, 2024, compared with the cumulative total returns of the S&P 500 Index and the S&P 500 Retailing Consumer Discretionary Distribution & Retail Index. The comparison assumes that \$100 was invested in our common stock on February 3, 2018, and in each of the foregoing indices at the market close on February 3, 2018 the last trading day of the fiscal year ended February 2, 2019, and that dividends were reinvested. The stock price performance shown in the graph is not necessarily indicative of future price performance.

 5 Year Cumulative Total Return.jpg

		Year Ended						
		January						
		February 3, 2018	February 2, 2019	February 1, 2020	February 29, 2021	January 29, 2022	January 28, 2023	January 28, 2024
Dollar Tree, Inc.	Dollar Tree, Inc.	\$100.00	\$ 88.84	\$ 80.01	\$93.41	\$118.06	\$138.17	
S&P 500 Index	S&P 500 Index	100.00	97.69	118.87	139.37	171.83	157.71	
S&P 500 Retailing Index	S&P 500 Retailing Index	100.00	108.42	127.45	180.19	195.77	160.10	
S&P 500 Consumer Discretionary Distribution & Retail Index								

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This section of Form 10-K generally discusses 2022 fiscal 2023 and 2021 fiscal 2022 events and results, and year-to-year comparisons between 2022 fiscal 2023 and 2021 fiscal 2022. Discussions of 2020 fiscal 2021 items and year-to-year comparisons between 2021 fiscal 2022 and 2020 fiscal 2021 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended January 29, 2022 January 28, 2023.

In Management's Discussion and Analysis, we explain the general financial condition and the results of operations for our company, including, factors that affect our business, analysis of annual changes in certain line items in the consolidated financial statements, performance of each of our operating segments, expenditures incurred for capital projects and sources of funding for future expenditures. As you read Management's Discussion and Analysis, please refer to our consolidated financial statements and related notes, included in "[Item 8. Financial Statements and Supplementary Data](#)" of this Form 10-K.

Initiatives and Recent Developments

Our initiatives, as well as other recent developments that have had or are expected to have an impact on our business or results of operations are listed below:

• **Dollar Tree**

- In September 2021, we announced our new \$1.25 price point initiative and we completed the rollout of this initiative to all Dollar Tree stores during the first quarter of fiscal 2022, increasing the price point on a majority of our \$1 merchandise to \$1.25. To date, the increase in the price point has more than offset the decline in the number of units sold. During fiscal 2022, we began investing in new products and modifying existing products to provide greater value for our

customers and increase customer traffic and store productivity. While our gross margin was higher in the fourth quarter of fiscal 2022 compared with the fourth quarter of fiscal 2021, because of the investments in new products, the increase was not as high as it was in the first three quarters of fiscal 2022 and we expect Dollar Tree's gross margin to be lower in the first half of fiscal 2023.

- We began testing the Instacart online delivery service at Dollar Tree stores in the third quarter of fiscal 2021 and began rolling it out in the fourth quarter of fiscal 2021. As of January 28, 2023, the Instacart platform covers more than 7,800 Dollar Tree stores. This enables our customers to shop online and receive same-day delivery without having to visit a store.
- In fiscal 2022, we continued to implement our Dollar Tree *Plus* initiative which introduces products priced at the \$3 and \$5 price points and provides our customers with extraordinary value in discretionary categories. As of January 28, 2023, we have approximately 2,500 Dollar Tree *Plus* stores. We plan to accelerate the implementation of the Dollar Tree *Plus* initiative in fiscal 2023 by adding the concept to an additional 1,800, or more, stores. In addition, beginning in fiscal 2022, we added \$3, \$4 and \$5 frozen and refrigerated product to 3,500 stores.
- The rollout of our Crafter's Square initiative to all of our Dollar Tree stores was completed during fiscal 2020. The Crafter's Square assortment carries mark-ups which are higher than our average mark-up.

• Family Dollar

- In fiscal 2022, we continued to implement our H2 initiative. Our H2 stores have significantly improved merchandise offerings throughout the store, including the addition of Dollar Tree \$1.25 merchandise items and establishing a minimum number of freezer and cooler doors. These stores have higher customer traffic and provide a higher average comparable store net sales lift, when compared to non-renovated stores, in the first year following renovation. H2 stores perform well in a variety of locations and especially in locations where our Family Dollar stores have been most challenged in the past. As of January 28, 2023, we have approximately 4,360 H2 stores.
- Building on the success of the H2 format, in March 2021, we announced the development of a new combination store format. Combo Stores leverage the strengths of the Dollar Tree and Family Dollar brands under one roof to serve small towns across the country. We are taking Family Dollar's great value and assortment and blending in select Dollar Tree merchandise categories, creating a new store format targeted for small towns and rural communities with populations of 3,000 to 4,000 residents. As of January 28, 2023, we operated approximately 810 Combo Stores.
- After a successful pilot program in 2020, we entered into a partnership with Instacart in February 2021, which covers more than 7,500 Family Dollar stores across the United States as of January 28, 2023.
- We added adult beverage to approximately 570 stores in fiscal 2022. We believe the addition of adult beverage to our assortment drives traffic to our stores. As of January 28, 2023, there were more than 3,300 stores selling adult beverage products.

- On February 11, 2022, the Food and Drug Administration issued Form 483 observations primarily regarding rodent infestation at our West Memphis, Arkansas distribution center ("DC 202"), as well as other items that require remediation. During the first quarter of fiscal 2022, approximately 400 stores serviced by DC 202 were temporarily closed in connection with a retail-level product recall. We incurred approximately \$65.0 million in costs related to the product recall, remediation efforts and asset impairment during fiscal 2022. Remediation-related costs included merchandise disposal costs, payroll and legal costs.

• Strategic Investments

Building on our current initiatives, we are currently developing plans to make additional multi-year strategic investments across both banners to further position the company for long-term sustained growth. We anticipate that these investments will relate to four key areas of our business: our associates, our distribution center network and supply chain, our product pricing and value proposition, and our technology infrastructure. Within these areas, the focus of these investments is expected to be on associate wages, improved store execution, enhanced safety and working conditions, increased supply chain efficiencies, competitive pricing at Family Dollar, and enhancements to our systems infrastructure.

• Supply Chain

- **Inventory:** During fiscal 2021, we experienced significant disruptions in our supply chain which impacted our ability to ship products from overseas on a timely basis. During the second and third quarters of fiscal 2022 these challenges subsided; however, as a result of receiving inventory more timely, our inventory levels exceeded the storage capacity of some of our distribution centers. As a result, we arranged for temporary offsite warehouse storage facilities and incurred detention costs and incremental drayage costs that increased our cost of goods sold.
- **Freight Costs:** We experienced significantly higher international and domestic freight costs as a result of disruptions in the global supply chain during the second half of fiscal 2021 and into the first half of fiscal 2022. Domestically, diesel fuel prices were higher in fiscal 2022 than in the prior year and may increase further in fiscal 2023 because of international tensions. We are a large importer of merchandise from Asia and rely heavily on domestic freight to transport goods to our distribution centers and stores, which makes us particularly sensitive to freight costs. Due to these trends, in fiscal 2022, import and domestic freight costs were higher compared to fiscal 2021; however, we expect freight costs to be lower in fiscal 2023 compared with fiscal 2022.

• Long-term Debt

- During the fourth quarter of 2021, we completed the registered offering of \$800.0 million of 2.65% Senior Notes due 2031 and \$400.0 million of 3.375% Senior Notes due 2051 and used the proceeds of the offering to redeem the \$1.0 billion 2023 Notes, which resulted in our incurring a \$43.8 million prepayment penalty, and we accelerated the expensing of \$2.7 million of deferred financing and original issue discount costs associated with the 2023 Notes;
- During the fourth quarter of 2021, we entered into a credit agreement for a \$1.5 billion revolving credit facility, which replaced our then-existing \$1.25 billion revolving credit facility.

For additional information regarding the risks related to our business and operations, including risks relating to the implementation of our initiatives, see "[Item 1A. Risk Factors](#)."

Overview

We are a leading operator of more than 16,300 16,700 retail discount stores and we conduct our operations in through two reporting segments. Our Dollar Tree segment is the leading operator of discount variety stores offering merchandise predominantly at the fixed opening price point of \$1.25. \$1.25, with additional offerings at \$3, \$4 and \$5 price points. Our Family Dollar segment operates general merchandise retail discount stores providing consumers with a selection of competitively-priced merchandise in convenient neighborhood stores.

Our net sales are derived from the sale of merchandise. Two major factors tend to affect our net sales trends. First is our success at opening new stores. Second is the performance of stores once they are open which can be impacted by a number of factors including operational performance, competition, inflation and changes in the product assortment, pricing, or quality. Sales vary at our existing stores from one year to the next. We refer to this as a change in comparable store net sales, because we include only those stores that are open throughout both of the periods being compared, beginning after the first fifteen months of operation. We include sales from stores expanded, **relocated** or remodeled during the year in the calculation of comparable store net sales, which has the effect of increasing our comparable store net sales. **The term 'expanded' also includes stores that are relocated.** Stores that have been re-bannered (i.e., Family Dollar stores converted to Dollar Tree stores, or vice versa) are considered to be new stores and are not included in the calculation of the comparable store net sales change until after the first fifteen months of operation under the new brand. **Sales that are excluded from the calculation of comparable store net sales are referred to as non-comparable store sales and consist of sales from new stores open fifteen months or less and stores that are closed permanently or expected to be closed for more than 90 days.**

Annual Results

Financial highlights for the fiscal year ended February 3, 2024, as compared to the fiscal year ended January 28, 2023, include:

- Net sales increased 8.0% to \$30,581.6 million, due to a 4.6% enterprise-wide comparable store net sales increase and net sales of \$1,184.5 million at non-comparable stores. The 53rd week in fiscal 2023 accounted for \$559.3 million of the total net sales increase.
 - Gross profit increased 4.3% to \$9,309.6 million as a result of our net store growth and the 53rd week. Gross profit, as a percentage of net sales, decreased 110 basis points to 30.4%, primarily due to higher shrink, distribution and markdown costs, partially offset by lower freight costs and occupancy costs. Excluding \$86.2 million of distribution and markdown costs related to the store portfolio optimization review, gross profit, as a percentage of net sales, decreased 80 basis points.
 - Selling, general and administrative expenses increased \$3,514.5 million or 52.5%, primarily due to a \$1,069.0 million non-cash goodwill impairment charge, a \$950.0 million non-cash trade name impairment charge, a \$503.9 million non-cash store asset impairment charge, and \$56.7 million in DC 202-related litigation charges. Selling, general and administrative expenses, as a percentage of total revenues, increased 980 basis points to 33.4%. Excluding the impairment and litigation charges noted above, selling, general and administrative expenses, as a percentage of total revenues, increased 125 basis points primarily due to higher store-based payroll expenses, unfavorable development of general liability claims, and higher repairs and maintenance expenses.
 - Operating income (loss) was (\$881.8) million and as a percentage of total revenues, decreased 1,080 basis points to (2.9%) primarily due to the current year impairments and litigation charges noted above. Excluding the impairments and litigation charges, the operating income (loss), as a percentage of total revenues, decreased 210 basis points.
 - The effective tax rate decreased to (1.0)% compared to 23.5% in the prior year primarily due to the current year goodwill impairment charge which is not tax deductible.
 - Net income (loss) was (\$998.4) million, or (\$4.55) per diluted share, compared to \$1,615.4 million, or \$7.21 per diluted share.

At January 28, 2023 February 3, 2024, we operated stores in 48 states and the District of Columbia, as well as stores in five Canadian provinces. The average size of stores opened in fiscal 2023 was approximately 9,300 selling square feet for the Dollar Tree segment and 9,360 selling square feet for the Family Dollar segment. A breakdown of store counts and square footage by segment for the years ended January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023 is as follows:

Year Ended									
January 28, 2023					January 29, 2022				
Store Count:	Dollar Tree			Family Dollar		Dollar Tree			Family Dollar
	Tree	Dollar	Total	Tree	Dollar	Total	Tree	Dollar	Total
Year Ended					Year Ended				
February 3, 2024					February 3, 2024		January 28, 2023		
Store Count:	Dollar Tree					Dollar Tree	Family Dollar	Total	Dollar Tree
	Store	Count:							Family Dollar
Beginning									
Beginning									
Beginning	Beginning	8,061	8,016	16,077	7,805	7,880	15,685		
New stores	New stores	131	333	464	311	225	536		
Re-bannered stores	Re-bannered stores	(5)	9	4	1	(1)	—		

Closings	Closings	(53)	(152)	(205)	(56)	(88)	(144)
Ending	Ending	8,134	8,206	16,340	8,061	8,016	16,077
Relocations	Relocations	28	92	120	56	68	124
Selling	Selling						
Square Feet	Square Feet						
(in millions):	(in millions):						
Selling Square Feet (in millions):							
Selling Square Feet (in millions):							
Beginning							
Beginning							
Beginning	Beginning	69.7	59.2	128.9	67.4	57.7	125.1
New stores	New stores	1.1	3.1	4.2	2.7	2.0	4.7
Re-bannered stores	Re-bannered stores	—	0.1	0.1	—	—	—
Closings	Closings	(0.4)	(1.1)	(1.5)	(0.5)	(0.6)	(1.1)
Relocations	Relocations	0.1	0.3	0.4	0.1	0.1	0.2
Ending	Ending	70.5	61.6	132.1	69.7	59.2	128.9

Stores are included as re-banners when they close or open, respectively.

The average size of stores opened in 2022 was approximately 8,660 selling square feet (or about 10,710 gross square feet) for the Dollar Tree segment and 9,160 selling square feet (or about 11,210 gross square feet) for the Family Dollar segment. For fiscal 2023, we initiated a comprehensive store portfolio optimization review, including identifying stores as candidates for closure, re-banning, or relocation. See the "Strategic Initiatives and Recent Developments" section below and Note 16 to plan to open stores that are 8,000 - 10,000 selling square feet (or about 10,000 - 12,000 gross square feet) our consolidated financial statements for both additional detail.

Fiscal 2023 ended on February 3, 2024 and included 53 weeks, commensurate with the Dollar Tree segment and the Family Dollar segment. We believe that these size stores are retail calendar. The 53rd week in the ranges of our optimal sizes operationally and give our customers a shopping environment which invites them to shop longer, buy more and make return visits.

Fiscal 2023 added approximately \$559.3 million in sales. Fiscal 2022 and fiscal 2021 which ended on January 28, 2023 and fiscal 2020 January 29, 2022, respectively, each included 52 weeks.

The percentage change in comparable store net sales for the fiscal year ended January 28, 2023 February 3, 2024, as compared with the preceding year, is as follows:

Year Ended January 28, 2023							
		Change in Sales	Change in Customer Traffic	Average Ticket			
		Sales Growth	Customer Traffic	Average Ticket			
Consolidated	Consolidated	5.9 %	(2.7) %	8.9 %	Consolidated	4.6 %	5.4 %
Dollar Tree Segment	Dollar Tree Segment	9.0 %	(3.9) %	13.4 %	Dollar Tree Segment	5.8 %	7.4 %
Family Dollar Segment	Family Dollar Segment	2.4 %	(1.0) %	3.4 %	Family Dollar Segment	3.2 %	2.5 %
Year Ended February 3, 2024							
		Sales Growth	Change in Customer Traffic	Change in Average Ticket			
Consolidated	Consolidated	4.6 %	5.4 %	(0.8) %			
Dollar Tree Segment	Dollar Tree Segment	5.8 %	7.4 %	(1.5) %			
Family Dollar Segment	Family Dollar Segment	3.2 %	2.5 %	0.7 %			

Comparable store net sales are positively affected by our expanded, relocated and remodeled stores, which we include in the calculation, and are negatively affected when we open new stores, re-banner stores or expand stores near existing stores.

Net sales per selling square foot is calculated based on total net sales for the preceding 12 months as of the end of the reporting period divided by the average selling square footage during the period. Selling square footage excludes the storage, receiving and office space that generally occupies approximately 20% of the total square footage of our stores. We believe that net sales per selling square foot more accurately depicts the productivity and operating performance of our stores as it reflects the portion of our footprint that is dedicated to selling merchandise. Net sales per selling square foot for the 53 weeks ended February 3, 2024 and the 52 weeks ended January 28, 2023 and January 29, 2022 is as follows:

The 53rd week in fiscal 2023 contributed \$4 to the total net sales per selling square foot. See our "Strategic Initiatives and Recent Developments" below for more information on the initiatives that are driving our comparable store net sales growth and net sales per selling square foot growth.

Strategic Initiatives and Recent Developments

We continue to execute on a number of strategic initiatives across the Dollar Tree and Family Dollar banners to drive productive sales growth, improve operating efficiency, invest in technology, and expand our culture of service to our associates. These initiatives include, among others, the following:

Dollar Tree Merchandising. We continue to expand our brand assortment at the \$1.25 price point to provide greater value to our customers and increase customer traffic and store productivity. We are continuing to expand our multi-price product assortment, which began with the introduction of \$3 and \$5 Dollar Tree Plus product in select discretionary categories, expanded into \$3, \$4 and \$5 frozen and refrigerated product, and now comprises a wide assortment of other consumable and discretionary product. We are currently taking actions to improve operating efficiencies and prepare for expanded multi-price products within our stores, including raising shelf heights, implementing space productivity, and rightsizing assortments.

Family Dollar Merchandising and Store Portfolio Optimization Review. Our store design initiatives at Family Dollar provide significantly improved merchandise offerings and establish a minimum number of cooler doors. We tailor space and assortment to local demographics with emerging formats including H2.5, our primary store format with optimized layout and expanded frozen and refrigerated doors; larger rural stores where assortments may include Dollar Tree product; and XSB (Extra Small Box), which adds elements of H2.5 optimized to our smaller stores, particularly in urban markets. As of February 3, 2024, we have more than 1,890 stores across these three formats.

Across all of Family Dollar's formats we are expanding our SKUs, continuing to add cooler doors, increasing our standard shelf profile, and implementing planogram and category resets. We continue to introduce new private brands at Family Dollar, convert control brands to private brands and align our "Family" brand message across key categories.

Additionally, during the fourth quarter of fiscal 2023, we announced that we had initiated a comprehensive store portfolio optimization review which involved identifying stores for closure, relocation or re-banning based on an evaluation of current market conditions and individual store performance, among other factors. As a result of this portfolio optimization review, we plan to close approximately 970 underperforming Family Dollar stores, including approximately 600 stores to be closed in the first half of fiscal 2024, and approximately 370 stores to be closed at the end of each store's current lease term. Additionally, we identified approximately 30 underperforming Dollar Tree stores for closure and plan to close each store at the end of the store's current lease term.

In connection with the store portfolio optimization review, we incurred \$503.9 million of non-cash impairment charges which are included in "Selling, general and administrative expenses" within the accompanying Consolidated Statements of Operations, comprised of \$152.2 million of property, plant and equipment impairment charges and \$351.7 million of operating lease right-of-use asset impairment charges. In addition, we recorded \$80.6 million of inventory markdowns and \$5.6 million of capitalized distribution cost impairment within "Cost of sales" in the accompanying Consolidated Statements of Operations for the stores expected to close in the first half of fiscal 2024. We also incurred \$4.3 million in third party consulting fees related to the portfolio optimization review which are included in "Selling, general and administrative expenses" within the accompanying Consolidated Statements of Operations. See **Note 16** to our consolidated financial statements for more information.

Our Workforce & Our Workplace. Across both of our banners, we are investing in our talent, including initiatives to provide competitive pay and benefits, enhanced training, and attractive career opportunities to deliver an enhanced associate experience, reduce turnover, and improve our store standards and efficiencies and ultimately the customer experience. Additional initiatives include projects to optimize and modernize our stores, with a focus on improving store appearance, delivering consistent experiences across all stores, and driving positive sales trends.

Supply Chain Optimization. Our supply chain initiatives include enhancing our distribution and transportation network, including investments in our trucking fleet, transportation management systems, a new distribution center with enhanced automation to improve efficiency, and a new RotaCart delivery process to streamline the truck unloading and store delivery process. Significant investments are also underway to improve climate control conditions in our distribution centers.

Technology Investment. We continue our multi-year plan for significant investment in our technology across our business, including our store network and point-of-sale, merchandising and supply chain. We believe these improvements can promote operational efficiencies and deliver an elevated customer experience.

Results of Operations

Our results of operations and year-over-year changes are discussed in the following section. Note that gross profit margin is calculated as gross profit (i.e., net sales less cost of sales) divided by net sales. The selling, general and administrative expense rate, and operating income (loss) margin and net income (loss) margin are calculated by dividing the applicable amount by total revenue. Basis points, as referred to below, are a percentage of net sales for expense categories within gross profit, and are a percentage of total revenue for all other expense categories. A 100 basis point increase equals 1.00% and a 1 basis point increase equals 0.01%.

The following table contains results of operations data for the years ended February 3, 2024, January 28, 2023 and January 29, 2022:

(in millions, except percentages)	Year Ended		
	February 3, 2024	January 28, 2023	January 29, 2022
Revenues			
Net sales	\$ 30,581.6	\$ 28,318.2	\$ 26,309.8
Other revenue	22.2	13.5	11.4
Total revenue	30,603.8	28,331.7	26,321.2
Expenses			
Cost of sales	21,272.0	19,396.3	18,583.9
Selling, general and administrative expenses, excluding			
Goodwill impairment	9,144.6	6,699.1	5,925.9
Goodwill impairment	1,069.0	—	—
Selling, general and administrative expenses	10,213.6	6,699.1	5,925.9
Operating income (loss)	(881.8)	2,236.3	1,811.4
Interest expense, net	106.8	125.3	178.9
Other expense, net	0.1	0.4	0.3
Income (loss) before income taxes	(988.7)	2,110.6	1,632.2
Provision for income taxes	9.7	495.2	304.3
Net income (loss)	\$ (998.4)	\$ 1,615.4	\$ 1,327.9
Gross profit margin	30.4 %	31.5 %	29.4 %
Selling, general and administrative expense rate	33.4 %	23.6 %	22.5 %
Operating income (loss) margin	(2.9)%	7.9 %	6.9 %
Interest expense as a percentage of total revenue	0.3 %	0.4 %	0.7 %
Income (loss) before income taxes as percentage of total revenue	(3.2)%	7.4 %	6.2 %
Effective tax rate	(1.0)%	23.5 %	18.6 %
Net income (loss) margin	(3.3)%	5.7 %	5.0 %

Net Sales

	Year Ended			Fiscal 2022 vs. Fiscal 2021	Year Ended			Fiscal 2023 vs. Fiscal 2022	
	January 28, 2023				January 29, 2022				
	(dollars in millions)	(dollars in millions)	2023	2022	2021	Fiscal 2022 vs. Fiscal 2021	(dollars in millions)		
Net sales	Net sales	\$ 28,318.2	\$ 26,309.8	\$ 25,508.4	2021	Fiscal 2022 vs. Fiscal 2021	Net sales	February 3, 2024 \$ 30,581.6	
Comparable store net sales change	Comparable store net sales change	5.9 %	1.1 %	6.0 %			January 28, 2023 \$ 28,318.2	January 28, 2023 \$ 28,318.2	
							January 29, 2022 \$ 26,309.8	January 29, 2022 \$ 26,309.8	
							8.0	8.0 %	

The increase in net sales from 2021 fiscal 2022 to 2022 fiscal 2023 was a result of the comparable store net sales increases in the Dollar Tree and Family Dollar segments, and net sales of \$758.6 million at new non-comparable stores. The 53rd week in fiscal 2023 accounted for \$559.3 million of the total net sales increase.

Enterprise comparable store net sales increased 5.9% 4.6% in 2022, fiscal 2023, as a result of an 8.9% a 5.4% increase in average ticket, customer traffic, partially offset by a 2.7% 0.8% decrease in customer traffic, average ticket. This increase is based on a 53-week comparison for both periods. Comparable store net sales increased 9.0% 5.8% in the Dollar Tree segment and increased 2.4% 3.2% in the Family Dollar segment.

Gross Profit

			Year Ended			Percentage Change		Year Ended			Percentage Change	
			January 28,	January 29,	January 30,	Fiscal 2022 vs. Fiscal 2021	Fiscal 2023 vs. Fiscal 2022				Percentage Change	
(dollars in millions)	(dollars in millions)	2023	2022	2021	Fiscal 2022 vs. Fiscal 2021	(dollars in millions)	February 3, 2024	January 28, 2023	January 29, 2022	Fiscal 2023 vs. Fiscal 2022	Percentage Change	
Gross profit	Gross profit	\$8,921.9	\$7,725.9	\$7,787.4	Fiscal 2022 vs. Fiscal 2021	Gross profit	\$ 9,309.6	\$ \$ 8,921.9	\$ \$ 7,725.9	4.3	4.3 %	
Gross profit margin	Gross profit margin	31.5 %	29.4 %	30.5 %	2.1 % margin	Gross profit margin	30.4 %	31.5 %	29.4 %	(1.1)	%	

The **increase** **decrease** in gross profit margin from **2021** **fiscal 2022** to **2022** **fiscal 2023** was a result of the net of the following:

- Shrink costs increased approximately 55 basis points primarily due to unfavorable physical inventory results.
- Distribution costs increased approximately 40 basis points primarily due to a higher amount of costs capitalized during the prior year resulting from increasing inventory levels in both the Dollar Tree and Family Dollar segments during that period, and higher distribution center payroll costs recognized during the current year in the Dollar Tree segment.
- Merchandise cost, which includes freight, **decreased** **255** **increased** **approximately** **30** **basis** **points** **resulting** **primarily** **from** **due** **to** **re-investment** **in** **value-product** **assortments** **during** **the** **current** **year** **after** **transitioning** **to** **the** **\$1.25** **price** **point** **during** **the** **prior** **year** **at** **Dollar** **Tree**, **and** **cost** **increases** **due** **to** **inflation**; **as** **well** **as** **higher** **initial** **mark-on**, **partially** **offset** **by** **higher** **freight** **costs** **and** **increased** **sales** **of** **lower** **margin** **consumable** **merchandise**, **partially** **offset** **by** **lower** **freight** **costs**.
- Markdowns increased approximately 15 basis points primarily due to \$80.6 million of inventory reserves for the approximately 600 Family Dollar stores that are projected to close in the first half of fiscal 2024 as a result of the store portfolio optimization review. This increase was partially offset by increased markdown allowances on the Family Dollar **segment** segment and higher clearance markdowns during the prior year on the Dollar Tree segment in connection with the transition to a higher value assortment at the \$1.25 price point.
- Occupancy costs decreased approximately 30 basis points **due** **to** **leverage** **from** **the** **comparable** **store** **net** **sales** **increase**.
- Distribution costs decreased 5 basis points **primarily** **due** **to** **leverage** **from** **the** **comparable** **store** **net** **sales** **increase** **and** **higher** **capitalized** **amounts** **resulting** **leverage** **from** **increases** **the** **53rd** **week** **of** **sales** **in** **inventory** **levels**, **partially** **offset** **by** **higher** **maintenance** **and** **compliance** **costs** **and** **higher** **hourly** **wages** **in** **our** **distribution** **centers**, **the** **current** **year**.
- Shrink costs increased 30 basis points **resulting** **from** **We** **expect** **continued** **pressure** **on** **gross** **profit** **margin** **due** **to** **unfavorable** **inventory** **shrink** **results** **in** **relation** **to** **accruals**.
- Markdown costs increased 45 basis points primarily due to higher promotional and clearance markdowns on the Family Dollar segment and higher clearance markdowns resulting from a move to a higher value assortment at the \$1.25 price point on the Dollar Tree segment **near term**.

Selling, General and Administrative Expenses

			Year Ended			Percentage Change		Year Ended			Percentage Change	
			January 28,	January 29,	January 30,	Fiscal 2022 vs. Fiscal 2021	Fiscal 2023 vs. Fiscal 2022					
(dollars in millions)	(dollars in millions)	2023	2022	2021	Fiscal 2022 vs. Fiscal 2021	(dollars in millions)	February 3, 2024	January 28, 2023	January 29, 2022	Fiscal 2023 vs. Fiscal 2022	Percentage Change	
Selling, general and administrative expenses	Selling, general and administrative expenses	\$6,699.1	\$5,925.9	\$5,900.4	Fiscal 2022 vs. Fiscal 2021	Selling, general and administrative expenses	\$10,213.6	\$ \$ 6,699.1	\$ \$ 5,925.9	52.5	52.5 %	
Selling, general and administrative expense rate	Selling, general and administrative expense rate	23.6 %	22.5 %	23.1 %	1.1 % expense rate	Selling, general and administrative expense rate	33.4 %	23.6 %	22.5 %	9.8	%	

The increase in the selling, general and administrative expense rate from **2021** fiscal 2022 to **2022** fiscal 2023 was primarily due to a \$1,069.0 million non-cash goodwill impairment charge, a \$950.0 million non-cash trade name impairment charge, and a \$503.9 million non-cash store asset impairment charge recorded in fiscal 2023 as further discussed in [Note 15](#) and [Note 16](#) to our consolidated financial statements. All of the impairment charges were in the Family Dollar reporting unit with the exception of \$10.8 million of store asset impairment charges in the Dollar Tree reporting unit. In addition, there were \$56.7 million in DC 202-related litigation charges in the Family Dollar reporting unit during fiscal 2023. Excluding the goodwill, trade name, and store asset impairment charges and the DC 202-related litigation charges noted above, the selling, general and administrative expense rate increased 125 basis points in fiscal 2023 as a result of the following:

- Payroll expenses increased approximately 70 basis points primarily due to wage investments and minimum wage increases in store payroll, partially offset by leverage from the comparable store net sales increase.
- Other selling, general and administrative expenses increased **70** approximately 40 basis points primarily due to long-lived asset impairments related to certain Family Dollar stores and the Family Dollar West Memphis, Arkansas distribution center, higher legal fees, including costs related to the reconstitution of the Board of Directors, unfavorable development of general liability claims, increases in professional fees, and inflationary pressure across several expense categories, higher information technology system costs, partially offset by Family Dollars' prior year long-lived asset impairments. During fiscal 2023, general liability claims began to develop and pay out at amounts significantly higher than anticipated. As a result, we increased our actuarially determined general liability accruals which led to an approximately 25 basis point increase in our general liability expenses. See the [“Critical Accounting Estimates and Assumptions”](#) later in this “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for more information on the calculation of our Self-Insurance Liabilities.

- Store facility costs increased **35** approximately 10 basis points primarily due to an increase in higher repairs and maintenance expenses as we focus on store conditions for our customers and associates, higher utility costs and costs associated with the removal of product from certain Family Dollar stores in connection with the retail-level product recall.
- Payroll expenses increased 10 basis points primarily due to minimum wage increases and other investments in store payroll and higher stock compensation expenses, partially offset by leverage from the comparable store net sales increase.
- Depreciation and amortization expense was unchanged as a percentage of total revenue, as increased approximately 5 basis points primarily due to capital expenditures related to store renovations and improvements, were partially offset by leverage from the comparable store net sales increase, increase and leverage from the 53rd week of sales in the current year.

Operating Income (Loss)

(dollars in millions)	Year Ended			Percentage Change
	January 28, 2023	January 29, 2022	January 30, 2021	
	Fiscal 2022 vs. Fiscal 2021	Fiscal 2022 vs. Fiscal 2021	Fiscal 2022 vs. Fiscal 2021	
Operating income	\$ 2,236.3	\$ 1,811.4	\$ 1,887.9	23.5 %
Operating income margin	7.9 %	6.9 %	7.4 %	1.0 %

(dollars in millions)	Year Ended			Percentage Change
	February 3, 2024	January 28, 2023	January 29, 2022	
	Fiscal 2023 vs. Fiscal 2022	Fiscal 2023 vs. Fiscal 2022	Fiscal 2023 vs. Fiscal 2022	
Operating income (loss)	\$ (881.8)	\$ 2,236.3	\$ 1,811.4	(139.4)%
Operating income (loss) margin	(2.9)%	7.9 %	6.9 %	(10.8)%

Operating income (loss) margin increased decreased to (2.9)% in fiscal 2023 compared to 7.9% in fiscal 2022, compared to 6.9% in fiscal 2021, resulting from the increase decrease in gross profit margin partially offset by and the increase in the selling, general and administrative expense rate, as described above. Excluding the goodwill, trade name, and store asset impairment charges and the DC 202-related litigation charges, operating income margin decreased 210 basis points in fiscal 2023 compared to fiscal 2022.

Interest Expense, Net

Year Ended	Percentage			Percentage
	January	January	January	
	28,	29,	30,	
Fiscal 2022				
Year Ended				

(dollars in millions)	2023	2022	2021	(dollars in millions)	February 3, 2024	January 28, 2023	January 29, 2022	Fiscal 2023 vs. Fiscal 2022
Interest expense, net	\$ 125.3	\$ 178.9	\$ 147.3	Fiscal 2022 vs. Fiscal 2021	\$ 106.8	\$ 125.3	\$ 178.9	(14.8)%

Interest expense, net decreased \$53.6 million \$18.5 million in fiscal 2022 2023 compared to the prior year, resulting from the refinancing of our debt in the fourth quarter of 2021, which resulted in prepayment penalties of \$43.8 million and the acceleration of the expensing of \$2.7 million of amortizable non-cash deferred financing costs. Higher higher interest income on investments more than offset interest expense on credit facility borrowings in the current year. investments.

Provision for Income taxes

(dollars in millions)	Year Ended			Year Ended			Year Ended		
				February 3, 2024			January 28, 2023		
	January 28, 2023	January 29, 2022	January 30, 2021	Fiscal 2022 vs. Fiscal 2021	Fiscal 2022	Fiscal 2022 vs. Fiscal 2021	Year Ended	Year Ended	Year Ended
Provision for income taxes	\$ 495.2	\$ 304.3	\$ 397.9	Fiscal 2022 vs. Fiscal 2021	Provision for income taxes	\$ 9.7	\$ 495.2	\$ 304.3	(98.0)%
Effective tax rate	23.5 %	18.6 %	22.9 %	4.9 %	Effective tax rate	(1.0) %	23.5 %	18.6 %	(24.5) %

The effective tax rate for 2022 fiscal 2023 was 23.5% (1.0)% compared to 18.6% 23.5% for 2021. The fiscal 2022, effective rate increased compared to the prior year rate resulting primarily due to a deferred tax benefit in the prior year related to state entity restructuring as well as higher non-deductible executive compensation and lower Work Opportunity Tax credits as a percentage of pre-tax income in from the current year. year goodwill impairment charge which is not tax deductible.

Segment Information

We operate more than 16,300 16,700 retail discount stores in 48 states and five Canadian provinces. Our operations are conducted in two reporting business segments: Dollar Tree and Family Dollar. We define our segments as those operations whose results our chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources.

We measure the results of our segments using, among other measures, each segment's net sales, gross profit and operating income. income (loss). The CODM reviews these metrics for each of our reporting segments. We may revise the measurement of each segment's operating income (loss), as determined by the information regularly reviewed by the CODM. If the measurement of a segment changes, prior period amounts and balances are reclassified to be comparable to the current period's presentation. Corporate, support and Other other consists primarily of store support center costs and the results of operations for our Summit Pointe property in Chesapeake, Virginia that are considered shared services and therefore these selling, general and administrative costs are excluded from our two reporting business segments. These costs include operating expenses for our store support center and the results of operations for our Summit Pointe property in Chesapeake, Virginia. The Family Dollar segment "Operating income" operating income (loss) includes advertising revenue, which is a component of "Other revenue" in the accompanying consolidated income statements.

Consolidated Statements of Operations.

Dollar Tree

The following table summarizes the operating results of the Dollar Tree segment:

(dollars in millions)	Year Ended			Year Ended			Year Ended		
				February 3, 2024			January 28, 2023		
	January 28, 2023	January 29, 2022	January 30, 2021	Fiscal 2022 vs. Fiscal 2021	Fiscal 2022	Fiscal 2022 vs. Fiscal 2021	Year Ended	Year Ended	Year Ended
Net sales	Net sales	\$ 15,405.7	\$ 13,922.1	\$ 13,265.0	Fiscal 2022 vs. Fiscal 2021	(dollars in millions)	February 3, 2024	January 28, 2023	January 29, 2022
Net sales	Net sales	\$ 16,770.3	\$	\$ 15,405.7		\$	\$ 13,922.1	8.9	8.9 %

Gross profit	Gross profit	5,775.5	4,603.6	4,543.8	25.5	% profit	6,008.9	5,775.5	5,775.5	4,603.6		4,603.6	4.0	4.0 %
Gross profit margin	Gross profit margin	37.5 %	33.1 %	34.3 %	4.4	% margin	35.8 %		37.5 %		33.1	%	(1.7) %	
Operating income	Operating income	\$ 2,536.0	\$ 1,607.0	\$ 1,598.0	57.8	% income	\$ 2,278.8	\$	\$ 2,536.0	\$	\$ 1,607.0	(10.1)	(10.1) %	
Operating income margin	Operating income margin	16.5 %	11.5 %	12.0 %	5.0	% margin	13.6 %		16.5 %		11.5	%	(2.9) %	

Net sales for the Dollar Tree segment increased **\$1,483.6 million** **\$1,364.6 million**, or **10.7% 8.9%**, in **2022 fiscal 2023** compared to **2021 fiscal 2022** due to an increase in comparable store net sales of **9.0% 5.8%**, and **\$372.8 million** net sales of new store sales. Average ticket increased **13.4%** and customer traffic declined **3.9%** **\$467.1 million** from non-comparable stores. The **53rd week** in **2022**. Net sales were positively impacted by our **\$1.25** price point initiative which increased the selling price **fiscal 2023** accounted for **\$307.0 million** of the majority of our **\$1** merchandise to **\$1.25**. The rollout of this initiative was completed during the first quarter of total net sales increase. Customer traffic increased **7.4%** and average ticket decreased **1.5%** in **fiscal 2022**. The increase in price point more than offset the decline in the number of units sold during the year **2023** based on a **53-week** comparison for both periods.

Gross profit margin for the Dollar Tree segment **increased decreased** to **35.8%** in **fiscal 2023** from **37.5%** in **2022** from **33.1%** in **2021**. The **increase decrease** is due to the net of the following:

- Merchandise cost, which includes freight, **increased approximately 85 basis points** primarily due to re-investment in value-product assortments during the current year after transitioning to the **\$1.25** price point during the prior year and cost increases due to inflation; as well as higher sales of lower margin consumable merchandise, **partially offset by lower freight costs**.
- Distribution costs **increased approximately 65 basis points** primarily due to a higher amount of costs **capitalized** during the prior year resulting from increasing inventory levels during that period, and higher distribution center payroll costs recognized during the current year.
- Shrink costs **increased approximately 55 basis points** primarily due to **unfavorable physical inventory results**.
- Markdowns **decreased 410 approximately 5 basis points** primarily due to higher initial mark-on, **partially offset by clearance markdowns** during the prior year in connection with the transition to a higher **freight costs**. **value assortment** at the **\$1.25** price point.
- Occupancy costs **decreased 60 approximately 30 basis points** primarily due to leverage from the comparable store net sales **increase**.
- Distribution costs **decreased 10 basis points** due to **increase and leverage** from the **comparable store net 53rd week** of sales **increase and higher capitalized balances** resulting from increases in **inventory levels** partially offset by higher hourly wages in our distribution centers.
- Shrink costs **increased 20 basis points** resulting from **unfavorable inventory results** in relation to accruals.
- Markdown costs **increased 20 basis points** resulting primarily from markdowns for clearance items as we move to a higher **value assortment** at the **\$1.25** price point **current year**.

Operating income margin for the Dollar Tree segment **increased decreased** to **13.6%** in **fiscal 2023** from **16.5%** in **fiscal 2022** from **11.5%** in **2021** as a result of the gross profit margin **increase decrease** noted above and a **decrease an increase** in the selling, general and administrative expense rate. The selling, general and administrative expense rate **decreased increased** to **22.2%** in **fiscal 2023** compared to **21.0%** in **fiscal 2022** compared to **21.5%** in **2021** as a result of the net of the following:

- Payroll expenses **decreased 85 increased approximately 65 basis points** primarily due to **leverage from the comparable store net sales increase, partially offset by wage investments and minimum wage increases and other investments in store payroll**.
- Depreciation and amortization expense **decreased 5 basis points** primarily due to **leverage from the comparable store net sales increase, partially offset by capital expenditures related to store renovations and improvements**.
- Store facility costs **increased 15 basis points** primarily due to an increase in repairs and maintenance expenses as we focus on store conditions for our customers and associates and higher utility costs, **payroll**, partially offset by leverage from the comparable store net sales increase.
- Other selling, general and administrative expenses **increased 25 approximately 30 basis points** primarily due to unfavorable development of general liability **claims**. During **fiscal 2023**, general liability claims began to **develop and pay out** at amounts significantly higher than anticipated. As a result, we increased our actuarially determined general liability accruals which led to an approximately 25 basis point increase in our general liability expenses. See the **"Critical Accounting Estimates and Assumptions"** later in this **"Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"** for more information on the **benefit in calculation of our Self-Insurance Liabilities**.
- Store facility costs **increased approximately 25 basis points** primarily due to higher repairs and maintenance expenses as we focus on store conditions for our customers and associates, partially offset by leverage from the **prior year associated with comparable store net sales increase**.

- Depreciation and amortization expense was unchanged as a percentage of total revenue, as capital expenditures related to store renovations and improvements were offset by leverage from the realization of comparable store net sales increase and leverage from the 53rd week of certain tax credits and inflationary pressure across several expense categories sales in the current year.

Family Dollar

The following table summarizes the operating results of the Family Dollar segment:

	Year Ended			Fiscal 2022 vs. Fiscal 2021	Percentage Change			Year Ended February 3, 2024	Year Ended January 28, 2023	Year Ended January 29, 2022	Fiscal 2023 vs. Fiscal 2022	
	January 28,	January 29,	January 30,		2023	2022	2021					
	2023	2022	2021		2023	2022	2021					
Net sales	\$12,912.5	\$12,387.7	\$12,243.4	Fiscal 2022 vs. Fiscal 2021	Net sales	\$13,811.3	\$	\$12,912.5	\$	\$12,387.7	7.0	7.0 %
Gross profit	3,146.4	3,122.3	3,243.6	0.8 %	Gross profit	3,300.7	3,146.4	3,146.4	3,122.3	3,122.3	4.9	4.9 %
Gross profit margin	24.4 %	25.2 %	26.5 %	(0.8) %	Gross profit margin	23.9 %		24.4 %		25.2 %		(0.5) %
Operating income	\$ 127.5	\$ 543.1	\$ 655.6	(76.5) %	Operating income							
Operating income margin	1.0 %	4.4 %	5.4 %	(3.4) %	Operating income (loss)	\$ (2,663.5)		\$ 127.5		\$ 543.1		(2,189.0) %
Operating income (loss) margin					Operating income (loss) margin	(19.3) %		1.0 %		4.4 %		(20.3) %

Net sales for the Family Dollar segment increased \$524.8 million \$898.8 million, or 4.2% 7.0%, in 2022 fiscal 2023 compared to 2021 fiscal 2022 due to \$385.8 million of new store sales and a comparable store net sales increase of 2.4%. Average 3.2%, and net sales of \$717.5 million at non-comparable stores. The 53rd week in fiscal 2023 accounted for \$252.3 million of the total net sales increase. Customer traffic increased 2.5% and average ticket increased 3.4% and customer traffic declined 1.0% 0.7% in 2022. During the first quarter of 2022, approximately 400 stores serviced by the West Memphis, Arkansas distribution center were temporarily closed in connection with fiscal 2023 based on a retail-level product recall. The Family Dollar comparable store net sales increased 2.8% when excluding the effect of the store closures. Net sales in the prior year were positively impacted by significant government stimulus dollars provided to our customers. 53-week comparison for both periods.

Gross profit margin for the Family Dollar segment decreased to 23.9% in fiscal 2023 compared to 24.4% in 2022 compared to 25.2% in 2021, fiscal 2022. The decrease is due to the net of the following:

- Markdown Shrink costs increased 80 approximately 60 basis points primarily due to higher promotional and clearance markdowns, unfavorable physical inventory results.
- Shrink costs Markdowns increased 45 approximately 35 basis points primarily resulting from unfavorable \$80.6 million of inventory results reserves for the approximately 600 Family Dollar stores that are projected to close in relation to accruals, the first half of fiscal 2024 as a result of the store portfolio optimization review. This increase was partially offset by increased markdown allowances.
- Distribution costs were unchanged as increased approximately 10 basis points primarily due to a percentage higher amount of sales compared to costs capitalized in the prior year as higher capitalized balances resulting from increases in increasing inventory levels during that period.
- Occupancy costs decreased approximately 25 basis points primarily due to leverage from the comparable store net sales increase and leverage from the 53rd week of sales in the current year were offset by higher maintenance and compliance costs and higher hourly wages in our distribution centers.
- Merchandise cost, which includes freight, decreased 40 approximately 30 basis points primarily due to higher initial mark-on, lower freight costs, partially offset by cost increases and higher sales of lower margin consumable merchandise and higher freight costs.

Operating income (loss) margin for the Family Dollar segment decreased to (19.3)% in fiscal 2023 from 1.0% in fiscal 2022 from 4.4% in 2021, resulting from the gross profit margin decrease noted above and an increase in the selling, general and administrative expense rate. The selling, general and administrative expense rate increased to 43.2% in fiscal 2023 from 23.4% in fiscal 2022 from 20.9% primarily due to a \$1,069.0 million non-cash goodwill impairment charge, a \$950.0 million non-cash trade name impairment charge, and a \$493.1 million non-cash store asset impairment charge recorded in 2021 fiscal 2023 as further discussed in Note 15 and Note 16 to our consolidated financial statements. In addition, there were \$56.7 million in DC 202-related litigation charges in the Family Dollar reporting unit during fiscal 2023. Excluding the goodwill, trade name, and store asset

impairment charges and the DC 202-related litigation charges noted above, the selling, general and administrative expense rate increased 120 basis points in fiscal 2023 as a result of the following:

- Other selling, general and administrative expenses increased 95 basis points primarily due to long-lived asset impairments related to certain stores and the West Memphis, Arkansas distribution center, higher legal fees and inflationary pressure across several expense categories.
- Payroll expenses increased 85 approximately 75 basis points primarily due to wage investments and minimum wage increases and other investments in store payroll.
- Store facility costs increased 60 approximately 30 basis points primarily due to an increase in repairs and maintenance expenses as we focus on store conditions for our customers and associates, partially offset by higher utility costs and costs in the prior year associated with a product recall related to issues at DC 202.

- Other selling, general and administrative expenses increased approximately 10 basis points primarily due to unfavorable development of general liability claims, partially offset by prior year long-lived asset impairments. During fiscal 2023, general liability claims began to develop and pay out at amounts significantly higher than anticipated. As a result, we increased our actuarially determined general liability accruals which led to an approximately 20 basis point increase in our general liability expenses. See the removal "Critical Accounting Estimates and Assumptions" later in this "Item 7. Management's Discussion and Analysis of product from certain stores in connection with a voluntary retail-level product recall. Financial Condition and Results of Operations" for more information on the calculation of our Self-Insurance Liabilities.
- Depreciation and amortization expense increased 15 approximately 5 basis points primarily due to capital expenditures related to store renovations and improvements, partially offset by leverage from the comparable store net sales increase and leverage from the 53rd week of sales in the current year.

Liquidity and Capital Resources

We invest capital to build and open new stores, expand and renovate existing stores, expand enhance and grow our distribution network, and operate our existing stores, stores, maintain and upgrade our technology, and support our other strategic initiatives. Our working capital requirements for existing stores are seasonal in nature and typically reach their peak in the months of September and October. Historically, we We have satisfied our seasonal working capital requirements for existing and new stores and have funded our store opening and distribution network expansion programs and other capital projects from internally generated funds and borrowings under our credit facilities.

facilities and commercial paper program.

The following table compares cash flow-related information for the years ended January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022:

	Year Ended			Year Ended		
	January	January	January	February 3, 2024	January 28, 2023	January 29, 2022
	28,	29,	30,	(in millions)	(in millions)	(in millions)
(in millions)	(in millions)	(in millions)	(in millions)			
Net cash provided by (used in):						
Operating activities	Operating activities	Operating activities	Operating activities	\$1,614.8	\$1,431.5	\$2,716.3
Operating activities	Operating activities	Operating activities	Operating activities			
Investing activities	Investing activities	Investing activities	Investing activities	(1,253.8)	(1,019.9)	(889.7)
Financing activities	Financing activities	Financing activities	Financing activities	(686.8)	(836.5)	(949.9)

Operating Activities

Net cash provided by operating activities increased \$183.3 million \$1,069.7 million in 2022 fiscal 2023 compared to 2021 fiscal 2022 primarily as a result of higher due to improving inventory levels, partially offset by lower current year earnings, net of non-cash items, and smaller decreases in liability balances, partially offset by higher inventory levels and a smaller items. Inventory decreased \$335.6 million during fiscal 2023 compared to an increase in accounts payable of \$1,085.4 million during fiscal 2022.

Investing Activities

Net cash used in investing activities increased \$233.9 million \$853.8 million in 2022 fiscal 2023 compared with 2021 primarily fiscal 2022 due to higher capital expenditures in the current year.

Financing Activities

Net cash used in financing activities decreased \$149.7 million \$156.8 million in 2022 fiscal 2023 compared to 2021 fiscal 2022 primarily due to the following:

- In 2022, we paid \$647.5 million in cash lower payments for stock repurchases compared to \$950.0 million in the prior current year.
- In 2021, we completed the registered offering of \$800.0 million aggregate principal amount of Senior Notes due 2031 and \$400.0 million aggregate principal amount of Senior Notes due 2051 and used the proceeds of the offering to redeem the \$1.0 billion 2023 Notes, which resulted in our incurring a \$43.8 million prepayment penalty. In addition, in connection with the registering of these senior notes and the refinancing of our revolving line of credit, we paid \$15.5 million in deferred financing costs.

At January 28, 2023, our long-term borrowings were \$3.45 billion and we had \$1.5 billion available under our revolving credit facility, less amounts outstanding for standby letters of credit totaling \$4.4 million. For additional detail on our long-term and short-term borrowings and other commitments, refer to the discussion of **Funding Requirements** "Funding Requirements" below, as well as [Note 45](#) and [Note 56](#) to our consolidated financial statements.

Share Repurchases

We repurchased 3,905,599, 4,613,696 9,156,898 and 3,982,478 9,156,898 shares of common stock on the open market in fiscal 2023, fiscal 2022 and fiscal 2021, and fiscal 2020, respectively, for \$504.3 million, \$647.5 million \$950.0 million and \$400.0 \$950.0 million, respectively. At **January 28, 2023** **February 3, 2024**, we had \$1.85 billion \$1.35 billion remaining under our existing \$2.5 billion Board repurchase authorization.

Funding Requirements

Overview

We expect our cash needs for opening new stores and expanding existing stores in fiscal 2023 2024 to total approximately \$690.0 million \$650.0 million to \$675.0 million, which includes capital expenditures, initial inventory and pre-opening costs. Our total estimated capital expenditures for fiscal 2023 2024 are approximately \$2.0 billion \$2.1 billion to \$2.3 billion, including planned expenditures for our new and expanded stores, store renovations, supply chain and information technology investments, and other property improvements. We believe that we can adequately fund our working capital requirements and planned capital expenditures for the foreseeable future from net cash provided by operations, our commercial paper program and potential borrowings under our revolving credit facility facilities.

Our material contractual obligations consist of long-term debt and short-term borrowings and related interest payments and operating lease obligations. Additionally, we have commitments related to ocean shipping contracts, software license and support agreements, telecommunication services and store technology assets and maintenance for our stores. Other commitments include letters of credit for imported merchandise, standby letters of credit that serve as collateral for our large-deductible insurance programs and surety bonds that serve as collateral for utility payments at our stores and self-insured insurance programs. For additional information regarding these

obligations, including amounts outstanding at **January 28, 2023** **February 3, 2024**, refer to [Note 45](#), [Note 56](#) and [Note 67](#) to our consolidated financial statements.

Critical Accounting Estimates and Assumptions

The preparation of Our consolidated financial statements requires have been prepared in accordance with accounting principles generally accepted in the use United States of estimates. Certain of our estimates require a high level of judgment and have the potential to have a material effect on the America ("U.S. GAAP"). To prepare these financial statements, if actual we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosures of contingent assets and liabilities. Our estimates are often based on complex judgments, probabilities and assumptions that management believes to be reasonable, but that are inherently uncertain and unpredictable. It is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts. Actual results vary could be significantly different from those these estimates. Following is a discussion of the estimates that we consider critical.

Inventory Valuation

As discussed in [Note 12](#) to our consolidated financial statements under the caption "Merchandise Inventories," inventories at the distribution centers are stated at the lower of cost or net realizable value with cost determined on a weighted-average basis. Cost is assigned to store inventories using the retail inventory method on a weighted-average basis. Under the retail inventory method, the valuation of inventories at cost and the resulting gross margins are computed by applying a calculated cost-to-retail ratio to the retail value of inventories. The retail inventory method is an averaging method that is widely used in the retail industry and results in valuing inventories at lower of cost or market when markdowns are taken as a reduction of the retail value of inventories on a timely basis.

Inventory valuation methods require certain management estimates and judgments, including estimates of future merchandise markdowns and shrink, which significantly affect the ending inventory valuation at cost as well as the resulting gross margins. The averaging required in applying the retail inventory method and the estimates of shrink and markdowns could, under certain circumstances, result in costs not being recorded in the proper period.

We estimate our markdown reserve based on the consideration of a variety of factors, including, but not limited to, quantities of slow moving or seasonal carryover merchandise on hand, historical markdown statistics and future merchandising plans. The accuracy of our estimates can be affected by many factors, some of which are outside of our control, including changes in economic conditions and consumer buying trends. Historically, we have not experienced significant differences in our estimated reserve for markdowns compared with actual results.

Our accrual for shrink is based on the actual, historical shrink results of our most recent physical inventories adjusted, if necessary, for current economic conditions and business trends. These estimates are compared to actual results as physical inventory counts are taken and reconciled to the general ledger. Our physical inventory counts are generally taken between January and October of each year; therefore, the shrink accrual recorded at **January 28, 2023** **February 3, 2024** is based on estimated shrink for most of 2022, fiscal 2023, including the fourth quarter. The amounts recorded in the current year reflect the Dollar Tree and Family Dollar segments' historical results. We periodically adjust our shrink estimates to reflect our best estimates based on the factors described and, historically, these adjustments have not been material.

Our management believes that our application of the retail inventory method results in an inventory valuation that reasonably approximates cost and results in carrying inventory at the lower of cost or market each year on a consistent basis.

Self-Insurance Liabilities

The liabilities related to our self-insurance programs for workers' compensation, ~~and~~ general liability ~~and~~ auto are estimates that require judgment and the use of assumptions. Semiannually, we obtain third-party actuarial valuations to aid in valuing ~~the~~ these liabilities and in determining the amount to accrue during the year. These actuarial valuations are estimates based on our ~~claims~~ experience for current and prior periods, exposure and severity factors, historical loss development factors, ~~and~~ other actuarial assumptions and the related accruals are adjusted as management's estimates change.

Management's estimate for self-insurance liabilities could vary from the ultimate loss sustained given the difficulty in predicting future events; however, historically, the net total of these differences has not had a material effect on our financial condition or results of operations. Our self-insurance liabilities associated with workers' compensation, general liability and auto are recorded within "Other current liabilities" and "Other liabilities" in the Consolidated Balance Sheets and amounted to \$363.5 million and \$318.2 million at February 3, 2024 and January 28, 2023, respectively. The increase was primarily due to general liability claims beginning to develop and pay out at amounts significantly higher than anticipated, resulting in higher actuarially determined accruals.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill and indefinite-lived intangible assets are initially recorded at their fair values. These assets are not amortized but are evaluated annually for impairment. A more frequent evaluation is performed if events or circumstances indicate that impairment could have occurred. Such events or circumstances could include, but are not limited to, significant negative industry or economic trends, unanticipated changes in the competitive environment and a significant sustained decline in the market price of our stock.

For purposes of our goodwill impairment evaluation, the reporting units are Family Dollar, Dollar Tree and Dollar Tree Canada. Goodwill has been assigned to the reporting units based on prior business combinations related to the brands. We have the option to initially perform a qualitative assessment to determine whether it is more likely than not that the fair value is less than the carrying amount. Alternatively, we may bypass the qualitative assessment and proceed directly to performing the quantitative impairment test.

In connection with the fiscal 2022 2023 annual impairment evaluation, management's qualitative assessment ~~did not indicate~~ indicated that it was more likely than not that the fair value of the Family Dollar reporting unit was less than its carrying value. There were no indicators that the fair value of the Dollar Tree or Dollar Tree Canada reporting units were less than their carrying values. However, due to recent executive level value. Therefore, management ~~changes and investments being made with respect to the Family Dollar reporting unit, management elected to perform~~ performed a quantitative assessment of both the Family Dollar goodwill and trade name.

We estimate the fair value using a combination of a market multiple method and a discounted cash flow method. Under the market multiple approach, we estimate a fair value based on comparable companies' market multiples of revenues and earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted for a control premium. Under the discounted cash flow approach, we project future cash flows which are discounted using a weighted-average cost of capital analysis that reflects current market conditions, adjusted for specific reporting unit risks (primarily the uncertainty of achieving projected operating cash flows), ~~in arriving at the fair value of the reporting unit~~. If the carrying amount of a reporting unit exceeds its estimated fair value, an impairment loss is recognized in an amount equal to that excess.

The Family Dollar goodwill and trade name comprise a substantial portion of our goodwill and indefinite-lived intangible assets and management's judgment utilized in the Family Dollar goodwill and trade name impairment evaluations is critical. The computations require management to make estimates and assumptions and actual results may differ significantly, particularly if there are significant adverse changes in the operating environment. Critical assumptions that are used as part of a quantitative Family Dollar goodwill evaluation include:

- *The potential future revenue, EBITDA and cash flows of the reporting unit.* The projections use management's assumptions about economic and market conditions over the projected period as well as our estimates of future performance and reporting unit revenue, gross margin, expenses and other factors. The resulting revenue, EBITDA and cash flow estimates are based on our most recent business operating plans, and various growth rates are assumed for years beyond the current business plan period. These operating plans include anticipated investments in associate wages, improved store execution, enhanced safety and working conditions, increased supply chain efficiencies, competitive pricing, and enhancements to our technology infrastructure. We believe that the assumptions, estimates and rates used in our fiscal 2022 2023 impairment evaluations are reasonable; however, variations in the assumptions, estimates and rates could result in significantly different estimates of fair value.
- *Selection of an appropriate discount rate.* Calculating the present value of future cash flows requires the selection of an appropriate discount rate, which is based on a weighted-average cost of capital analysis. The discount rate is affected by changes in short-term interest rates and long-term yield as well as variances in the typical capital structure of marketplace participants. Given current economic conditions, it is possible that the discount rate will fluctuate in the near term. We engaged third party experts to assist in the determination of the weighted-average cost of capital used to discount the cash flows for our Family Dollar reporting unit. The weighted-average cost of capital used to discount the cash flows for our evaluation was ~~9.5%~~ ~~10.5%~~ for our fiscal 2022 2023 analysis.

Our evaluation of goodwill resulted in an impairment charge of \$1,069.0 million in fiscal 2023 related to the Family Dollar reporting unit. Our evaluation of goodwill did not result in impairment charges being recorded in fiscal 2022 ~~2021~~ or ~~2020~~. The fiscal 2023 goodwill impairment was driven primarily by the Family Dollar reporting unit's below plan performance, management's store portfolio optimization review and the continued refinement of our transformational strategies which impact long-term growth rates between the segments.

Indefinite-lived intangible assets, such as the Family Dollar trade name, are not subject to amortization but are reviewed at least annually for impairment. The indefinite-lived intangible asset impairment evaluations are performed by comparing the fair value of the indefinite-lived intangible assets to their carrying values. We estimate the fair value of our trade name intangible asset based on an income approach using the relief-from-royalty method. This approach is dependent upon a number of factors, including estimates of future growth and trends, royalty rates, discount rates and other variables. We base our fair value estimates on assumptions we believe to be reasonable, but which are inherently uncertain. The discount rate includes a premium compared to the discount rate used for the Family Dollar goodwill impairment evaluation due to the inherently higher risk profile of intangible assets compared to the overall reporting unit.

Our evaluation of the Family Dollar trade name resulted in an impairment charge of \$950.0 million in fiscal 2023. Our evaluation of the Family Dollar trade name did not result in impairment charges being recorded during fiscal 2022 2021 or 2020. fiscal 2021. The fiscal 2023 trade name impairment was driven primarily by a decrease in the royalty rate assumption based on lower future growth rates and operating income margin assumptions for the Family Dollar reporting unit.

For additional information related to goodwill and indefinite-lived intangible assets, including the related impairment evaluations, refer to [Note 12](#) to our consolidated financial statements under the caption "Goodwill and Nonamortizing Intangible Assets." Assets" and [Note 15](#). For additional information related to uncertainties associated with the key assumptions and any potential events and/or circumstances that could have a negative effect on the key assumptions, please refer to "[Item 1A. Risk Factors](#)" and elsewhere within this "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." If our assumptions and related estimates change in the future, we may be required to record impairment charges against earnings in future periods. Any impairment charges that we may take in the future could be material to our results of operations and financial condition.

Summary of Significant Accounting Policies

Refer to [Note 2](#) to our consolidated financial statements for a summary of our significant accounting policies and our assessment of recently issued accounting standards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various types of market risk in the normal course of our business, including the impact of interest rate changes, and diesel fuel cost changes. changes and inflation. We may enter into interest rate or diesel fuel swaps to manage exposure to interest rate and diesel fuel price changes. We do not enter into derivative instruments for any purpose other than cash flow hedging and we do not hold derivative instruments for trading purposes.

Interest Rate Risk

Our exposure to interest rate risk relates to our revolving credit facility as and borrowings under the revolving credit facility bear interest at SOFR, reset periodically, plus 0.10%, plus 0.875% to 1.50% as determined by our credit ratings and leverage ratio, commercial paper program. At January 28, 2023 February 3, 2024, there were no borrowings outstanding under the revolving credit facility, facility or the commercial paper program.

Inflation Risk

The primary inflationary factors impacting our business include changes to the costs of merchandise, transportation (including the cost of diesel fuel), and labor. If these inflationary pressures become significant, we may not be able to fully offset such higher costs through price increases on the Family Dollar banner or through adjustments to our product assortment, improvements in operational efficiencies or increases in our comparable store net sales on the Dollar Tree banner. Our inability or failure to do so could harm our business, financial condition and results of operations.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Dollar Tree, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Dollar Tree, Inc. and subsidiaries (the Company) as of [January 28, 2023](#) [February 3, 2024](#) and [January 29, 2022](#) [January 28, 2023](#), the related consolidated income statements, statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended [January 28, 2023](#) [February 3, 2024](#), and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of [January 28, 2023](#) [February 3, 2024](#) and [January 29, 2022](#) [January 28, 2023](#), and the results of its operations and its cash flows for each of the years in the three-year period ended [January 28, 2023](#) [February 3, 2024](#), in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of [January 28, 2023](#) [February 3, 2024](#), based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated [March 10, 2023](#) [March 20, 2024](#) expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of

material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Estimated self-insurance Evaluation of estimated self-insurance liability

As discussed in Note 12 to the consolidated financial statements, the Company considers actuarial assumptions to estimate its self-insurance liability. As of January 28, 2023 February 3, 2024, the Company recorded an estimated liability of \$318 million \$363.5 million.

We identified the evaluation of the estimated self-insurance liability as a critical audit matter. The estimation process involves auditor judgment and actuarial expertise to evaluate the actuarial methods and assumptions that are used to estimate future claim payments. Specifically, the evaluation includes the assumptions related to the loss development factors and expected loss rates which are primarily driven by historical claims paid and incurred data.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's self-insurance liability estimation process. This included controls related to (1) the selection of the actuarial methods, and the development of the loss development factors and expected loss rates used to calculate the liability, and (2) the completeness and accuracy of historical claims paid and incurred data. We assessed the Company's estimate of the liability by testing a selection of certain data, including claims data, utilized by the Company's actuary by comparing it to relevant documentation. We involved actuarial professionals with specialized skills and knowledge, who assisted in:

- assessing the Company's actuarial methods by comparing them to generally accepted actuarial methodologies; and
- evaluating the Company's actuarial estimates and assumptions related to the loss development factors and expected loss rates, by comparing them to generally accepted actuarial methodologies and the Company's historical data and trends.

Trade name intangible asset and goodwill impairment

As discussed in Notes 2 and 15 to the consolidated financial statements, the Company performs trade name intangible asset and goodwill impairment testing on an annual basis and when events and changes in circumstances indicate possible impairment of these assets. To estimate the fair value of the Family Dollar trade name intangible asset (Family Dollar trade name), the Company uses the relief-from-royalty method. To estimate the fair value of the Family Dollar reporting unit for its impairment testing of goodwill (Family Dollar goodwill), the Company uses a combination of a market multiple method and a discounted cash flow method. The impairment charges for the year ended February 3, 2024 were \$950.0 million for the Family Dollar trade name and \$1,069.0 million for the Family Dollar goodwill.

We identified the evaluation of the Company's impairment testing of the Family Dollar trade name and goodwill as a critical audit matter. Subjective auditor judgment and specialized skills and knowledge were required to evaluate the key assumptions used to estimate the fair value of the Family Dollar trade name, specifically the revenue growth rates, discount rate, and company-specific royalty rate, as well as the fair value of the Family Dollar reporting unit, specifically the revenue growth rates and discount rate. Minor changes to these assumptions could have had a significant effect on the fair values determined and the resulting assessment of the carrying value of the Family Dollar trade name and goodwill.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the goodwill and intangible asset impairment process, including controls related to the determination and development of the identified assumptions. We assessed the Company's ability to forecast by comparing the Company's historical forecasts to actual results. We evaluated the revenue growth rates by comparing them to historical results and performing sensitivity analyses. We involved valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the revenue growth rates by comparing them to publicly available market data for comparable companies
- assessing the discount rates by comparing them to a range of discount rates developed using publicly available market data for comparable companies
- assessing the company-specific royalty rate by comparing it to publicly available market data for comparable licensing agreements.

/s/ KPMG LLP

We have served as the Company's auditor since 1987.

Norfolk, Virginia Beach, Virginia

March 10, 2023 20, 2024

DOLLAR TREE, INC.
CONSOLIDATED INCOME STATEMENTS OF OPERATIONS

	Year Ended			(in millions, except per share data)	Year Ended	
	January 28, 2023	January 29, 2022	January 30, 2021			
	2023	2022	2021			
Net sales	Net sales	\$28,318.2	\$26,309.8	\$25,508.4	February 3, 2024	January 28, 2023
Other revenue	Other revenue	13.5	11.4	0.9		January 29, 2022
Total revenue	Total revenue	28,331.7	26,321.2	25,509.3		
Cost of sales	Cost of sales	19,396.3	18,583.9	17,721.0		
Selling, general and administrative expenses, excluding Goodwill impairment						
Goodwill impairment						
Selling, general and administrative expenses	Selling, general and administrative expenses	6,699.1	5,925.9	5,900.4		
Operating income		2,236.3	1,811.4	1,887.9		
Operating income (loss)						
Interest expense, net	Interest expense, net	125.3	178.9	147.3		
Other expense, net	Other expense, net	0.4	0.3	0.8		
Income before income taxes		2,110.6	1,632.2	1,739.8		
Income (loss) before income taxes						
Provision for income taxes	Provision for income taxes	495.2	304.3	397.9		
Net income		\$ 1,615.4	\$ 1,327.9	\$ 1,341.9		
Basic net income per share		\$ 7.24	\$ 5.83	\$ 5.68		
Diluted net income per share		\$ 7.21	\$ 5.80	\$ 5.65		
Net income (loss)						

Basic net income (loss) per share of common stock			
Diluted net income (loss) per share of common stock			
Weighted average common shares outstanding:			
Weighted average common shares outstanding:			
Weighted average common shares outstanding:			
Basic			
Basic			
Basic			227.9
Diluted		Diluted	229.0
	219.5	223.2	
	219.5	224.1	

See accompanying Notes to Consolidated Financial Statements

DOLLAR TREE, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Year Ended			Year Ended		
	January 28, 2023	January 29, 2022		January 28, 2023	January 29, 2022
(in millions)	(in millions)	2023	2022	2021	(in millions)
Net income		\$1,615.4	\$1,327.9	\$1,341.9	
Net income (loss)					
Foreign currency translation adjustments	Foreign currency translation adjustments	(6.0)	—	4.6	
Foreign currency translation adjustments					
Total comprehensive income		\$1,609.4	\$1,327.9	\$1,346.5	
Total comprehensive income (loss)					
Total comprehensive income (loss)					

See accompanying Notes to Consolidated Financial Statements

DOLLAR TREE, INC.
CONSOLIDATED BALANCE SHEETS

(in millions, except share and per share data)	(in millions, except share and per share data)	January 28, 2023	January 29, 2022	(in millions, except share and per share data)	February 3, 2024	January 28, 2023
ASSETS						
Current assets:						
Cash and cash equivalents	Cash and cash equivalents	\$ 642.8	\$ 984.9			
Merchandise inventories	Merchandise inventories	5,449.3	4,367.3			
Other current assets	Other current assets	275.0	257.0			
Total current assets	Total current assets	6,367.1	5,609.2			
Property, plant and equipment, net of accumulated depreciation of \$6,025.4 and \$5,363.8, respectively		4,972.2	4,477.3			
Restricted cash	Restricted cash	68.5	53.4			
Property, plant and equipment, net of accumulated depreciation of \$6,631.4 and \$6,025.4, respectively						
Operating lease right-of-use assets	Operating lease right-of-use assets	6,458.0	6,425.3			
Goodwill	Goodwill	1,983.1	1,984.4			
Trade name intangible asset	Trade name intangible asset	3,100.0	3,100.0			
Deferred tax asset	Deferred tax asset	15.0	20.3			
Other assets	Other assets	58.2	51.9			
Total assets	Total assets	\$23,022.1	\$21,721.8			
LIABILITIES AND SHAREHOLDERS' EQUITY						
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities:	Current liabilities:			Current liabilities:		
Current portion of operating lease liabilities						
Current portion of operating lease liabilities						
Current portion of operating lease liabilities	Current portion of operating lease liabilities	\$ 1,449.6	\$ 1,407.8			
Accounts payable	Accounts payable	1,899.8	1,884.2			
Income taxes payable	Income taxes payable	58.1	82.6			
Other current liabilities	Other current liabilities	817.7	802.0			
Total current liabilities	Total current liabilities	4,225.2	4,176.6			
Long-term debt, net	Long-term debt, net	3,421.6	3,417.0			
Operating lease liabilities, long-term	Operating lease liabilities, long-term	5,255.3	5,145.5			

Deferred income taxes, net	Deferred income taxes, net	1,105.7	987.2
Income taxes payable, long-term	Income taxes payable, long-term	17.4	20.9
Other liabilities	Other liabilities	245.4	256.1
Total liabilities	Total liabilities	14,270.6	14,003.3
Commitments and contingencies (Note 4)			
Commitments and contingencies (Note 5)			
Shareholders' equity:	Shareholders' equity:		
Common stock, par value \$0.01; 600,000,000 shares authorized, 221,222,984 and 225,100,198 shares issued and outstanding at January 28, 2023 and January 29, 2022, respectively	2.2	2.2	
Common stock, par value \$0.01; 600,000,000 shares authorized, 217,907,206 and 221,222,984 shares issued and outstanding at February 3, 2024 and January 28, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	667.5	1,243.9
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(41.2)	(35.2)
Retained earnings	Retained earnings	8,123.0	6,507.6
Total shareholders' equity	Total shareholders' equity	8,751.5	7,718.5
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	\$23,022.1	\$21,721.8

See accompanying Notes to Consolidated Financial Statements

DOLLAR TREE, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED FEBRUARY 3, 2024, JANUARY 28, 2023, AND JANUARY 29, 2022 AND JANUARY 30, 2021

(in millions)	Accumulated						Common Stock (in millions)	Common Stock (in millions)	Additional Paid-in Capital	Other Comprehensive Loss	Retained Earnings	Shareholders' Equity (in millions)	Common Stock (in millions)	Additional Paid-in Capital	Other Comprehensive Loss	Retained Earnings	Share Earnings
	Common Stock (in millions)	Additional Common Stock	Paid-in Capital	Other Comprehensive Loss	Retained Earnings	Shareholders' Equity (in millions)											

Total other comprehensive loss				
Issuance of stock under Employee Stock Purchase Plan				
Exercise of stock options				
Stock-based compensation, net				
Repurchase of stock				
Excise tax on repurchase of stock				
Balance at February 3, 2024				

See accompanying Notes to Consolidated Financial Statements

DOLLAR TREE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	(in millions)	Year Ended			(in millions)	Year Ended		
		January 28, 2023	January 29, 2022	January 30, 2021		February 3, 2024	January 28, 2023	January 29, 2022
Cash flows from operating activities:	Cash flows from operating activities:				Cash flows from operating activities:			
Net income		\$1,615.4	\$1,327.9	\$1,341.9				
Adjustments to reconcile net income to net cash provided by operating activities:								
Net income (loss)								
Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Goodwill impairment								
Depreciation and amortization	Depreciation and amortization	767.9	716.0	686.6				
Provision for deferred income taxes	Provision for deferred income taxes	123.0	(23.2)	30.7				
Stock-based compensation expense	Stock-based compensation expense	110.4	79.9	83.9				

Amortization of debt discount and debt-issuance costs	4.6	8.9	4.0	
Other non-cash adjustments to net income	59.1	11.2	19.0	
Impairments, excluding goodwill				
Impairments, excluding goodwill				
Impairments, excluding goodwill				
Other non-cash adjustments to net income (loss)				
Loss on debt extinguishment	Loss on debt extinguishment	—	43.8	—
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:			
Merchandise inventories	Merchandise inventories	(1,085.4)	(940.4)	97.1
Other current assets	Other current assets			
Other current assets	Other current assets	(17.9)	(49.9)	1.7
Other assets	Other assets	(6.8)	(2.6)	(7.0)
Accounts payable	Accounts payable	16.8	403.8	142.6
Income taxes payable	Income taxes payable	(24.5)	(3.7)	23.6
Other current liabilities	Other current liabilities	(2.2)	(36.5)	203.4
Other liabilities	Other liabilities	(14.4)	(98.2)	88.2
Operating lease right-of-use assets and liabilities, net	Operating lease right-of-use assets and liabilities, net	68.8	(5.5)	0.6
Net cash provided by operating activities	Net cash provided by operating activities	1,614.8	1,431.5	2,716.3
Cash flows from investing activities:	Cash flows from investing activities:			
Capital expenditures	Capital expenditures	(1,248.8)	(1,021.2)	(898.8)
Proceeds from governmental grant	Proceeds from governmental grant	—	2.9	—
Proceeds from (payments for) fixed asset disposition	(payments for) fixed asset disposition	(5.0)	(1.6)	9.1
Payments for fixed asset disposition				

Net cash used in investing activities	Net cash used in investing activities	(1,253.8)	(1,019.9)	(889.7)
Cash flows from financing activities:	Cash flows from financing activities:			Cash flows from financing activities:
Proceeds from long-term debt, net of discount	Proceeds from long-term debt, net of discount	—	1,197.4	—
Principal payments for long-term debt	Principal payments for long-term debt	—	(1,000.0)	(550.0)
Debt-issuance and debt extinguishment costs	Debt-issuance and debt extinguishment costs	—	(59.3)	—
Proceeds from revolving credit facility	Proceeds from revolving credit facility	555.0	—	750.0
Repayments of revolving credit facility	Repayments of revolving credit facility	(555.0)	—	(750.0)
Proceeds from commercial paper notes				
Repayments of commercial paper notes				
Proceeds from stock issued pursuant to stock-based compensation plans				
Proceeds from stock issued pursuant to stock-based compensation plans				
Proceeds from stock issued pursuant to stock-based compensation plans	Proceeds from stock issued pursuant to stock-based compensation plans	9.3	17.8	17.0
Cash paid for taxes on exercises/vesting of stock-based compensation	Cash paid for taxes on exercises/vesting of stock-based compensation	(48.6)	(42.4)	(16.9)
Payments for repurchase of stock	Payments for repurchase of stock	(647.5)	(950.0)	(400.0)
Net cash used in financing activities	Net cash used in financing activities	(686.8)	(836.5)	(949.9)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1.2)	(0.4)	0.9

Net increase (decrease) in cash, cash equivalents and restricted cash	Net increase (decrease) in cash, cash equivalents and restricted cash	(327.0)	(425.3)	877.6
Cash, cash equivalents and restricted cash at beginning of year	Cash, cash equivalents and restricted cash at beginning of year	1,038.3	1,463.6	586.0
Cash, cash equivalents and restricted cash at end of year	Cash, cash equivalents and restricted cash at end of year	\$ 711.3	\$ 1,038.3	\$ 1,463.6
Supplemental disclosure of cash flow information:	Supplemental disclosure of cash flow information:			
Cash paid for:	Cash paid for:			
Interest, net of amounts capitalized	Interest, net of amounts capitalized	\$ 132.2	\$ 176.1	\$ 152.9
Income taxes	Income taxes	\$ 401.3	\$ 363.4	\$ 357.7
Non-cash transactions:	Non-cash transactions:			
Right-of-use assets obtained in exchange for new operating lease liabilities	Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 1,538.3	\$ 1,495.3	\$ 1,440.2
Right-of-use assets obtained in exchange for new operating lease liabilities				
Right-of-use assets obtained in exchange for new operating lease liabilities				
Accrued capital expenditures	Accrued capital expenditures	\$ 86.6	\$ 68.3	\$ 44.9

See accompanying Notes to Consolidated Financial Statements

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DOLLAR TREE, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary Description of Significant Accounting Policies Business and Basis of Presentation

Description of Business

Unless otherwise stated, references to "we," "us," and "our" in this annual report Annual Report on Form 10-K refer to Dollar Tree, Inc. and its direct and indirect subsidiaries on a consolidated basis.

We are a leading operator of discount retail stores in the United States and Canada. Below are those accounting policies that we consider to be significant.

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements include the financial statements of Dollar Tree, Inc., and its wholly-owned subsidiaries. Subsidiaries and were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany balances and transactions have been eliminated in consolidation.

Segment Information

At January 28, 2023, we operate more than 16,300 retail discount stores. All amounts stated herein are in 48 states and five Canadian provinces. Our operations are conducted in two reporting business segments: Dollar Tree and Family Dollar. We define our segments as those operations whose results our chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources.

The Dollar Tree segment is the leading operator of discount variety stores offering merchandise predominantly at the fixed price point of \$1.25. The Dollar Tree segment includes our operations under the "Dollar Tree" and "Dollar Tree Canada" brands, 15 distribution centers in the United States and two distribution centers in Canada.

The Family Dollar segment operates a chain of general merchandise retail discount stores providing consumers with a selection of competitively-priced merchandise in convenient neighborhood stores. The Family Dollar segment consists of our operations under the "Family Dollar" brand and ten distribution centers.

Refer to [Note 11](#) for additional information regarding our operating segments.

Foreign Currency

The functional currencies of certain of our international subsidiaries are the local currencies of the countries in which the subsidiaries are located. Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the consolidated balance sheet date. Results of operations and cash flows are translated using the average exchange rates throughout the period. The effect of exchange rate fluctuations on translation of assets and liabilities is included as a component of shareholders' equity in accumulated other comprehensive loss. Gains and losses from foreign currency transactions, which are included in "Other expense, net" have not been significant. Dollars.

Fiscal Year

Our fiscal year is a 52-week or 53-week period ending on the Saturday closest to January 31. References to "2022" or "fiscal 2023" relate to the 53-week fiscal year ended February 3, 2024. References to "fiscal 2025," "fiscal 2024," "fiscal 2022," "2021" or and "fiscal 2021," and "2020" or "fiscal 2020" 2021 relate to the 52-week fiscal years ended [January 28, 2023](#) January 31, 2026, [January 29, 2022](#) February 1, 2025, [January 28, 2023](#), and [January 30, 2021](#) January 29, 2022, respectively. "2023" or "fiscal 2023" refers to the 53-week fiscal year ending February 3, 2024.

Note 2 - Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents at February 3, 2024 and January 28, 2023 includes \$304.2 million and January 29, 2022 includes \$317.2 million and \$680.6 million, respectively, of investments primarily in money market securities which are valued at cost, which approximates fair value. We In accordance with Accounting Standards Codification ("ASC") Topic 305 "Cash and Cash Equivalents," we consider all highly-liquid debt instruments with original maturities of three months or less to be cash equivalents. The majority of payments due from financial institutions for the settlement of debit card and credit card transactions process within three business days, and therefore are classified as cash and cash equivalents.

Merchandise Inventories

Merchandise In accordance with ASC Topic 330 "Inventory," merchandise inventories at our distribution centers are stated at the lower of cost or net realizable value, determined on a weighted-average cost basis. Cost is assigned to store inventories using the retail inventory method on a weighted-average basis. Under the retail inventory method, the valuation of inventories at cost and the resulting gross margins are computed by applying a calculated cost-to-retail ratio to the retail value of inventories.

Costs directly associated with warehousing and distribution are capitalized as merchandise inventories. Total warehousing and distribution costs capitalized into inventory amounted to \$299.8 million and \$298.6 million at February 3, 2024 and \$203.2 million at January 28, 2023 and January 29, 2022, respectively.

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Property, Plant and Equipment

Property, In accordance with ASC Topic 360 "Property, Plant and Equipment," property, plant and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings	39 to 40 years
Building improvements	20 years
Furniture, fixtures and equipment, software	3 to 15 years
Leasehold improvements	Shorter of remaining lease term or related asset life

Leasehold improvements are amortized over the shorter of the estimated useful lives of the respective assets or the related lease terms. Amortization Depreciation is included in "Selling, general and administrative expenses" in the accompanying consolidated income statements.

Costs incurred in the Consolidated Statements of Operations, with the exception of depreciation related to software developed for internal use or merchandising and distribution-related assets which are capitalized and amortized, generally over three years, are included in "Cost of sales" in the accompanying Consolidated Statements of Operations.

Capitalized Interest

We capitalize interest on borrowed funds during the construction of certain property and equipment. equipment based on our weighted average borrowing rates in place while the projects are in progress. We capitalized \$3.8 million \$5.9 million, \$1.1 million \$3.8 million and \$3.2 million \$1.1 million of interest costs in the years ended January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, respectively.

Insurance Reserves and Restricted Cash

We utilize a combination of insurance and self-insurance programs, including a wholly-owned captive insurance entity, to provide for the potential liabilities for certain risks, including workers' compensation, general liability and automobile liability auto. Liabilities associated with the risks that are retained by us are not discounted and are estimated, in part, by considering claims experience, exposure and severity factors, historical loss development factors, and other actuarial assumptions. Our self-insurance liabilities associated with workers' compensation, general liability and auto are recorded within "Other current liabilities" and "Other liabilities" in the accompanying Consolidated Balance Sheets and amounted to \$363.5 million and \$318.2 million at February 3, 2024 and January 28, 2023, respectively.

Dollar Tree Insurance, Inc., a South Carolina-based wholly-owned captive insurance subsidiary of ours, charges the operating subsidiary companies premiums to insure the retained workers' compensation, general liability and automobile liability auto exposures. Pursuant to South Carolina insurance regulations, Dollar Tree Insurance, Inc. maintains certain levels of cash and cash equivalents related to its self-insured exposures.

We also maintain certain cash balances related to our insurance programs which are held in trust and restricted as to withdrawal or use. These amounts are reflected in "Restricted cash" in the accompanying consolidated balance sheets. Consolidated Balance Sheets and amounted to \$72.3 million and \$68.5 million at February 3, 2024 and January 28, 2023, respectively.

Lease Accounting

Our lease portfolio primarily consists of leases for our retail store locations, and we also lease vehicles and trailers, as well as distribution center space and equipment. We In accordance with ASC Topic 842 "Leases," we determine if an arrangement is a lease at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether we obtain substantially all of the economic benefits from and have the ability to direct the use of the asset. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets. Consolidated Balance Sheets. We recognize expense for these leases on a straight-line basis over the lease term. For leases with an initial term in excess of 12 months, operating lease we determine the initial classification and measurement of the right-of-use ("ROU") assets and operating lease liabilities at the lease commencement date and thereafter if modified. ROU assets represent our right to control the underlying assets under lease, over the contractual term. ROU assets and lease liabilities are recognized on the Consolidated Balance Sheets based on the present value of the future minimum lease payments to be made over the committed lease term at the lease commencement date. term.

As most of our leases do not provide an implicit rate, we use our incremental borrowing rate in determining the present value of future lease payments. Inputs to the calculation of our incremental borrowing rate include the valuations and yields of our outstanding senior notes and their credit spreads over comparable U.S. Treasury rates, adjusted to a collateralized basis by estimating the credit spread improvement that would result from an upgrade of one ratings classification. Most leases include one or more options to renew and the exercise of renewal options is at our sole discretion. We do not include renewal options in our determination of the lease term unless the renewals are deemed to be reasonably certain. Operating lease expense for lease payments not yet paid is recognized on a straight-line basis over the lease term. The operating lease right-of-use ROU asset is reduced by lease incentives, which has the effect of

lowering the operating lease expense. Operating lease right-of-use ROU assets are periodically reviewed for impairment losses. We use the long-lived assets impairment guidance in ASC Subtopic 360-10 "Property, Plant, and Equipment - Overall," to determine whether a right-of-use an ROU asset is impaired, and if so, the amount of the impairment loss to recognize.

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We have real estate leases that typically include payments related to non-lease components, such as common area maintenance, as well as payments for real estate taxes and insurance which are not considered components of the lease. These payments are generally variable and based on actual costs incurred by the lessor. These costs are expensed as incurred as variable lease costs and excluded for the purpose of calculating the right-of-use ROU asset and lease liability. A smaller number of real estate leases contain fixed payments for common area maintenance, real estate taxes and insurance. These fixed payments are considered part of the lease payment and included in the right-of-use ROU asset and lease liability. In addition, certain of our lease agreements include rental payments based on a percentage of retail sales over contractual levels and others include rental payments adjusted periodically for inflation. These payments are expensed as incurred as variable lease costs. Our lease agreements do not contain any material residual value guarantees or material restrictive financial covenants.

Purchased leases with terms which were either favorable or unfavorable as compared to prevailing market rates at the date of acquisition are amortized over the remaining lease terms, including, in some cases, an assumed renewal. Amortization expense, net of \$29.9 million, \$38.5 million and \$48.1 million was recognized in "Selling, general and administrative expenses" in 2022, 2021 and 2020, respectively, related to these lease rights.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of

We In accordance with ASC Topic 360, we review our long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured as the

amount by which the carrying amount of the assets exceeds the fair value of the assets based on discounted cash flows or other readily available evidence of fair value, if any. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

In fiscal 2023, fiscal 2022 2021 and 2020, fiscal 2021, we recorded charges of \$39.9 million \$51.5 million, \$4.4 million \$39.9 million and \$4.6 million \$4.4 million, respectively, to write down certain assets, including \$20.1 million \$358.7 million, \$3.9 million \$20.1 million and \$3.8 million \$3.9 million in fiscal 2023, fiscal 2022 2021 and 2020, fiscal 2021, respectively, to write down Operating operating lease right-of-use ROU assets. Included The fiscal 2023 impairment charges include \$152.2 million of store asset impairment charges and \$351.7 million of operating lease ROU asset impairment charges recorded in connection with the store portfolio optimization review as discussed further in [Note 16](#). Fiscal 2022 includes \$14.0 million for West Memphis distribution center asset impairments. These charges are recorded as a component of "Selling, general and administrative expenses" in the accompanying [consolidated income statements](#). [Consolidated Statements of Operations](#).

Goodwill and Nonamortizing Intangible Assets

Goodwill and nonamortizing intangible assets, including the Family Dollar trade name, are not amortized, but rather tested for impairment at least annually. In addition, goodwill and nonamortizing intangible assets [will be](#) tested on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. For both goodwill and nonamortizing intangible assets, we have the option to initially perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. Alternatively, we may bypass the qualitative assessment in any given year and proceed directly to performing the quantitative impairment test. We perform our annual impairment testing of goodwill and nonamortizing intangible assets during the fourth quarter of each year. Our reporting units are determined in accordance with the provisions of ASC Topic 350, "[Intangibles](#) [Intangibles](#) - Goodwill and Other."

When a quantitative impairment test is performed for the Family Dollar trade name, we compare the fair value, based on an income approach using the relief-from-royalty method, to its carrying value. If the carrying value of the asset exceeds its estimated fair value, an impairment loss is recognized in an amount equal to that excess. [Our annual impairment evaluation of the Family Dollar trade name did not result in impairment charges during fiscal 2022, 2021 or 2020](#).

Subsequent to the evaluation of the Family Dollar trade name for impairment, we evaluate the Family Dollar goodwill for impairment. When a quantitative test is performed, we estimate the fair value of the reporting unit using a combination of a market multiple method and a discounted cash flow method. We recognize goodwill impairment for the amount by which the reporting unit's carrying amount exceeds its estimated fair value, not to exceed the total carrying amount of goodwill allocated to the reporting unit.

[The annual](#) During the fourth quarter of fiscal 2023, we recorded a non-cash goodwill impairment evaluations in 2022, 2021 charge of \$1,069.0 million and 2020 did not result in impairment. We have recorded cumulative goodwill a non-cash trade name impairment charges totaling \$3,040.0 charge of \$950.0 million, all of which relate both related to the Family Dollar reporting unit. Refer to [Note 15](#) for additional information on the results of the trade name and goodwill impairment tests.

Revenue Recognition

We recognize revenue in accordance with ASC Topic 606 "Revenue from Contracts with Customers." Net sales revenue, consist of the net sales of [estimated returns and sales tax](#), at merchandise in our stores. Revenue transactions associated with the [time](#) sale of merchandise comprise a single performance obligation, which consists of the customer tenders payment for and takes sale of products to customers. Revenue is recognized when we satisfy our performance obligations by transferring control of the merchandise.

Taxes Collected

We report promised products to our customers, which occurs at a point in time. Sales taxes assessed by a governmental authority that are directly imposed on revenue-producing transactions (i.e., our revenues from product sales tax) are presented on a net (excluded from revenue) basis. [basis](#) in the accompanying [Consolidated Statements of Operations](#). Gift cards that we issue to customers are recorded as contract liabilities until they are redeemed, at which point revenue is recognized. We record reductions to revenue for discounts and estimated customer returns. Historically, our customer returns have not been material.

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Cost of Sales

We include the cost of merchandise, warehousing and distribution costs, and certain occupancy costs in cost of sales.

Vendor Allowances

We receive vendor support in the form of cash payments or allowances through a variety of reimbursements such as purchase discounts, cooperative advertising, markdowns, scandowns and volume rebates. We have agreements with vendors setting forth the specific conditions for each allowance or payment. [We](#) In accordance with ASC Subtopic 705-20 "Accounting for Consideration Received from a Vendor," we either recognize the allowance as a reduction of current costs or defer the payment over the period the related merchandise is sold. If the payment is a reimbursement for costs incurred, it is offset against those related costs; otherwise, it is treated as a reduction to the cost of merchandise.

Pre-Opening Costs

We expense pre-opening capitalizes certain internal labor costs for related to new, expanded, renovated, relocated and re-bannered stores after the project becomes probable and only when the costs are directly attributable to the preparation of the store-related assets for their intended use. We expense all other pre-opening costs related to our stores and distribution centers, as incurred.

Advertising Costs

We expense advertising costs as they are incurred and they are included in "Selling, general and administrative expenses" within the accompanying [consolidated income statements](#). [Consolidated Statements of Operations](#). Advertising costs, net of co-op cooperative advertising recoveries from vendors, were \$99.5 million \$109.6 million, \$93.9 million \$99.5 million and \$80.8 million \$93.9 million in fiscal 2023, fiscal 2022 2021 and 2020, fiscal 2021, respectively.

Income Taxes

Income In accordance with ASC Topic 740 "Income Taxes," income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date of such change.

Deferred tax assets are reduced by valuation allowances when necessary. Assessing whether deferred tax assets are realizable requires significant judgment. We recognize a financial statement benefit for a consider all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax position if assets is often dependent upon future taxable income and therefore can be uncertain. To the extent we determine that believe it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against our deferred tax assets, which increase income tax expense in the period when such a determination is made. Income taxes include the largest amount of tax benefit for an uncertain tax position will that is more likely than not to be sustained upon examination. audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions or obtaining new information on particular tax positions may cause a change to the effective tax rate.

We have made the policy election to record any liability associated with Global Intangible Low Tax Income ("GILTI") in the period in which it is incurred.

We include interest and penalties in the provision for income tax expense and income taxes payable. We do not provide for any penalties associated with tax contingencies unless they are considered probable of assessment.

Stock-Based Compensation

We recognize account for stock-based compensation in accordance with ASC Topic 718 "Compensation - Stock Compensation," which requires all stock-based compensation awards granted to be measured at fair value and recognized as an expense in the financial statements over the service period. In addition, this guidance requires that excess tax benefits related to stock-based compensation awards be reflected as operating cash flows. We use the Black-Scholes option pricing model to estimate the fair market value of stock option awards and grant date fair value for restricted stock units. We use the "simplified method" to estimate the expected life of options, as permitted by accounting guidance. The "simplified method" calculates the expected life of a stock option equal to the time from grant to the midpoint between the vesting date and contractual term, taking into account all share-based payments to employees and non-employee directors vesting tranches. The risk-free interest rate is based on their fair values. Total stock-based compensation expense the yield for 2022, 2021 and 2020 was \$110.4 million, \$79.9 million and \$83.9 million, respectively.

We recognize expense related the U.S. Treasury bill with a maturity equal to the fair value expected life of restricted stock units (RSUs) and stock options over the requisite service period option. Expected volatility is based on our historical average. Compensation expense is recognized net of forfeitures on a straight-line basis over the total vesting period, which is the implied service period, or a shorter period based on the retirement eligibility of the grantee. The fair value Compensation expense for performance-based awards is recorded over the implied service period when achievement of RSUs the performance target is determined using the closing price of our common stock on the date of grant. The fair value deemed probable. We issue new shares upon exercise of stock option grants is estimated options and upon vesting of restricted stock units.

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Total stock-based compensation expense for fiscal 2023, fiscal 2022 and fiscal 2021 was \$96.7 million, \$110.4 million and \$79.9 million, respectively. Refer to [Note 10](#) for further details on the date of grant using the Black-Scholes option pricing model. We account for forfeitures when they occur. stock-based compensation.

Net Income (Loss) Per Share

Basic In accordance with ASC Topic 260 "Earnings Per Share," basic net income (loss) per share has been computed by dividing net income (loss) by the weighted average number of shares outstanding. Diluted net income (loss) per share reflects the potential dilution that could occur assuming the inclusion of dilutive potential shares and has been computed by dividing net income (loss) by the weighted average number of shares and dilutive potential shares outstanding. Dilutive potential shares include all outstanding stock options and unvested RSUs restricted stock units after applying the treasury stock method.

Foreign Currency

The functional currencies of certain of our international subsidiaries are the local currencies of the countries in which the subsidiaries are located. In accordance with ASC Topic 830 "Foreign Currency Matters," foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the consolidated balance sheet date. Results of operations and cash flows are translated using the average exchange rates throughout the period. Capital accounts are translated at historical foreign currency exchange rates. The effect of exchange rate fluctuations on translation of assets and liabilities is included as a component of shareholders' equity in accumulated other comprehensive loss. Adjustments that arise from foreign currency exchange rate changes on transactions, primarily driven by intercompany transactions, denominated in a currency other than the functional currency are included in "Other expense, net" in the accompanying Consolidated Statements of Operations. These adjustments have not historically been significant.

Recently Adopted Accounting Pronouncements

In September 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04 "Liabilities - Supplier Finance Programs (Subtopic 405-50)" ("ASU 2022-04") which requires entities to disclose the key terms of supplier finance programs used in connection with the purchase of goods and services along with information about their obligations under these programs, including a rollforward of those obligations. We adopted ASU 2022-04 for fiscal 2023 on a retrospective basis, except for the amendments relating to the rollforward requirement, which are required to be adopted for fiscal 2024 on a prospective basis. The adoption did not have a material impact on our consolidated financial statements. Refer to [Note 14](#) for a discussion of our supply chain finance program.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07") which requires disclosure of incremental segment information on an annual and interim basis, including enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss. ASU 2023-07 also requires entities to disclose the title and position

of the CODM and explain how the CODM uses the reported measures of segment profit or loss in assessing performance and allocating resources. Further, it requires that all annual disclosures about a reportable segment's profit or loss and assets currently required by Topic 280 be provided in interim periods. ASU 2023-07 is effective on a retrospective basis for annual periods beginning in fiscal 2024 and for interim periods beginning in fiscal 2025. We are currently evaluating the impact of this standard to our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09") which requires entities to disclose specific categories and greater disaggregation of information in the effective tax rate reconciliation, as well as disaggregated disclosure of income taxes paid, pretax income and income tax expense by jurisdiction. The standard also removes certain disclosure requirements that currently exist under Topic 740. ASU 2023-09 is effective on a prospective basis for annual periods beginning in fiscal 2025, with retrospective application permitted. We are currently evaluating the impact of this standard to our consolidated financial statements.

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Note 23 - Supplemental Balance Sheet Information

Property, Plant and Equipment, Net

Property, plant and equipment, net, as of **January 28, 2023** **February 3, 2024** and **January 29, 2022** **January 28, 2023** consists of the following:

		January 28, 2023	January 29, 2022	(in millions)	February 3, 2024		January 28, 2023
(in millions)	(in millions)						
Land	Land	\$ 242.6	\$ 239.7				
Buildings	Buildings	1,631.6	1,568.2				
Leasehold improvements	Leasehold improvements	3,227.9	2,840.1				
Furniture, fixtures and equipment	Furniture, fixtures and equipment	5,261.7	4,704.1				
Construction in progress	Construction in progress	633.8	489.0				
Total property, plant and equipment	Total property, plant and equipment	10,997.6	9,841.1				
Less: accumulated depreciation	Less: accumulated depreciation	6,025.4	5,363.8				
Total property, plant and equipment, net	Total property, plant and equipment, net	\$4,972.2	\$4,477.3				

Depreciation expense was **\$737.4 million** **\$819.1 million**, **\$672.0 million** **\$737.4 million**, and **\$631.1 million** **\$672.0 million** for the years ended **January 28, 2023** **February 3, 2024**, **January 29, 2022** **January 28, 2023**, and **January 30, 2021** **January 29, 2022**, respectively.

Other Current Liabilities

Other current liabilities as of **January 28, 2023** **February 3, 2024** and **January 29, 2022** **January 28, 2023** consist of the following:

		January 28, 2023	January 29, 2022	(in millions)	February 3, 2024		January 28, 2023
(in millions)	(in millions)						
Taxes (other than income taxes)	Taxes (other than income taxes)	\$ 253.7	\$ 313.5				
Compensation and benefits	Compensation and benefits	143.9	123.8				
Insurance	Insurance	131.1	121.5				
Other	Other	289.0	243.2				
Other							
Other							

Total other current liabilities	Total other current liabilities	\$817.7	\$802.0
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Note 34 - Income Taxes

The provision for income taxes consists of the following:

		Year Ended			Year Ended		
		January 28, 2024	January 29, 2023	January 30, 2021	Year Ended		
		(in millions)	(in millions)	(in millions)	February 3, 2024	January 28, 2023	January 29, 2022
Current taxes:	Current taxes:						
Federal	Federal						
Federal	Federal	\$322.0	\$271.1	\$279.5			
State	State	50.2	56.3	87.4			
Foreign	Foreign	0.1	0.1	0.2			
Total current taxes	Total current taxes	372.3	327.5	367.1			
Deferred taxes:	Deferred taxes:						
Federal	Federal	88.1	50.3	32.6			
Federal	Federal						
State	State	30.3	(76.5)	(3.8)			
Foreign	Foreign	4.5	3.0	2.0			
Total deferred taxes	Total deferred taxes	122.9	(23.2)	30.8			
Provision for income taxes	Provision for income taxes	\$495.2	\$304.3	\$397.9			

On August 16, 2022, the Inflation Reduction Act of 2022 ("2022 Tax Act") was enacted into law. A key provision of the 2022 Tax Act is a 15% minimum tax on adjusted financial statement income. We do not expect any impact to our effective tax rate as a result of the new 15% minimum tax under the 2022 Tax Act.

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A reconciliation of the statutory U.S. federal income tax rate and the effective tax rate follows:

	February 3, 2024	Year Ended		
		February 3, 2024	January 28, 2023	January 29, 2022
Statutory U.S. federal income tax rate	Statutory U.S. federal income tax rate	21.0 %	21.0 %	21.0 %
Effect of:				
Goodwill impairment				
Goodwill impairment				
Goodwill impairment				

State and local income taxes, net of federal income tax benefit Non-deductible expenses	Year Ended		
	January		
	January 28, 2023	January 29, 2022	January 30, 2021
Statutory U.S. federal income tax rate	21.0 %	21.0 %	21.0 %
Effect of:			
State and local income taxes, net of federal income tax benefit	3.7	3.7	3.2
Non-deductible executive compensation	0.7	0.4	0.4
State tax reserve release	(0.3)	(0.4)	(0.5)
Incremental tax expense (benefit) of exercises/vesting of equity-based compensation	(0.6)	(0.5)	0.2
Work Opportunity Tax Credit			
Work Opportunity Tax Credit			
Work Opportunity Tax Credit	(1.4)	(1.8)	(1.6)
Deferred tax rate change	0.7	(3.8)	—
Change in valuation allowance	(0.3)	—	—
Other, net			
Other, net	—	—	0.2
Effective tax rate	23.5 %	18.6 %	22.9 %
Effective tax rate	(1.0) %	23.5 %	18.6 %

Foreign Taxes Goodwill Impairment

United States incomeIn the fourth quarter of fiscal 2023, we recorded a goodwill impairment charge of \$1,069.0 million related to Family Dollar goodwill, as further discussed in [Note 15](#). The purchase of Family Dollar was a stock acquisition, and carryover basis applied for tax purposes. The goodwill impairment charge is not deductible for federal or state tax purposes and therefore there is no tax benefit related to the impairment.

Reinvestment of Unremitted Earnings

Substantially all of our current year foreign cash earnings in excess of working capital and cash needed for strategic investments are not intended to be indefinitely reinvested offshore. Therefore, the tax effects of repatriation for applicable state taxes and foreign withholding taxes of such cash earnings have not been provided on accumulated but undistributed for in the accompanying Consolidated Statements of Operations. We have the intent and ability to reinvest substantially all of the non-cash unremitted earnings of our non-U.S. subsidiaries indefinitely. Accordingly, no provision for state taxes or foreign subsidiaries as we intend to permanently reinvest earnings. We do not consider withholding taxes was recorded on these unremitted earnings in the tax on the mandatory deemed repatriation accompanying Consolidated Statements of undistributed foreign earnings and profits to be material. Operations.

Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

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Significant components of our net deferred tax assets (liabilities) follow:

		January 28, 2023 (in millions)	January 29, 2022 (in millions)		February 3, 2024 January 28, 2023
Deferred tax assets:					
Deferred tax assets:					
Operating lease liabilities	Operating lease liabilities	\$ 1,703.5	\$ 1,647.3		
Net operating losses, interest expense and credit carryforwards	Net operating losses, interest expense and credit carryforwards	69.3	91.5		
Accrued expenses	Accrued expenses	31.0	50.7		
Accrued compensation expense	Accrued compensation expense	33.9	34.9		
Inventory		—	24.4		
State tax election					
State tax election					
State tax election	State tax election	14.3	15.8		
Other	Other	2.5	2.4		
Total deferred tax assets	Total deferred tax assets	1,854.5	1,867.0		
Valuation allowance	Valuation allowance	(4.0)	(13.0)		
Deferred tax assets, net	Deferred tax assets, net	1,850.5	1,854.0		
Deferred tax liabilities:					
Deferred tax liabilities:					
Operating lease right-of-use assets		(1,630.9)	(1,578.4)		
Operating lease ROU assets					
Other intangibles	Other intangibles	(760.4)	(780.9)		
Property and equipment	Property and equipment	(509.2)	(435.6)		
Prepays	Prepays	(25.9)	(26.0)		
Inventory	Inventory	(14.8)	—		

Total	Total		
deferred tax liabilities	deferred tax liabilities	(2,941.2)	(2,820.9)
Total deferred tax liabilities			
Total deferred tax liabilities			
Deferred income taxes, net	Deferred income taxes, net	<u><u>\$(1,090.7)</u></u>	<u><u>\$(966.9)</u></u>

At **January 28, 2023** **February 3, 2024**, we had certain state tax credit carryforwards, net operating loss carryforwards and capital loss carryforwards totaling **\$69.3 million** **\$72.8 million**. Some of these carryforwards will expire, if not utilized, beginning in **fiscal 2023** **2024** through **fiscal 2042** **2043**.

A valuation allowance of **\$4.0 million** **\$17.3 million**, net of federal tax benefits, has been provided principally for certain state credit carryforwards and net operating loss carryforwards. Since January 29, 2022, the valuation allowance has been decreased to reflect state credits and net operating losses expected to be utilized over the carryforward period. In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred taxes will not be realized. Based upon the availability of carrybacks of future deductible amounts and our projections for future taxable income over the periods in which the deferred tax assets are deductible, we believe it is more likely than not the remaining existing deductible temporary differences will reverse during periods in which carrybacks are available or in which we generate net taxable income.

Uncertain Tax Positions

We are participating in the IRS Compliance Assurance Program ("CAP") for fiscal **2022** **2023** and we have been accepted into the program for fiscal **2023** **2024**. This program accelerates the examination of key transactions with the goal of resolving any issues before the tax return is filed. Our federal tax returns have been examined and all issues have been settled through the fiscal **2019** tax year, as well as the fiscal **2021** tax year. In fiscal 2020, we participated in the CAP under the IRS's bridge year program and as a result, the IRS will not be completing an audit on the fiscal **2020** tax return at this time. Several states completed their examinations during fiscal **2022** **2023**. In general, fiscal **2019** **2020** and forward are within the statute of limitations for state tax purposes. The statute of limitations is still open prior to fiscal **2019** **2020** for some states.

The balance for unrecognized tax benefits at **January 28, 2023** **February 3, 2024** was **\$17.4 million** **\$22.0 million**. The total amount of unrecognized tax benefits at **January 28, 2023** **February 3, 2024** that, if recognized, would affect the effective tax rate was **\$13.8 million** **\$17.4 million** (net of the federal tax benefit).

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The following is a reconciliation of our total gross unrecognized tax benefits:

		January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023
(in millions)	(in millions)					
Beginning	Beginning					
Balance	Balance	\$ 20.9	\$ 22.6			
Additions for tax positions of prior years	Additions for tax positions of prior years	2.3	4.6			
Additions, based on tax positions related to current year	Additions, based on tax positions related to current year	4.0	2.7			
Settlements	Settlements	(0.1)	—			
Lapses in statutes of limitation	Lapses in statutes of limitation	(9.7)	(9.0)			
Ending balance	Ending balance	<u><u>\$ 17.4</u></u>	<u><u>\$ 20.9</u></u>			

We believe it is reasonably possible that \$2.5 million to \$3.5 million of the reserve for uncertain tax positions may be reduced during the next 12 months principally as a result of the effective settlement of outstanding issues. It is also possible that state tax reserves will be reduced for audit settlements and statute expirations within the next 12 months. At this point it is not possible to estimate a range associated with the resolution of these audits. We do not expect any change to have a material impact to our consolidated financial statements.

As of **January 28, 2023** **February 3, 2024**, we have recorded a liability for potential interest and penalties of **\$1.5 million** **\$2.5 million**.

Note 45 – Commitments and Contingencies

Purchase Obligations

At January 28, 2023 February 3, 2024, we have commitments totaling \$300.5 million through fiscal 2025 related to ocean shipping contracts and commitments of \$243.5 million \$364.2 million through fiscal 2034 related to agreements for software licenses and support, telecommunication services and store technology assets and maintenance for our stores. We also have commitments totaling \$105.4 million related to software agreements that we entered into subsequent to January 28, 2023.

Letters of Credit

We have \$425.0 million in trade letters of credit with various financial institutions, under which \$150.6 million \$133.2 million was committed to these letters of credit issued for routine purchases of imported merchandise at January 28, 2023 February 3, 2024.

Surety Bonds

We have issued various surety bonds that primarily serve as collateral for utility payments at our stores and self-insured insurance programs. These bonds total \$160.5 million \$159.1 million and are committed through various dates through fiscal 2027, 2029.

Contingencies

We are defendants in legal ordinary, routine litigation or proceedings incidental to our business, including employment-related matters; infringement of intellectual property rights; personal injury/wrongful death claims; real estate matters; environmental and safety issues; and product safety matters. Legal proceedings may also include class, collective, representative and large cases as well as individual claims in arbitration and arbitrations, including those described below. We will vigorously defend ourselves in these matters. We do not believe that any of these matters will, individually or in the aggregate, have a material effect on our business, financial condition, or financial condition. liquidity. We cannot give assurance, however, that one or more of these matters will not have a material effect on our results of operations for the quarter or year in which they are reserved or resolved.

We assess our legal proceedings monthly and reserves are established if a loss is probable and the amount of such loss can be reasonably estimated. For matters that have settled, we reserve the estimated settlement amount. Many, if not substantially all, of our legal proceedings are subject to significant uncertainties and, therefore, determining the likelihood of a loss and the measurement of any loss can be complex and subject to judgment. With respect to the matters noted below where we have determined that a loss is reasonably possible but not probable, we are unable to reasonably estimate the amount or range of the possible loss at this time due to the inherent difficulty of predicting the outcome of and uncertainties regarding legal proceedings. Our assessments are based on estimates and assumptions that have been deemed reasonable by management, but that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions. Management's assessment of legal proceedings could change because of future determinations or the discovery of facts which are not presently known. Accordingly, the ultimate costs of resolving these proceedings may be substantially higher or lower than currently estimated.

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Active Matters

DC 202-related Matters

On February 11, 2022, the FDA U.S. Food and Drug Administration ("FDA") issued Form 483 observations primarily regarding rodent infestation at Family Dollar's West Memphis, Arkansas distribution center ("DC 202") and the related sale and distribution of adulterated product, as well as other processes and procedures that require required remediation. In connection therewith, we initiated a retail-level product recall of FDA and U.S. Department of Agriculture-regulated products stored and shipped from DC 202 from January 1, 2021 through February 18, 2022 (the

"Recall" "Recall"), temporarily closed DC 202 for extensive cleaning, temporarily closed the affected stores to permit the removal and destruction of inventory subject to the Recall, ceased sales of relevant inventory subject to the Recall, ceased the direct shipment of FDA-regulated products from DC 202, and initiated corrective actions. In June 2022, we stopped shipping to stores from DC 202 and have since disposed of all of the subject inventory that was in the facility. On November 9, 2022 we received an FDA Warning Letter ("Warning Letter")

Beginning in connection with the DC 202 inspection. The conditions and issues detailed in the Warning Letter are generally the same as those described in the Form 483 observations or were otherwise observed during the inspection. The Warning Letter acknowledged certain remedial actions we have taken in response to the Form 483 observations, including conducting the recall and decommissioning the facility. We continue to cooperate with the FDA.

Since February 22, 2022, Family Dollar has been named in February 2022, 14 putative class action complaints actions were filed against us primarily related to issues associated with DC 202 described above. The lawsuits are proceeding in federal court in Tennessee using the federal court's multi-district litigation process. An amended consolidated complaint seeking process, sought class action status, was filed October 17, 2022 alleging and allege violations of the Mississippi, Arkansas, Louisiana, Tennessee, Alabama and Missouri consumer protection laws, breach of warranty, negligence, misrepresentation, deception and unjust enrichment related to the sale of products that may were alleged to be contaminated by virtue of rodent infestation and other unsanitary conditions. conditions at DC 202. Plaintiffs seek sought damages, attorney fees and costs, punitive damages and the replacement of, or refund of money paid to purchase the relevant products, and any other legal relief available for their claims (in each case in unspecified amounts), including equitable and injunctive relief. We have filed As a motion result of a mediation held in April 2023, the parties reached a claims made settlement whereby one class member per household may receive a \$25 Family Dollar gift certificate. On October 27, 2023, the court granted preliminary approval of the settlement. Notice of the settlement and how to dismiss submit a claim was given beginning November 10, 2023. The period for filing a claim, opting out of the amended consolidated complaint. settlement or filing an objection to the settlement ended on January 9, 2024. A hearing on final approval of the settlement is scheduled for April 5, 2024.

On March 1, 2022, a federal grand jury subpoena was issued to us by the Eastern District of Arkansas requesting the production of information, documents and records pertaining to pests, sanitation and compliance with law regarding certain of our procedures and products. In connection with this matter, we have been investigating investigated the condition of FDA-regulated product shipped from DC 202. We are cooperating 202 and related matters and cooperated fully with the U.S. Department of Justice ("DOJ") investigation, including having produced producing documents and provided providing additional information. As previously reported by the company on its Current Report on Form 8-K filed February 26, 2024, Family Dollar Stores, LLC ("Family Dollar"), a wholly-owned subsidiary of the company, has entered into a Plea Agreement (the "Plea Agreement") in connection with the DOJ investigation. Subject to the terms and conditions of the Plea Agreement, Family Dollar pled guilty to a one count misdemeanor violation of the Food, Drug

and Cosmetics Act for causing FDA-regulated products to become adulterated while such articles were held in DC 202. Under the Plea Agreement, Family Dollar agreed to pay \$200,000 in fines and a forfeiture money judgment in the amount of \$41,475,000, which relates to the value of the adulterated FDA-regulated products that were held in DC 202.

The Plea Agreement was approved by the United States District Court for the Eastern District of Arkansas at a hearing on February 26, 2024, and resolves the federal criminal investigation of Family Dollar. Subject to Family Dollar's compliance with the terms and conditions of the Plea Agreement, the U.S. Attorney for the Eastern District of Arkansas and the DOJ have agreed not to bring further criminal charges against Family Dollar for any acts or conduct arising out of the events covered by the Plea Agreement. No criminal charges were brought against Dollar Tree in connection with this matter. As part of this cooperation, we may engage in discussions with the government in an effort Plea Agreement, Dollar Tree and Family Dollar agreed to reach adopt a negotiated resolution. Due new or to modify their existing compliance program as it relates to the inherent uncertainties associated with this matter, no assurance can be given as warehousing and distribution to stores of food, drugs, devices and cosmetics. In addition, the company has agreed to make certain reports to the timing or outcome of this matter, which could include penalties and company undertakings. DOJ in connection with its compliance program during the three-year term.

On April 28, 2022, the Attorney General for the State of Arkansas filed a complaint in state court alleging violations of the Arkansas Deceptive Trade Practices Act, gross negligence and negligence, strict liability in tort, unjust enrichment and civil conspiracy related to the sale of products that may have been contaminated by virtue of rodent infestation and other unsanitary conditions. conditions at DC 202. The State of Arkansas is seeking injunctive relief, restitution, disgorgement, damages, civil penalties, punitive damages and suspension or revocation of our authorization to do business in Arkansas. We filed a motion to dismiss the State's claims, and it is too early to determine a likely outcome in the matter.

Seven As previously disclosed, we recorded a charge of \$30.0 million in the first quarter of fiscal 2023 with respect to DC 202-related matters which included a proposed settlement of 14 putative consumer class actions and a potential resolution of the DOJ investigation. As a result of Family Dollar entering into the Plea Agreement, we recorded an additional charge of \$26.7 million in the fourth quarter of fiscal 2023 bringing the accrual to \$56.7 million. At the present time, we are unable to estimate the amount of additional incremental loss, if any, which may result when the remaining matters are finally resolved. However, we do not believe the resolution of the State of Arkansas complaint or the final settlement of private civil litigation related to DC 202 will have a material adverse effect on our business, financial condition, or liquidity.

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Talc Product Matters

Multiple personal injury lawsuits are pending in state court in Illinois, New York, Massachusetts, Texas, and New Jersey against Dollar Tree, Family Dollar or both alleging that certain talc products that we sold caused cancer. The plaintiffs seek compensatory, punitive and exemplary damages, damages for loss of consortium, and attorneys' fees and costs. Although we have been able to resolve previous talc lawsuits against us without material loss, given the inherent uncertainties of litigation there can be no assurances regarding the outcome of pending or future cases. Future costs to litigate these cases are not known but may be material, and it is uncertain whether our costs will be covered by insurance. In addition, although we have indemnification rights against our vendors in several of these cases, it is uncertain whether the vendors will have the financial ability to fulfill their obligations to us.

Acetaminophen Matters

Since August 2022, six more than 50 personal injury cases have been filed in federal court in California, Missouri, North Carolina and Minnesota against Dollar Tree, Family Dollar, or both, on behalf of minors alleging that their mothers took acetaminophen while pregnant, that the acetaminophen interfered with fetal development such that plaintiffs were born with autism and/or ADHD, and that we knew or should have known of the danger, had a duty to warn and failed to include appropriate warnings on the product labels. The plaintiffs seek compensatory, punitive and/or exemplary damages, restitution and disgorgement, economic damages, and attorneys' fees and costs. These cases, which originated in Alabama, California, Florida, Georgia, Louisiana, Minnesota, Missouri, North Carolina, Kentucky, Tennessee and Texas, along with other cases against many other defendants, have been consolidated into multi-district court litigation in the Southern District of New York.

Resolved Matters

All personal injury Recently, the court disqualified all of plaintiffs' experts and, on that basis dismissed all the cases which had been filed at the time of that were decision, including all cases currently filed in state court in Pennsylvania against both Dollar Tree and Family Dollar alleging that both sold Zantac and generic ranitidine products containing N-Nitrosodimethylamine, which is classified by the FDA as a probable carcinogen, have been dismissed.

us.

Note 56 - Short-Term Borrowings and Long-Term Debt

Long-term Short-term borrowings and long-term debt at February 3, 2024 and January 28, 2023 and January 29, 2022 consists consist of the following:

(in millions)	(in millions)	January 28, 2023		January 29, 2022	
		Principal	Unamortized Debt Discount and Issuance Costs	Principal	Unamortized Debt Discount and Issuance Costs
\$1.5 billion Revolving Credit Facility, interest payable at 5.79% at January 28, 2023	\$ (in millions)	\$ —	\$ 5.1	\$ —	\$ 6.4
Short-Term Borrowings:					
Short-Term Borrowings:					
Short-Term Borrowings:					

Unsecured commercial paper notes					
Unsecured commercial paper notes					
Unsecured commercial paper notes					
\$1.5 billion Revolving Credit Facility					
\$1.5 billion Revolving Credit Facility					
\$1.5 billion Revolving Credit Facility					
Total Short-Term Borrowings					
Total Short-Term Borrowings					
Total Short-Term Borrowings					
Long-Term Debt:					
Long-Term Debt:					
Long-Term Debt:					
4.00% Senior Notes, due 2025					
4.00% Senior Notes, due 2025					
4.00% Senior Notes, due 2025					
4.00% Senior Notes, due 2025					
4.20% Senior Notes, due 2028					
4.20% Senior Notes, due 2028					
4.20% Senior Notes, due 2028					
4.20% Senior Notes, due 2028					
4.20% Senior Notes, due 2028					
2.65% Senior Notes, due 2031					
2.65% Senior Notes, due 2031					
2.65% Senior Notes, due 2031					
2.65% Senior Notes, due 2031					
3.375% Senior Notes, due 2051					
3.375% Senior Notes, due 2051					
3.375% Senior Notes, due 2051					
Total	\$ 3,450.0		\$ 28.4		\$ 3,450.0
3.375% Senior Notes, due 2051					
3.375% Senior Notes, due 2051					
Debt discount and issuance costs					
Debt discount and issuance costs					
Debt discount and issuance costs					
Total Long-Term Debt					
Total Long-Term Debt					

Total Long-Term Debt
Less: Current portion
Less: Current portion
Less: Current portion
Non-current portion of long-term debt
Non-current portion of long-term debt
Non-current portion of long-term debt

Maturities of long-term debt are as follows (in millions):

2023	2024	2025	2026	2027	Thereafter
\$	— \$	— \$	1,000.0 \$	— \$	— \$
Fiscal Year					
2024			\$		—
2025					1,000.0
2026					—
2027					—
2028					1,250.0
Thereafter					1,200.0
Total			\$		3,450.0

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Commercial Paper Program

In July 2023, we established a commercial paper program to issue unsecured commercial paper notes with maturities up to 397 days from the date of issue, up to a maximum aggregate face or principal amount outstanding at any time of \$1.5 billion. We expect to use the net proceeds of note issuances for general corporate purposes. Our Revolving Credit Facility will serve as a liquidity backstop for the repayment of notes outstanding under the program. The notes rank pari passu with all of our other unsecured and unsubordinated indebtedness. We issued \$1,070.5 million principal amount of notes during fiscal 2023 and incurred interest expense of \$2.6 million related to these notes. As of February 3, 2024, no notes were outstanding under the program.

Revolving Credit Facility

On December 8, 2021, we entered into a credit agreement (the "Credit Agreement"), with JPMorgan Chase Bank, N.A., as agent, and the financial institutions from time to time party thereto, providing for a \$1.5 billion revolving credit facility (the "Revolving Credit Facility"), of which up to \$350.0 million is available for letters of credit. At February 3, 2024 and January 28, 2023, we had letters of credit outstanding under the Revolving Credit Facility of \$4.1 million and \$4.4 million, respectively. The Revolving Credit Facility matures on December 8, 2026, subject to extensions permitted under the Credit Agreement.

Loans under the Revolving Credit Facility bear interest at the Adjusted Term SOFR Rate (as defined in the Credit Agreement) plus 1.125%, subject to adjustment based on (i) our public debt rating and (ii) our leverage ratio. At January 28, 2023 February 3, 2024, the Revolving Credit Facility bore interest at 5.79% 6.55%. We pay certain commitment fees in connection with the Revolving Credit Facility. The Revolving Credit Facility allows voluntary repayment of outstanding loans at any time without premium or penalty, other than customary "breakage" costs with respect to Secured Overnight Financing Rate ("SOFR") loans. There is no required amortization under the Revolving Credit Facility.

The Revolving Credit Facility contains a number of affirmative and negative covenants that, among other things, and subject to certain significant baskets and exceptions, restrict our ability to incur subsidiary indebtedness, incur liens, sell all or substantially all of our (including our subsidiaries') assets and consummate certain fundamental changes. The Revolving Credit Facility also contains a maximum leverage ratio covenant and a minimum fixed charge coverage ratio covenant. The Credit Agreement provides for certain events of default which, if any of them occurs, would permit or require the loans under the Revolving Credit Facility to be declared due and payable and the commitments thereunder to be terminated.

In connection with entry into the Credit Agreement, we terminated all commitments and fulfilled all obligations under our existing credit agreement dated April 19, 2018.

Senior Notes

Fiscal 2018 Offering

On April 19, 2018, we completed the registered offering of \$750.0 million aggregate principal amount of Senior Floating Rate Notes due 2020 (the "Floating Rate Notes"), \$1.0 billion aggregate principal amount of 3.70% Senior Notes due 2023 (the "2023 Notes"), \$1.0 billion aggregate principal amount of 4.00% Senior Notes due 2025 (the "2025 Notes") and \$1.25 billion aggregate principal amount of 4.20% Senior Notes due 2028 (the "2028 Notes" and together with the 2023 Notes and the 2025 Notes, the "Fixed Rate Notes"; and the Fixed Rate Notes together with the Floating Rate Notes, the "Notes").

The Notes were issued pursuant to an indenture, dated as of April 2, 2018 (the "Indenture"), between us and U.S. Bank National Association, as trustee, as supplemented by the First Supplemental Indenture dated as of April 19, 2018 (the "First Supplemental Indenture").

The Notes are unsecured, unsubordinated obligations of ours and rank equal in right of payment to all of our existing and future debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the Notes.

The Floating Rate Notes matured on April 17, 2020 and bore interest at a floating rate, reset quarterly, equal to LIBOR plus 70 basis points. The 2023 Notes were scheduled to mature on May 15, 2023 and bore interest at the rate of 3.70% annually. We redeemed the 2023 Notes in the fourth quarter of 2021 as discussed in "Repayments of Long-Term Debt" below. The 2025 Notes mature on May 15, 2025 and bear interest at the rate of 4.00% annually. The 2028 Notes mature on May 15, 2028 and bear interest at the rate of 4.20% annually. We are required to pay interest on the Fixed Rate Notes semiannually, in arrears, on May 15 and November 15 of each year to holders of record on the preceding May 1 and November 1, respectively.

We may redeem (or may have redeemed) the Fixed Rate Notes of each series in whole or in part, at our option, at any time and from time to time prior to (i) in the case of the 2023 Notes, April 15, 2023, (ii) March 15, 2025 in the case of the 2025 Notes March 15, 2025 and (iii) February 15, 2028 in the case of the 2028 Notes February 15, 2028 (the date with respect to each such series, the "Applicable Par Call Date"), in each case, at a "make-whole" price described in the First Supplemental Indenture plus accrued and unpaid interest to, but excluding, the date of redemption. In addition, on or after the Applicable Par Call Date, we may redeem the Fixed Rate Notes of the applicable series, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount thereof.

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In the event of a Change of Control Triggering Event, as defined in the Indenture, with respect to any series, the holders of the Notes of such series may require us to purchase for cash all or a portion of their Notes of such series at a purchase price equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase. The Indenture limits our ability and that of our subsidiaries, subject to significant baskets and exceptions, to incur certain secured debt. The First Supplemental Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Notes to become or to be declared due and payable, as applicable.

Fiscal 2021 Offering

On December 1, 2021, we completed the registered offering of \$800.0 million aggregate principal amount of 2.65% Senior Notes due 2031 (the "2031 Notes") and \$400.0 million aggregate principal amount of 3.375% Senior Notes due 2051 (the "2051 Notes" and, together with the 2031 Notes, the "New Notes").

The New Notes were issued pursuant to the Indenture, as supplemented by the Second Supplemental Indenture dated as of December 1, 2021 (the "Second Supplemental Indenture").

The New Notes are unsecured, unsubordinated obligations of ours and rank equally in right of payment to all of our existing and future debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the New Notes.

The 2031 Notes mature on December 1, 2031 and bear interest at the rate of 2.650% per annum. The 2051 Notes mature on December 1, 2051 and bear interest at the rate of 3.375% per annum. We are required to pay interest on the New Notes semi-annually, semiannually, in arrears, on June 1 and December 1 of each year to holders of record on the preceding May 15 and November 15, respectively.

We may redeem the New Notes of each series in whole or in part at any time and from time to time prior to (i) in the case of the 2031 Notes, September 1, 2031, and (ii) in the case of the 2051 Notes, June 1, 2051 (the date with respect to each such series, the "Applicable Par Call Date"), in each case, at a "make-whole" price described in the Second Supplemental Indenture plus accrued and unpaid interest to, but excluding, the date of redemption. In addition, on or after the Applicable Par Call Date, we may redeem the New Notes of the applicable series, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount thereof.

In the event of a Change of Control Triggering Event (as defined in the Second Supplemental Indenture) with respect to any series, the holders of the New Notes of such series may require us to purchase for cash all or a portion of their New Notes of such series at a purchase price equal to 101% of the principal amount of such New Notes, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase. The Indenture limits our ability and that of our subsidiaries, subject to significant baskets and exceptions, to incur certain secured debt. The Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the New Notes to become or to be declared due and payable, as applicable.

Repayments of Long-term Debt

In the first quarter of 2020, we repaid the remaining \$250.0 million outstanding under our \$750.0 million Floating Rate Notes.

In the fourth quarter of 2020, we repaid the \$300.0 million 5.00% Senior Notes that we assumed upon the acquisition of Family Dollar in 2015.

In the fourth quarter of fiscal 2021, we used the proceeds from the offering of the New Notes discussed above to redeem the \$1.0 billion 2023 Notes. We incurred a redemption premium of \$43.8 million in connection with the early redemption of the 2023 Notes and accelerated the expensing of \$2.7 million of amortizable non-cash deferred financing and original issue discount costs, which are reflected in "Interest expense, net" within the accompanying consolidated income statements Consolidated Statements of Operations for the year ended January 29, 2022.

Debt Covenants

As of January 28, 2023 February 3, 2024, we were in compliance with the debt covenants for both our debt covenants short-term borrowings and long-term debt.

Note 67 - Leases

Our lease portfolio primarily consists of leases for our retail store locations, vehicles and trailers, as well as distribution center space and equipment.

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The lease cost for operating leases that was recognized in the accompanying **consolidated income statements** **Consolidated Statements of Operations** was as follows:

		Year Ended			Year Ended			
(in millions)	(in millions)	January 28, 2023	January 29, 2022	January 30, 2021	(in millions)	February 3, 2024	January 28, 2023	January 29, 2022
Operating lease cost	Operating lease cost	\$1,652.8	\$1,602.8	\$1,551.2				
Variable lease cost	Variable lease cost	428.8	417.8	391.4				
Short-term lease cost	Short-term lease cost	10.8	5.6	9.7				
Total lease cost*	Total lease cost*	\$2,092.4	\$2,026.2	\$1,952.3				
*Excludes sublease income, which is immaterial	*Excludes sublease income, which is immaterial							
*Excludes sublease income, which is immaterial								
*Excludes sublease income, which is immaterial								

There are no residual value guarantees that exist, and there are no restrictions or covenants imposed by leases.

As of **January 28, 2023** **February 3, 2024**, maturities of lease liabilities were as follows:

		(in millions)		
			Fiscal Year	(in millions)
2023		\$1,657.7		
2024	2024	1,462.8		
2025	2025	1,232.0		
2026	2026	994.0		
2027	2027	733.0		
2028				
Thereafter	Thereafter	1,358.6		
Total undiscounted lease payments	Total undiscounted lease payments	7,438.1		
Less interest	Less interest	733.2		
Present value of lease liabilities	Present value of lease liabilities	\$6,704.9		

The future lease payments above exclude **\$502.3 million** **\$415.7 million** of legally binding minimum lease payments for leases signed but not yet commenced as of **January 28, 2023** **February 3, 2024**.

Information regarding the weighted-average remaining lease term and the weighted-average discount rate for operating leases is as follows:

	January 28, 2023	January 29, 2022	January 30, 2021	February 3, 2024	January 28, 2023	January 29, 2022
Weighted-average remaining lease term (years)	5.7	5.9	6.1	Weighted-average remaining lease term (years)	5.7	5.9
Weighted-average discount rate	3.6 %	3.4 %	3.9 %	Weighted-average discount rate	4.1 %	3.6 %
						3.4 %

The following represents supplemental information pertaining to our operating lease arrangements:

(in millions)	Year Ended		
	January 28, 2023	January 29, 2022	January 30, 2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 1,559.7	\$ 1,579.8	\$ 1,519.4

Distribution Center Lease and Related Bonds

In May 2017, we entered into a long-term property lease ("Missouri Lease") which includes land and the construction of a 1.2 million square foot distribution center in Warrensburg, Missouri ("Distribution Center Project"). The Distribution Center Project was completed in 2018 and our investment in the project of \$88.4 million as of January 28, 2023 is reflected in "Property, plant and equipment, net." The Missouri Lease commenced upon its execution in May 2017 and expires on December 1, 2032. We have two options to extend the Missouri Lease term for up to a combined additional ten years. Following the expiration of the lease, the property reverts back to us.

In addition to being a party to the Missouri Lease, we are also the owner of bonds which were issued in May 2017, are secured by the Missouri Lease and expire December 1, 2032 ("Missouri Bonds"). The Missouri Bonds are debt issued by the lessor in the Missouri Lease. Therefore, we hold the debt instrument pertaining to our Missouri Lease obligation. Because a legal right of offset exists, we are accounting for the Missouri Bonds as a reduction of our Missouri Lease obligation in the accompanying consolidated balance sheets.

(in millions)	Year Ended		
	February 3, 2024	January 28, 2023	January 29, 2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 1,852.1	\$ 1,559.7	\$ 1,579.8

Note 78 - Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a fair value hierarchy has been established that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

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Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and

Level 3 - Unobservable inputs in which there is little or no market data which require the reporting entity to develop its own assumptions.

As required, financial assets and liabilities are classified in the fair value hierarchy in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (e.g., when there is evidence of impairment). We review certain store assets for evidence of impairment. The fair values are determined based on the income approach, in which we utilize internal cash flow projections over the life of the underlying lease agreements discounted based on our risk-adjusted rate. These measures of fair value, and related inputs, are considered a Level 3 approach under the fair value hierarchy. Refer to [Note 12](#) under the caption "Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of" and [Note 16](#) for further information regarding the impairment charges recorded in fiscal 2023, fiscal 2022 [2021](#) and [2020](#), fiscal 2021.

Our indefinite-lived intangible assets are recorded at carrying value, and, if impaired, are adjusted to fair value using Level 3 inputs. Refer to [Note 12](#) under the caption "Goodwill and Nonamortizing Intangible Assets" and [Note 15](#) for further information regarding the process of determining the fair value of these assets. [assets and the impairment charges recorded in fiscal 2023, fiscal 2022 and fiscal 2021.](#)

Fair Value of Financial Instruments

The carrying amounts of [Cash](#) "Cash and cash equivalents", [Restricted cash](#) "Restricted cash" and [Accounts payable](#) "Accounts payable" as reported in the accompanying [consolidated balance sheets](#) [Consolidated Balance Sheets](#) approximate fair value due to their short-term maturities. The carrying [value](#) values of our Revolving Credit Facility approximates its and borrowings under our commercial paper program approximate their fair [value](#) values.

The aggregate fair values and carrying values of our long-term borrowings were as follows:

		January 28, 2023	January 29, 2022							February 3, 2024	January 28, 2023
		February 3, 2024								February 3, 2024	January 28, 2023
(in millions)	(in millions)	Fair Value	Carrying Value	Fair Value	Carrying Value	(in millions)	Fair Value	Carrying Value	Fair Value	Carrying Value	
Level 1		Level 1		Level 1							
Senior Notes	Senior Notes	\$3,162.8	\$3,426.7	\$3,558.5	\$3,423.4						

The fair values of our Senior Notes were determined using Level 1 inputs as quoted prices in active markets for identical assets or liabilities are available.

Note 89 - Shareholders' Equity

Preferred Stock

We are authorized to issue 10,000,000 shares of Preferred Stock, \$0.01 par value per share. No preferred shares are issued and outstanding at [January 28, 2023](#) [February 3, 2024](#) and [January 29, 2022](#) [January 28, 2023](#).

Net Income Per Share

The following table sets forth the calculations of basic and diluted net income per share:

(in millions, except per share data)	Year Ended		
	January 28, 2023	January 29, 2022	January 30, 2021
Basic net income per share:			
Net income	\$ 1,615.4	\$ 1,327.9	\$ 1,341.9
Weighted average number of shares outstanding	223.2	227.9	236.4
Basic net income per share	\$ 7.24	\$ 5.83	\$ 5.68
Diluted net income per share:			
Net income	\$ 1,615.4	\$ 1,327.9	\$ 1,341.9
Weighted average number of shares outstanding	223.2	227.9	236.4
Dilutive effect of stock options and restricted stock (as determined by applying the treasury stock method)	0.9	1.1	0.9
Weighted average number of shares and dilutive potential shares outstanding	224.1	229.0	237.3
Diluted net income per share	\$ 7.21	\$ 5.80	\$ 5.65

For the year ended January 28, 2023, stock options and other stock-based awards of 3.0 million shares were excluded from the calculation of diluted net income per share because their inclusion would be anti-dilutive. For the years ended January 29, 2022 and January 30, 2021, substantially all of the stock options outstanding were included in the calculation of the weighted average number of shares and dilutive potential shares outstanding.

Share Repurchase Programs

We periodically repurchase shares of our common stock under share repurchase programs authorized by our Board of Directors. Under the existing Board repurchase authorization, we may repurchase up to \$2.5 billion of our common stock in open market or privately negotiated transactions with financial institutions. The repurchase authorization does not have an expiration date.

We repurchased 3,905,599, 4,613,696 and 3,982,478 shares of common stock on the open market in fiscal 2023, fiscal 2022 and fiscal 2021, and fiscal 2020, respectively, for \$504.3 million, \$647.5 million \$950.0 million and \$400.0 \$950.0 million, respectively. At January 28, 2023 February 3, 2024, we had \$1.85 billion \$1.35 billion remaining under our existing \$2.5 billion Board repurchase authorization.

Note 9 – Employee Benefit Plans

Dollar Tree Retirement Savings Plan

We maintain a 401(k) plan which is available to all full-time, United States-based employees who are at least 18 years of age. Eligible employees may make elective salary deferrals. We may make contributions, at our discretion, to eligible employees who have completed one year of service in which they have worked at least 1,000 hours.

Contributions to and reimbursements by us [Table of expenses of the plan were recorded in the accompanying consolidated income statements as follows:Contents](#)

(in millions)	Year Ended		
	January 28, 2023	January 29, 2022	January 30, 2021
Cost of sales	\$ 8.6	\$ 8.2	\$ 7.4
Selling, general and administrative expenses	23.1	20.6	19.0
Total	\$ 31.7	\$ 28.8	\$ 26.4

All eligible employees are immediately vested in any company match contributions under the 401(k) plan.

Note 10 - Stock-Based Compensation Plans

Fixed Stock-Based Compensation Plans

The 2011 Omnibus Incentive Plan permitted us to grant to our employees, consultants and directors up to 4.0 million shares of our Common Stock common stock plus any shares available under former plans which were previously approved by the shareholders. The plan permitted us to grant equity awards in the form of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock awards, service-based restricted stock units ("RSUs"), performance bonuses, performance share performance-based restricted stock units ("PSUs"), non-employee director stock options and other equity-related awards. As of March 17, 2021, the plan was no longer available for new grants of awards, but all outstanding awards that were granted under the plan prior to March 17, 2021 continue to be governed by the terms and conditions of the plan and applicable award agreements. Effective June 10, 2021, the 2011 Omnibus Incentive Plan was replaced and superseded by the 2021 Omnibus Incentive Plan ("Omnibus Plan"). The Omnibus Plan permits us to grant up to 6.5 million shares of our Common Stock common stock to our employees, consultants and directors. The form of equity awards authorized for grant under the Omnibus Plan are substantially the same as those permitted by the predecessor plan.

Any restricted stock, RSUs or PSUs awarded are subject to certain general restrictions. The restricted stock shares or units may not be sold, transferred, pledged or disposed of until the restrictions on the shares or units have lapsed or have been removed under the provisions of the Omnibus Plan. In addition, if a holder of restricted shares or units ceases to be employed by us, any shares or units in which the restrictions have not lapsed will be forfeited.

The Prior to July 1, 2023, the 2013 Director Deferred Compensation Plan permits any of our directors who receive to defer all or a retainer or other portion of fees for Board or Board committee service to defer all or a portion of such fees until a future date, at which time they may be paid in cash or shares of our common stock, or receive all or a portion of such fees in non-statutory stock options. Deferred fees that are paid out in cash will earn interest at the 30-year Treasury Bond Rate. If a director elects Deferred amounts to be paid in common stock the number of shares will be determined by dividing the deferred fee amount by the closing market price of a share of our common stock on the date of deferral. The number of options issued to a director will equal the deferred fee amount divided by 33% of the price of a share of our common stock. The exercise price will equal the fair market value of our common stock at the date the option is issued. The options are fully vested when issued and have a term of 10 years. The 2013 plan expired on June 30, 2023. All amounts deferred by directors pursuant to the terms of the 2013 plan on or before June 30, 2023 will continue to be administered in accordance with the terms of the 2013 plan and applicable deferral elections.

In Beginning July 1, 2023, our non-employee directors are permitted to defer all or a part of fees earned for his or her service as a director pursuant to our Non-Employee Director Deferred Compensation Program, which operates in conjunction with, and under the authority of, Family Dollar the Omnibus Plan. Pursuant to this program, cash fees may be deferred into either a cash account or a phantom stock account, and annual equity awards for service as a director may be deferred into the director's phantom stock account. Deferred fees that are paid out in 2015, we assumed cash will earn interest at the Family Dollar Stores, Inc. 2006 Incentive Plan (the "2006 Plan"). The 2006 Plan permitted 30-year Treasury Bond Rate. Deferred amounts to be paid in common stock are determined by dividing the granting deferred fee amount by the closing market price of a variety share of compensatory award types, including our common stock options and performance share rights, on the date of deferral.

Total stock-based compensation expense was recorded in the accompanying consolidated income statements [Consolidated Statements of Operations](#) as follows:

(in millions)	Year Ended			(in millions)	Year Ended		
	January 28, 2023	January 29, 2022	January 30, 2021		February 3, 2024	January 28, 2023	January 29, 2022
Cost of sales	Cost of sales	\$ 19.7	\$ 18.3	\$ 15.4			

Selling, general and administrative expenses	Selling, general and administrative expenses	90.7	61.6	68.5
Total stock-based compensation expense	Total stock-based compensation expense	\$110.4	\$ 79.9	\$ 83.9
Excess tax benefit (deficit) on stock-based compensation recognized in the Provision for income taxes		\$ 9.8	\$ 8.5	\$ (2.8)
Excess tax benefit on stock-based compensation recognized in the provision for income taxes				

Restricted Stock

We issue **service-based** RSUs to employees and officers and issue PSUs to certain of our officers. We recognize expense based on the estimated fair value of the RSUs or PSUs granted over the requisite service period, which is generally three years, on a straight-line basis or a shorter period based on the retirement eligibility of the grantee. For PSUs, the compensation expense recorded is re-evaluated at each reporting period and adjusted, as necessary, based on the probability of achieving the performance criteria.

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RSUs

The fair value of RSUs **and** PSUs is determined based on our closing stock price on the grant date.

Service-Based RSUs

The following table summarizes the status of **service-based** RSUs as of **January 28, 2023** **February 3, 2024** and changes during the year then ended:

	Number of Shares	Date Fair Value	Weighted Average Grant
			Number of RSUs
Nonvested at January 29, 2022	1,096,066	\$ 94.16	
Granted	Granted	468,929	158.05
Vested	Vested	(546,036)	94.24
Forfeited	Forfeited	(150,239)	120.72
Nonvested at January 28, 2023	868,720	\$ 123.99	
Nonvested at February 3, 2024			

The total fair value of the **service-based restricted shares** RSUs vested during the years ended **January 28, 2023** **February 3, 2024**, **January 28, 2023** and **January 29, 2022** was \$53.8 million, \$51.5 million and **January 30, 2021** was \$51.5 million, \$56.8 million and \$48.5 million, respectively. The weighted average grant date fair value of the RSUs granted in fiscal 2023, fiscal 2022 and fiscal 2021 was \$141.70, \$158.05 and 2020 was \$158.05, \$109.01, and \$73.24, respectively. As of **January 28, 2023** **February 3, 2024**, there was \$58.0 million \$65.9 million of total unrecognized compensation expense related to **these** the outstanding RSUs which is expected to be recognized over a weighted-average period of **1.21.4** years.

PSUs

Historically, we have granted PSUs that have a service and performance condition. The fair value of these awards is determined based on our closing stock price on the grant date. In fiscal 2023, we granted PSUs that cliff vest at the end of three years and that contain a market condition modifier, in addition to having a service and performance condition. The market condition modifier can adjust the number of shares that vest under the award based on a comparison of our total shareholder return to that of a designated peer group over the performance period. The fair value of these awards incorporating the market condition was estimated on the grant date using a Monte Carlo simulation model with the following weighted average assumptions:

	Fiscal 2023
Expected term (in years)	2.8
Expected stock price volatility	34.5 %
Dividend yield	— %
Risk-free interest rate	3.82 %

The expected stock price volatility is based on the historical and implied volatility of our common stock over a period matching the expected term of the awards granted. The dividend yield reflects that we have never paid cash dividends. The risk-free interest rate represents the yield curve in effect at the time of grant for U.S. Treasury zero-coupon securities with maturities that approximate the expected term of the awards.

The following table summarizes the status of PSUs as of **January 28, 2023** **February 3, 2024** and changes during the year then ended:

	Number of Shares	Weighted Average Grant Date Fair Value	Number of PSUs	
			Date Fair Value	Number of PSUs
Nonvested at January 29, 2022	584,972	\$ 91.86		
Nonvested at January 28, 2023				
Granted	Granted	206,044	159.57	
Vested	Vested	(445,912)	99.87	
Forfeited	Forfeited	(190,281)	116.61	
Nonvested at January 28, 2023		<u>154,823</u>	<u>\$ 125.84</u>	
Nonvested at February 3, 2024				

The total fair value of the PSUs vested during the years ended **January 28, 2023** **February 3, 2024**, **January 28, 2023** and **January 29, 2022** was \$8.7 million, \$44.5 million and **January 30, 2021** was \$44.5 million, \$17.3 million and \$19.6 million, respectively. The weighted average grant date fair value of the PSUs granted in fiscal 2023, fiscal 2022 and fiscal 2021 was \$129.24, \$159.57 and 2020 was \$159.57, \$95.04, and \$74.46, respectively. As of **January 28, 2023** **February 3, 2024**, there was \$9.9 million \$3.7 million of total unrecognized compensation expense related to these PSUs which is expected to be recognized over a weighted-average period of **0.91.1** years. We assess the probability of the achievement of the remaining performance targets at the end of each reporting period and based on that assessment, cumulative adjustments may be recorded in future periods.

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Stock Options

Historically, we have not used stock options broadly as part of our compensation strategy. In fiscal 2023, we began to issue stock options to certain key executives. These awards generally have a ten-year term and vest in equal installments on each of the first three anniversaries of the grant date, subject to the employees' continued employment with the company through each vesting date. Stock options are valued using the Black-Scholes option pricing model and compensation expense is recognized on a straight-line basis over the requisite service period.

Options granted in 2021 and 2020 are immaterial. On March 19, 2022, fiscal 2023 had a fair value of \$4.9 million.

In addition, in fiscal 2022, we granted a one-time award of options to purchase 2,252,587 shares of our common stock with a fair value of \$135.6 million to the Executive Chairman of the Board, who was also appointed Chief Executive Officer of the company effective January 29, 2023. The grant of options was subject to the terms and conditions of a five-year Executive Agreement. The option award has a ten-year term and is scheduled to vest in equal installments on each of the first five anniversaries of the grant date, subject to the Executive Chairman's continued employment with the company through each vesting date.

Options granted in fiscal 2021 were immaterial.

Stock options are valued using the Black-Scholes option pricing model and compensation expense is recognized on a straight-line basis over the requisite service period.

The weighted average assumptions used in the Black-Scholes option pricing model for **this** the executive stock options granted in fiscal 2023 and the assumptions used for the fiscal 2022 award granted to the Executive Chairman are as follows:

Expected term (in years)	6.5
Expected stock price volatility	34.1 %
Dividend yield	— %
Risk-free interest rate	2.15 %

	Fiscal 2023	Fiscal 2022
Expected term (in years)	6.0	6.5
Expected stock price volatility	36.3 %	34.1 %
Dividend yield	— %	— %
Risk-free interest rate	3.81 %	2.15 %

The simplified method was used to estimate the expected term of the options due to our lack of historical option exercise experience and the "plain vanilla" characteristics of the option award. The simplified method results in an expected term equal to the average of the weighted average time-to-vesting and the contractual life of the options. The expected stock price volatility is based on the historical volatility of our common stock over a period matching the expected term of the options granted. The dividend yield reflects that we have never paid cash dividends. The risk-free interest rate represents the yield curve in effect at the time of grant for U.S. Treasury zero-coupon securities with maturities that approximate the expected term of the options.

Certain Prior to July 1, 2023, certain of our directors elected to defer their compensation into stock options under the 2013 Director Deferred Compensation Plan. These options vest immediately and are expensed on the grant date.

The following tables summarize information about options outstanding at **January 28, 2023** **February 3, 2024** and changes during the year then ended:

	Weighted Average Per Share	Weighted Average Remaining Term (Years)	Aggregate Intrinsic Value (in millions)		Number of Shares	Weighted Average Per Share Exercise Price	Weighted Average Remaining Term (Years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 29, 2022	24,541	\$ 90.38						
Outstanding at January 28, 2023				Outstanding at January 28, 2023	2,276,937	\$ 156.46		
Granted	2,252,979	157.17		Granted	85,447	137.93	137.93	
Exercised	Exercised (583)	76.95		Exercised	(1,207)	77.59	77.59	
Outstanding at January 28, 2023	2,276,937	\$ 156.46	9.1 \$ 1.4					
Exercisable at January 28, 2023	24,350	\$ 90.92	3.8 \$ 1.4	Forfeited	(1,075)		143.55	
Forfeited								
Outstanding at February 3, 2024								
Exercisable at February 3, 2024								

The intrinsic value of options exercised during fiscal 2023, fiscal 2022 and fiscal 2021 and 2020 was \$0.1 million, less than \$0.1 million, and \$5.6 million and \$0.9 million, respectively. As of **January 28, 2023** **February 3, 2024**, there was \$112.1 million \$87.5 million of total unrecognized compensation expense related to these options which is expected to be recognized over a weighted-average period of 4.1 3.1 years.

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Note 11 – Net Income (Loss) Per Share

The following table sets forth the calculations of basic and diluted net income (loss) per share:

(in millions, except per share data)	Year Ended		
	February 3, 2024	January 28, 2023	January 29, 2022
Basic net income (loss) per share:			
Net income (loss)	\$ (998.4)	\$ 1,615.4	\$ 1,327.9
Weighted average number of shares outstanding	219.5	223.2	227.9
Basic net income (loss) per share	\$ (4.55)	\$ 7.24	\$ 5.83
Diluted net income (loss) per share:			
Net income (loss)	\$ (998.4)	\$ 1,615.4	\$ 1,327.9
Weighted average number of shares outstanding	219.5	223.2	227.9
Dilutive impact of share-based awards (as determined by applying the treasury stock method)	—	0.9	1.1
Weighted average number of shares and dilutive potential shares outstanding	219.5	224.1	229.0
Diluted net income (loss) per share	\$ (4.55)	\$ 7.21	\$ 5.80

For the years ended February 3, 2024 and January 28, 2023, share-based awards of 2.9 million shares and 3.0 million shares, respectively, were excluded from the calculation of diluted net income (loss) per share because their inclusion would be anti-dilutive. For the year ended January 29, 2022, substantially all of the outstanding share-based awards were included in the calculation of the weighted average number of shares and dilutive potential shares outstanding.

Note 11.12 – Employee Benefit Plan

Dollar Tree Retirement Savings Plan

We maintain a 401(k) plan which is available to all full-time, United States-based employees who are at least 18 years of age. Eligible employees may make elective salary deferrals. We make contributions in the form of a dollar-for-dollar match on the first five percent of employee contributions to eligible employees who have completed one year of service in which they have worked at least 1,000 hours.

Contributions to and reimbursements by us of expenses of the plan were recorded in the accompanying Consolidated Statements of Operations as follows:

(in millions)	Year Ended		
	February 3, 2024	January 28, 2023	January 29, 2022
Cost of sales	\$ 9.9	\$ 8.6	\$ 8.2
Selling, general and administrative expenses	26.0	23.1	20.6
Total	\$ 35.9	\$ 31.7	\$ 28.8

All eligible employees are immediately vested in any company match contributions under the 401(k) plan.

Note 13 – Segments and Disaggregated Revenue

We operate more than 16,300 16,700 retail discount stores in 48 states and five Canadian provinces. Our operations are conducted in two reporting business segments: Dollar Tree and Family Dollar. We define our segments as those operations whose results our CODM regularly reviews to analyze performance and allocate resources.

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We measure the results of our segments using, among other measures, each segment's net sales, gross profit and operating income (loss). The CODM reviews these metrics for each of our reporting segments. We may revise the measurement of each segment's operating income (loss), as determined by the information regularly reviewed by the CODM. If the measurement of a segment changes, prior period amounts and balances are reclassified to be comparable to the current period's presentation. Corporate, support and Other other consists primarily of store support center costs and the results of operations for our Summit Pointe property in Chesapeake, Virginia that are considered shared services and therefore these selling, general and administrative costs are excluded from our two reporting business segments. These costs include operating expenses for our store support center and the results of operations for our Summit Pointe property in Chesapeake, Virginia. The Family Dollar segment Operating operating income (loss) includes advertising revenue, which is a component of Other revenue "Other revenue" in the accompanying consolidated income statements.

Consolidated Statements of Operations.

Information for our segments, as well as for Corporate, corporate, support and Other, other, including the reconciliation to Income income (loss) before income taxes, is as follows:

Year Ended

	January 28, 2023	January 29, 2022	January 30, 2021	(in millions)	Year Ended	February 3, 2024	January 28, 2023	January 29, 2022
Consolidated Income Statement Data:								
Consolidated Statements of Operations Data:								
Net sales:								
Net sales:	Net sales:							
Dollar Tree	Dollar Tree	\$15,405.7	\$13,922.1	\$13,265.0				
Dollar Tree	Dollar Tree							
Family Dollar	Family Dollar	12,912.5	12,387.7	12,243.4				
Consolidated Net sales		\$28,318.2	\$26,309.8	\$25,508.4				
Consolidated net sales								
Gross profit:	Gross profit:							
Dollar Tree	Dollar Tree							
Dollar Tree	Dollar Tree	\$ 5,775.5	\$ 4,603.6	\$ 4,543.8				
Family Dollar	Family Dollar	3,146.4	3,122.3	3,243.6				
Consolidated Gross profit		\$ 8,921.9	\$ 7,725.9	\$ 7,787.4				
Consolidated gross profit								
Operating income (loss):	Operating income (loss):							
Dollar Tree	Dollar Tree							
Dollar Tree	Dollar Tree	\$ 2,536.0	\$ 1,607.0	\$ 1,598.0				
Family Dollar	Family Dollar	127.5	543.1	655.6				
Corporate, support and Other		(427.2)	(338.7)	(365.7)				
Consolidated Operating income		2,236.3	1,811.4	1,887.9				
Corporate, support and other								
Consolidated operating income (loss)								
Interest expense, net	Interest expense, net	125.3	178.9	147.3				

Other expense, net	Other expense, net	0.4	0.3	0.8
Income before income taxes				
		\$ 2,110.6	\$ 1,632.2	\$ 1,739.8
Income (loss) before income taxes				
Depreciation and amortization expense:	Depreciation and amortization expense:			
Depreciation and amortization expense:				
Depreciation and amortization expense:				
Dollar Tree	Dollar Tree			
Dollar Tree	Dollar Tree			
Dollar Tree	Dollar Tree	\$ 338.8	\$ 316.0	\$ 302.3
Family Dollar	Family Dollar	402.4	369.8	352.6
Corporate, support and Other		26.8	30.2	31.8
Corporate, support and other				
Consolidated depreciation and amortization expense	Consolidated depreciation and amortization expense			
		\$ 768.0	\$ 716.0	\$ 686.7

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		As of			
		January 28,	January 29,		
(in millions)	(in millions)	2023	2022	(in millions)	
Consolidated Balance	Consolidated Balance				
Sheet Data:	Sheet Data:				
Goodwill:	Goodwill:				
Goodwill:					
Goodwill:					
Dollar Tree	Dollar Tree				
Dollar Tree	Dollar Tree				
Dollar Tree	Dollar Tree	\$ 423.6	\$ 424.9		
Family Dollar	Family Dollar	1,559.5	1,559.5		
Consolidated Goodwill		\$ 1,983.1	\$ 1,984.4		
Consolidated goodwill					
Total assets:	Total assets:				
Total assets:					
Total assets:					
Dollar Tree					

Dollar Tree			
Dollar Tree	Dollar Tree	\$ 9,914.6	\$ 9,358.4
Family	Family		
Dollar	Dollar	12,562.2	11,871.8
Corporate, support and			
Other		545.3	491.6
Consolidated Total assets		\$23,022.1	\$21,721.8
Corporate, support and other			
Consolidated total assets			
Additions to property, plant and equipment:	Additions to property, plant and equipment:		
Dollar Tree	Dollar Tree		
Dollar Tree	Dollar Tree		
Dollar Tree	Dollar Tree	\$ 548.7	\$ 477.1
Family	Family		
Dollar	Dollar	605.2	498.9
Corporate, support and			
Other		94.9	45.2
Corporate, support and other			
Consolidated additions to property, plant and equipment	Consolidated additions to property, plant and equipment		
Dollar Tree	Dollar Tree	\$ 1,248.8	\$ 1,021.2

Disaggregated Revenue

The following table summarizes net sales by merchandise category for our segments:

(in millions)	(in millions)	Year Ended			(in millions)	Year Ended			
		January 28, 2023				January 29, 2022			
		2023	2022	2021		2023	2022	2021	
Dollar Tree segment net sales by merchandise category:	Dollar Tree segment net sales by merchandise category:								
Consumable	Consumable								
Consumable	Consumable	\$ 6,978.8	45.3 %	\$ 6,334.5	45.5 %	\$ 6,407.0	48.3 %	\$ 7,915.6	
Variety	Variety	7,456.3	48.4 %	6,794.0	48.8 %	6,194.8	46.7 %	Variety	
Seasonal	Seasonal	970.6	6.3 %	793.6	5.7 %	663.2	5.0 %	Seasonal	
Total Dollar Tree segment net sales	Total Dollar Tree segment net sales	\$15,405.7	100.0 %	\$13,922.1	100.0 %	\$13,265.0	100.0 %	Total Dollar Tree segment net sales	
								\$16,770.3	
								100.0 %	
								\$15,405.7	

Note 14 – Supply Chain Finance Program

During the third quarter of fiscal 2023, we implemented a supply chain finance program, administered through a financial institution, which provides participating suppliers with the opportunity to finance payments due from us. Participating suppliers may, at their sole discretion, elect to finance one or more invoices of ours prior to their scheduled due dates at a discounted price with the financial institution.

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Our obligations to our suppliers, including amounts due and scheduled payment dates, are not impacted by the supplier's decision to finance amounts under these arrangements. As such, the outstanding payment obligations under our supply chain financing program are included within "Accounts payable" in the accompanying Consolidated Balance Sheets and within "Cash flows from operating activities" in the accompanying Consolidated Statements of Cash Flows.

As of February 3, 2024, our outstanding payment obligations under this program were \$11.8 million.

Note 15 – Goodwill and Nonamortizing Intangible Assets

Impairments

In connection with our annual impairment testing of goodwill and nonamortizing intangible assets during the fourth quarter, and as a result of the anticipated store closures described in [Note 16](#), we determined it was more likely than not that an impairment loss had been incurred with respect to the Family Dollar goodwill and trade name, and proceeded to perform a quantitative impairment test of both assets. We estimated, with the assistance of a third party specialist, the fair value of the Family Dollar trade name based on an income approach using the relief-from-royalty method. The significant estimates used in the relief-from-royalty method, which are level 3 inputs, include a company-specific royalty rate, our weighted average cost of capital adjusted by a company-specific risk premium and trade name premium. The valuation date for the Family Dollar trade name was November 25, 2023. The results of the impairment test showed that the carrying value of the Family Dollar trade name exceeded its estimated fair value resulting in the recognition of a \$950.0 million impairment charge in the fourth quarter of fiscal 2023, which is recorded as a component of "Selling, general and administrative expenses" in the accompanying Consolidated Statements of Operations.

Subsequent to the Family Dollar trade name and long-lived asset impairment tests, we estimated, with the assistance of a third party specialist, the fair value of the Family Dollar reporting unit using a combination of a market multiple method and a discounted cash flow method. The significant estimates used in the discounted cash flow method, which are level 3 inputs, include our weighted average cost of capital adjusted by a company-specific risk premium, long-term rates of growth and profitability for the Family Dollar reporting unit, working capital effects, and changes in market conditions, consumer trends and strategy. The market multiple method utilized comparable public company revenue and profitability multiples to estimate the fair value of the Family Dollar reporting unit. The valuation date for the Family Dollar reporting unit was November 25, 2023. The annual goodwill impairment evaluation in 2023 showed that the fair value of the Family Dollar reporting unit was lower than its carrying value resulting in the recognition of a \$1,069.0 million impairment charge in the fourth quarter of fiscal 2023.

The annual goodwill and nonamortizing intangible asset impairment evaluations in fiscal 2022 and fiscal 2021 did not result in impairment.

We have recorded cumulative goodwill impairment charges totaling \$4,109.0 million, all of which relate to the Family Dollar reporting unit and recorded during the fourth quarters of fiscal 2023 (\$1,069.0 million), fiscal 2019 (\$313.0 million), and fiscal 2018 (\$2,727.0 million).

Goodwill

Goodwill allocated to our reportable segments and changes in the net carrying amount of goodwill for the years ended February 3, 2024 and January 28, 2023 are as follows:

(in millions)	Dollar Tree	Family Dollar	Total
Balance at January 29, 2022	\$ 424.9	\$ 1,559.5	\$ 1,984.4
Foreign currency translation adjustments	(1.3)	—	(1.3)
Balance at January 28, 2023	423.6	1,559.5	1,983.1
Foreign currency translation adjustments	(0.3)	—	(0.3)
Goodwill impairment	—	(1,069.0)	(1,069.0)
Balance at February 3, 2024	\$ 423.3	\$ 490.5	\$ 913.8

Note 16 – Store Portfolio Optimization Review

During the fourth quarter of fiscal 2023, we announced that we had initiated a comprehensive store portfolio optimization review which involved identifying stores for closure, relocation or re-banning based on an evaluation of current market conditions and individual store performance, among other factors. As a result of this portfolio optimization review, we plan to close approximately 970 underperforming Family Dollar stores, including approximately 600 stores to be closed in the first half of fiscal 2024, and approximately 370 stores to be closed at the end of each store's current lease term. Additionally, we identified approximately 30 underperforming Dollar Tree stores for closure and plan to close each store at the end of the store's current lease term.

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We performed an undiscounted cash flow analysis on each individual store's asset group, and determined that certain store asset groups had net carrying values that exceeded their estimated undiscounted future cash flows. Accordingly, we estimated the fair values of the asset groups based on a discounted cash flow method. For stores that are closing in the first half of fiscal 2024, we estimated the remaining fair value of the asset groups taking into account our ability to generate sublease income or lease termination benefits prior to the end of the lease term. The significant estimates used in the discounted cash flow methodology, which are based on level 3 inputs, include our expectations for future operations and projected cash flows. The valuation date for estimating the fair value of the long-lived assets for these stores was November 25, 2023.

As a result of the impairment test for the long-lived assets, we incurred \$503.9 million of non-cash impairment charges which are included in "Selling, general and administrative expenses" within the accompanying Consolidated Statements of Operations, comprised of \$152.2 million of property, plant and equipment impairment charges and \$351.7 million of operating lease ROU asset impairment charges. The operating lease ROU asset impairment does not relieve us of our monthly cash payment obligations under the lease. We will pursue lease terminations or subleases where practicable. In addition, we recorded \$80.6 million of inventory markdowns and \$5.6 million of capitalized distribution cost impairment within "Cost of sales" in the accompanying Consolidated Statements of Operations for the stores expected to close in the first half of fiscal 2024. We also incurred \$4.3 million in third party consulting fees related to the portfolio optimization review which are included in "Selling, general and administrative expenses" within the accompanying Consolidated Statements of Operations.

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Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934 (Exchange Act) ("Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply our judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management has carried out, with the participation of our Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act as of the end of the period covered by this report. Based upon this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of January 28, 2023February 3, 2024, our disclosure controls and procedures were designed and functioning effectively to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Our management conducted an assessment of our internal control over financial reporting based on the framework established by the Committee of Sponsoring Organizations of the Treadway

Commission in *Internal Control - Integrated Framework* (2013). Based on this assessment, our management has concluded that, as of January 28, 2023February 3, 2024, our internal control over financial reporting is effective.

Our independent registered public accounting firm, KPMG LLP, has audited our consolidated financial statements and has issued an attestation report on the effectiveness of our internal control over financial reporting. Their report appears below.

Changes in Internal Controls

We are undergoing a multi-year technology transformation which includes updating our core merchandise, warehouse management, point-of-sale, and human capital management systems. These updates are expected to continue over the next few years and management will continue to evaluate the design and implementation of our internal controls over financial reporting as the transformation continues. There ~~were~~ have been no changes in our internal control over financial reporting ~~that occurred~~ during our most recently completed fiscal quarter ended February 3, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Dollar Tree, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Dollar Tree, Inc. and subsidiaries' (the Company) internal control over financial reporting as of January 28, 2023February 3, 2024, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 28, 2023February 3, 2024, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of January 28, 2023February 3, 2024 and January 29, 2022January 28, 2023, the related consolidated ~~income statements~~, statements of ~~operations~~, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended January 28, 2023February 3, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated March 10, 2023March 20, 2024 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Norfolk, Virginia Beach, Virginia
March ~~10, 2023~~20, 2024

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Item 9B. Other Information

On March 8, 2023 Rule 10b5-1 Plan and Non-Rule 10b5-1 Trading Arrangement Adoptions, Terminations, and Modifications

During the fiscal quarter ended February 3, 2024, the Board none of Directors our directors or officers (as defined in Rule 16a-1(f) of the Company approved an amendment to Article III, Section 2 Securities Exchange Act of the Company's Amended and Restated By-Laws to reduce the size 1934) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408(a) of the Board from twelve directors to ten directors, effective immediately prior to the convening of the 2023 annual meeting of shareholders on June 13, 2023 Regulation S-K).

The above summary does not purport to be complete and is qualified in its entirety by reference to the Amended and Restated By-Laws, effective June 13, 2023, a copy of which is filed as Exhibit 3.3 to this Annual Report on Form 10-K and is incorporated herein by reference.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information concerning our Directors directors and Executive Officers executive officers required by this Item is incorporated by reference to Dollar Tree, Inc.'s Proxy Statement relating to our 2023 2024 Annual Meeting ("Proxy Statement"), under the captions "Director Biographies" "Biographies of Director Nominees" and "Executive Information about our Executive Officers."

To the extent disclosure of any delinquent report under Section 16(a) of the Securities Exchange Act of 1934 is made by us, such disclosure will be set forth under the caption "Delinquent Section 16(a) Reports" in our Proxy Statement, which is incorporated herein by reference.

The information concerning our audit committee and audit committee financial experts required by this Item is incorporated herein by reference to the Proxy Statement, under the caption "The Board" "Corporate Governance and Its Committees. Our Board."

The information concerning our code of ethics required by this Item is incorporated by reference to the Proxy Statement, under the caption "Board" "Corporate Governance and Our Board - Code of Ethics. Business Conduct."

Item 11. Executive Compensation

Information set forth in the Proxy Statement under the captions "Compensation Committee Report on Executive Compensation," "Compensation Discussion and Analysis," "Annual Compensation of Executive Officers," "Pay Ratio Disclosure," and "Director Compensation" is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plans

The following table summarizes information regarding shares issuable as of January 28, 2023 February 3, 2024, under our equity compensation plans, including the number of shares of common stock subject to options, restricted stock units, deferred shares and other rights granted to employees and members of our Board of Directors; the weighted-average exercise price of outstanding options; and the number of shares remaining available for future award grants under these plans. Additional information regarding our equity compensation plans can be found in Note 10 to our consolidated financial statements.

Equity compensation plan category	Equity compensation plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights			(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
		(b) Weighted-average exercise price of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	
Plans approved by security holders ¹	Plans approved by security holders ¹	1,240,339	\$ 108.38	8,696,011	
Plans not approved by security holders ²	Plans not approved by security holders ²	2,252,587	\$ 157.17	—	

- (a) Amounts represent outstanding options, restricted stock units and deferred ("phantom") shares as of **January 28, 2023** **February 3, 2024**.
- (b) Not included in the calculation of weighted-average exercise price are (i) **1,192,291** **999,563** restricted stock units and (ii) **37,273** **35,925** director deferred shares.
- (c) The **8,696,011** **7,478,960** shares remaining available for future issuance under our equity-based plans approved by security holders includes **5,799,159** **5,065,680** shares remaining under our 2021 Omnibus Incentive Plan **2,507,678** and **2,413,280** shares remaining under our 2015 Employee Stock Purchase Plan and **389,174** shares remaining under our 2013 Director Deferred Compensation Plan.

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- 1 Equity-based plans approved by our shareholders include: the **2013 Director Deferred Compensation Plan**, the **2015 Employee Stock Purchase Plan** (which replaced a predecessor plan) and the **2021 Omnibus Incentive Plan** (which replaced the **2011 Omnibus Incentive Plan**). As of March 17, 2021, the **2011 Omnibus Incentive Plan** was no longer available for new grants of awards, but all outstanding awards that were granted under the plan prior to March 17, 2021 continue to be governed by the terms and conditions of the plan and applicable award agreements. **Effective June 30, 2023, the 2013 Director Deferred Compensation Plan expired. All amounts deferred by directors under the plan on or before June 30, 2023 continue to be administered in accordance with the terms of the plan and applicable deferral elections. Effective July 1, 2023, our directors are permitted to defer all or a portion of fees earned for their service as a director under our Non-Employee Director Deferred Compensation Program, which operates in conjunction with, and under the authority of, the 2021 Omnibus Incentive Plan.**
- 2 In connection with our employment of Richard W. Dreiling as Executive Chairman of the Board in March 2022, Mr. Dreiling was granted a one-time award of options to purchase 2,252,587 shares of **Company** company common stock as an employment inducement grant within the meaning of Rule 5635(c)(4) of the NASDAQ Listing Rules. The amount shown in the table does not include **13,575** **12,368** shares to be issued upon the exercise of options with a weighted-average exercise price of **\$77.06** **\$77.01** that were granted under the Family Dollar 2006 Incentive Plan and assumed by us in connection with our merger with Family Dollar.

Information set forth in the Proxy Statement under the caption "Ownership of Common Stock," with respect to security ownership of certain beneficial owners and management, is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information set forth in the Proxy Statement under the caption "Certain Relationships and Related Transactions," is incorporated herein by reference.

The information concerning the independence of our directors required by this Item is incorporated by reference to the Proxy Statement under the caption "Board Governance - Independence."

Item 14. Principal Accountant Fees and Services

Information set forth in the Proxy Statement under the caption "Ratification of Appointment of Independent Auditors," is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

1. Documents filed as part of this report:

1. Financial Statements. Reference is made to the Index to the Consolidated Financial Statements set forth under Part II, [Item 8](#) of this Form 10-K.
2. Financial Statement Schedules. All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions, are not applicable, or the information is included in the **Consolidated Financial Statements**, **consolidated financial statements and notes thereto**, and therefore have been omitted.
3. Exhibits. The following exhibits are filed as part of, or incorporated by reference into, this report.

Exhibit	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Articles of Incorporation of Dollar Tree, Inc., effective October 14, 2022	10-Q	3.1	11/22/2022	
3.2	Amended and Restated By-Laws of Dollar Tree, Inc., effective January 30, 2023	8-K	3.1	1/31/2023	
3.3	Amended and Restated By-Laws of Dollar Tree, Inc., effective June 13, 2023				X
4.1	Form of Common Stock Certificate	8-K	4.1	3/13/2008	
4.2.1	Indenture, dated as of April 2, 2018, between Dollar Tree, Inc., as issuer, and U.S. Bank National Association, as trustee	S-3 ASR	4.1	4/2/2018	
4.2.2	First Supplemental Indenture, dated as of April 19, 2018, between Dollar Tree, Inc. and U.S. Bank National Association, as trustee	8-K	4.1	4/20/2018	

Exhibit	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Articles of Incorporation of Dollar Tree, Inc., effective October 14, 2022	10-Q	3.1	11/22/2022	
3.2	Amended and Restated By-Laws of Dollar Tree, Inc., effective September 19, 2023	8-K	3.1	9/20/2023	
4.1	Form of Common Stock Certificate	8-K	4.1	3/13/2008	
4.2.1	Indenture, dated as of April 2, 2018, between Dollar Tree, Inc., as issuer, and U.S. Bank National Association, as trustee	S-3 ASR	4.1	4/2/2018	
4.2.2	First Supplemental Indenture, dated as of April 19, 2018, between Dollar Tree, Inc. and U.S. Bank National Association, as trustee	8-K	4.1	4/20/2018	
4.2.3	Second Supplemental Indenture, dated as of December 1, 2021, between Dollar Tree, Inc. and U.S. Bank National Association, as trustee	8-K	4.1	12/1/2021	

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Exhibit	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
4.2.3	Second Supplemental Indenture, dated as of December 1, 2021, between Dollar Tree, Inc. and U.S. Bank National Association, as trustee	8-K	4.1	12/1/2021	
4.3	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934				X
10.1	* Terms of director compensation (as described under the caption "Director Compensation")	DEF 14A	N/A	5/18/2022	
10.2.1	* Change in Control Retention Agreement between Dollar Tree, Inc. and Kevin Wampler, Chief Financial Officer	8-K	10.1	12/5/2008	
10.2.2	* Amendment to Change in Control Retention Agreement between Dollar Tree, Inc. and Kevin Wampler, Chief Financial Officer	8-K	10.1	10/11/2011	
10.3	* Description of Dollar Tree, Inc. Management Incentive Compensation Plan, effective for the fiscal year ending January 29, 2022 and thereafter	10-Q	10.1	5/27/2021	
10.4.1	* 2011 Omnibus Incentive Plan effective as of March 17, 2011	8-K	10.1	6/22/2011	
10.4.2	* First Amendment to the 2011 Omnibus Incentive Plan dated June 16, 2016	10-Q	10.1	9/2/2016	
10.4.3	* 2011 Omnibus Incentive Plan, as amended and restated effective June 12, 2019	10-Q	10.1	8/29/2019	
10.5	* Form of Non-employee Director Option Agreement under the 2011 Omnibus Incentive Plan	8-K	10.4	6/22/2011	
10.6.1	* Form of Restricted Stock Unit Agreement under the 2011 Omnibus Incentive Plan	8-K	10.2	3/21/2012	
10.6.2	* Form of Restricted Stock Unit Agreement under the 2011 Omnibus Incentive Plan	10-K	10.34	3/27/2019	
10.7	* Form of Executive Officer Nonstatutory Stock Option Agreement under the 2011 Omnibus Incentive Plan	10-K	10.54	3/28/2017	
10.8	* Form of Long-Term Performance Plan Award Agreement under the 2011 Omnibus Incentive Plan	10-Q	10.1	5/28/2020	
10.9	* Form of Performance Stock Unit Agreement under the 2011 Omnibus Incentive Plan	10-K	10.33	3/27/2019	
10.10	* Dollar Tree, Inc. 2015 Employee Stock Purchase Plan, effective September 1, 2015	S-8	4.0	10/28/2015	
10.11	* Dollar Tree and Family Dollar Supplemental Deferred Compensation Plan	10-Q	10.1	8/24/2017	
10.12.1	* 2013 Director Deferred Compensation Plan, as amended and restated effective December 31, 2016	10-K	10.35	3/16/2018	
10.12.2	* 2013 Director Deferred Compensation Plan, as amended and restated effective June 10, 2021	8-K	10.6	6/11/2021	
10.12.3	* Amendment to the Dollar Tree, Inc. 2013 Director Deferred Compensation Plan, effective March 8, 2023				X
10.13	* Form of Change in Control Retention Agreement for Executive Officers (portions of the exhibit have been omitted pursuant to a request for confidential treatment)	10-Q	10.1	11/29/2018	
10.14.1	* Form of Executive Agreement (portions of the exhibit have been omitted pursuant to a request for confidential treatment)	10-Q	10.2	11/29/2018	
10.14.2	* Form of letter agreement amending Executive Agreements for Executive Officers at the level of Chiefs (EVP)	8-K	10.1	3/7/2022	
10.14.3	* Revised Form of Executive Agreement for Executive Officers at the level of Chiefs (EVP) (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	10-Q	10.1	8/25/2022	
10.15.1	* Dollar Tree, Inc. 2021 Omnibus Incentive Plan	8-K	10.1	6/11/2021	

10.15.2	* First Amendment to the Dollar Tree, Inc. 2021 Omnibus Incentive Plan, effective November 29, 2022					X
10.16	* Form of Performance-Based Restricted Stock Unit Agreement under the 2021 Omnibus Incentive Plan	8-K	10.2	6/11/2021		

Exhibit	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
4.3	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934	10-K	4.3	3/10/2023	
10.1	* Terms of director compensation (as described under the caption "Director Compensation")	DEF 14A	N/A	5/18/2022	
10.2.1	* Change in Control Retention Agreement between Dollar Tree, Inc. and Kevin Wampler, Chief Financial Officer	8-K	10.1	12/5/2008	
10.2.2	* Amendment to Change in Control Retention Agreement between Dollar Tree, Inc. and Kevin Wampler, Chief Financial Officer	8-K	10.1	10/11/2011	
10.3	* Description of Dollar Tree, Inc. Management Incentive Compensation Plan, effective for the fiscal year ending January 29, 2022 and thereafter	10-Q	10.1	5/27/2021	
10.4.1	* 2011 Omnibus Incentive Plan effective as of March 17, 2011	8-K	10.1	6/22/2011	
10.4.2	* First Amendment to the 2011 Omnibus Incentive Plan dated June 16, 2016	10-Q	10.1	9/2/2016	
10.4.3	* 2011 Omnibus Incentive Plan, as amended and restated effective June 12, 2019	10-Q	10.1	8/29/2019	
10.5	* Form of Non-employee Director Option Agreement under the 2011 Omnibus Incentive Plan	8-K	10.4	6/22/2011	
10.6.1	* Form of Restricted Stock Unit Agreement under the 2011 Omnibus Incentive Plan	8-K	10.2	3/21/2012	
10.6.2	* Form of Restricted Stock Unit Agreement under the 2011 Omnibus Incentive Plan	10-K	10.34	3/27/2019	
10.7	* Form of Executive Officer Nonstatutory Stock Option Agreement under the 2011 Omnibus Incentive Plan	10-K	10.54	3/28/2017	
10.8	* Form of Long-Term Performance Plan Award Agreement under the 2011 Omnibus Incentive Plan	10-Q	10.1	5/28/2020	
10.9	* Form of Performance Stock Unit Agreement under the 2011 Omnibus Incentive Plan	10-K	10.33	3/27/2019	
10.10	* Dollar Tree, Inc. 2015 Employee Stock Purchase Plan, effective September 1, 2015	S-8	4.0	10/28/2015	
10.11	* Dollar Tree and Family Dollar Supplemental Deferred Compensation Plan	10-Q	10.1	8/24/2017	
10.12.1	* 2013 Director Deferred Compensation Plan, as amended and restated effective December 31, 2016	10-K	10.35	3/16/2018	
10.12.2	* 2013 Director Deferred Compensation Plan, as amended and restated effective June 10, 2021	8-K	10.6	6/11/2021	
10.12.3	* Amendment to the Dollar Tree, Inc. 2013 Director Deferred Compensation Plan, effective March 8, 2023	10-K	10.12.3	3/10/2023	
10.13	* Form of Change in Control Retention Agreement for Executive Officers (portions of the exhibit have been omitted pursuant to a request for confidential treatment)	10-Q	10.1	11/29/2018	
10.14.1	* Form of Executive Agreement (portions of the exhibit have been omitted pursuant to a request for confidential treatment)	10-Q	10.2	11/29/2018	
10.14.2	* Form of letter agreement amending Executive Agreements for Executive Officers at the level of Chiefs (EVP)	8-K	10.1	3/7/2022	
10.14.3	* Revised Form of Executive Agreement for Executive Officers at the level of Chiefs (EVP) (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	10-Q	10.1	8/25/2022	
10.15.1	* Dollar Tree, Inc. 2021 Omnibus Incentive Plan	8-K	10.1	6/11/2021	
10.15.2	* First Amendment to the Dollar Tree, Inc. 2021 Omnibus Incentive Plan, effective November 29, 2022	10-K	10.15.2	3/10/2023	
10.16	* Form of Performance-Based Restricted Stock Unit Agreement under the 2021 Omnibus Incentive Plan	8-K	10.2	6/11/2021	
10.17	* Form of Long-Term Performance Plan Award Agreement under the 2021 Omnibus Incentive Plan	8-K	10.3	6/11/2021	

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Exhibit	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith

10.17	* Form of Long-Term Performance Plan Award Agreement under the 2021 Omnibus Incentive Plan	8-K	10.3	6/11/2021	
10.18	* Form of Restricted Stock Unit Agreement (Standard) under the 2021 Omnibus Incentive Plan	8-K	10.4	6/11/2021	
10.19	* Form of Non-Employee Director Nonstatutory Stock Option Agreement under the 2021 Omnibus Incentive Plan	8-K	10.5	6/11/2021	
10.20	Credit Agreement, dated as of December 8, 2021, among Dollar Tree, Inc., JPMorgan Chase Bank, N.A., as agent and the lenders and other parties thereto	8-K	10.1	12/9/2021	
10.21	* Addendum to Executive Agreement, by and between Dollar Tree, Inc. and Michael Witynski, dated March 1, 2022	8-K	10.2	3/7/2022	
10.22	* Post-Retirement Benefits Agreement, by and between Dollar Tree, Inc. and Bob Sasser, dated March 2, 2022	8-K	10.3	3/7/2022	
10.23	* Form of Indemnification Agreement for Directors and Executive Officers	8-K	10.1	3/7/2022	
10.24	Stewardship Framework Agreement, by and between Dollar Tree, Inc. and MR Cobalt Advisor LLC, on behalf of itself and its affiliates and associates, dated March 8, 2022	8-K	10.1	3/8/2022	
10.25.1	* Executive Agreement, effective March 19, 2022, by Richard W. Dreiling and Dollar Tree, Inc. (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	8-K	10.1	3/21/2022	
10.25.2	* Amendment to Executive Agreement, dated January 25, 2023, by the Company and Richard W. Dreiling	8-K/A	10.1	1/27/2023	
10.26	* Nonstatutory Stock Option Agreement, effective March 19, 2022, by Richard W. Dreiling and Dollar Tree, Inc.	8-K	10.2	3/21/2022	
10.27	* Employment Agreement between Dollar Tree Distribution, Inc. and John Flanigan, effective May 9, 2022 (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	10-Q	10.2	8/25/2022	
10.28	* Letter Agreement amending the Executive Agreement between Dollar Tree, Inc. and Kevin Wampler	10-Q	10.1	11/22/2022	
10.29	* Form of Performance-Based Restricted Stock Unit Agreement under the 2021 Omnibus Incentive Plan				X
10.30	* Form of Restricted Stock Unit Agreement (Standard) under the 2021 Omnibus Incentive Plan				X
10.31	* Form of Nonstatutory Stock Option Agreement under the 2021 Omnibus Incentive Plan				X
21.1	Subsidiaries of the Registrant				X
23.1	Consent of Independent Registered Public Accounting Firm				X
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101	The following financial statements from our Form 10-K for the fiscal year ended January 28, 2023, formatted in Inline XBRL: (i) Consolidated Income Statements, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Shareholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements				X
104	The cover page from our Form 10-K for the fiscal year ended January 28, 2023, formatted in Inline XBRL and contained in Exhibit 101				X

*Management contract or compensatory plan or arrangement

Exhibit	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
10.18	* Form of Restricted Stock Unit Agreement (Standard) under the 2021 Omnibus Incentive Plan	8-K	10.4	6/11/2021	
10.19	* Form of Non-Employee Director Nonstatutory Stock Option Agreement under the 2021 Omnibus Incentive Plan	8-K	10.5	6/11/2021	
10.20	Credit Agreement, dated as of December 8, 2021, among Dollar Tree, Inc., JPMorgan Chase Bank, N.A., as agent and the lenders and other parties thereto	8-K	10.1	12/9/2021	
10.21	* Addendum to Executive Agreement, by and between Dollar Tree, Inc. and Michael Witynski, dated March 1, 2022	8-K	10.2	3/7/2022	
10.22	* Post-Retirement Benefits Agreement, by and between Dollar Tree, Inc. and Bob Sasser, dated March 2, 2022	8-K	10.3	3/7/2022	
10.23	* Form of Indemnification Agreement for Directors and Executive Officers	8-K	10.1	3/7/2022	

10.24	Stewardship Framework Agreement, by and between Dollar Tree, Inc. and MR Cobalt Advisor LLC, on behalf of itself and its affiliates and associates, dated March 8, 2022	8-K	10.1	3/8/2022
10.25.1	* Executive Agreement, effective March 19, 2022, by Richard W. Dreiling and Dollar Tree, Inc. (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	8-K	10.1	3/21/2022
10.25.2	* Amendment to Executive Agreement, dated January 25, 2023, by the company and Richard W. Dreiling	8-K/A	10.1	1/27/2023
10.26	* Nonstatutory Stock Option Agreement, effective March 19, 2022, by Richard W. Dreiling and Dollar Tree, Inc.	8-K	10.2	3/21/2022
10.27	* Employment Agreement between Dollar Tree Distribution, Inc. and John Flanigan, effective May 9, 2022 (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	10-Q	10.2	8/25/2022
10.28	* Letter Agreement amending the Executive Agreement between Dollar Tree, Inc. and Kevin Wampler	10-Q	10.1	11/22/2022
10.29	* Form of Performance-Based Restricted Stock Unit Agreement under the 2021 Omnibus Incentive Plan (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	10-Q	10.1	5/25/2023
10.30	* Form of Restricted Stock Unit Agreement (Standard) under the 2021 Omnibus Incentive Plan (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	10-Q	10.2	5/25/2023
10.31	* Form of Nonstatutory Stock Option Agreement under the 2021 Omnibus Incentive Plan (portions of the exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K)	10-Q	10.3	5/25/2023
10.32	* Non-Employee Director Deferred Compensation Program, effective July 1, 2023	10-Q	10.1	8/24/2023
10.33	Form of Commercial Paper Dealer Agreement between Dollar Tree, Inc., as issuer, and the applicable Dealer party thereto	8-K	10.1	7/7/2023
21.1	Subsidiaries of the Registrant			X
23.1	Consent of Independent Registered Public Accounting Firm			X
24.1	Power of Attorney (included on the signature page hereto)			X
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			X
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			X
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			X
97.1	Dollar Tree, Inc. Clawback Policy			X

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Exhibit	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
101	The following financial statements from our Form 10-K for the fiscal year ended February 3, 2024, formatted in Inline XBRL: (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income (Loss), (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Shareholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements				X
104	The cover page from our Form 10-K for the fiscal year ended February 3, 2024, formatted in Inline XBRL and contained in Exhibit 101				X
*Management contract or compensatory plan or arrangement					

Item 16. Form 10-K Summary

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DOLLAR TREE, INC.

(Registrant)

March 10, 2023 20, 2024

Date

By: /s/ Richard W. Dreiling

Richard W. Dreiling

Chairman and Chief Executive Officer
(Principal Executive Officer)

March 10, 2023 20, 2024

Date

By: /s/ Jeffrey A. Davis

Jeffrey A. Davis

Chief Financial Officer
(Principal Financial Officer)

March 10, 2023 20, 2024

Date

By: /s/ Kathleen E. Mallas Aditya Maheshwari

Kathleen E. Mallas Aditya Maheshwari

Senior Vice President - Chief Accounting Officer and Treasurer
(Principal Accounting Officer)

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. Each of the directors of the registrant whose signature appears below hereby appoints Jeffrey A. Davis, Kathleen E. Mallas, Aditya Maheshwari, and John S. Mitchell, Jonathan B. Leiken, and each of them severally, as his or her attorney-in-fact to sign in his or her name and behalf, in any and all capacities stated below, and to file with the Securities and Exchange Commission any and all amendments to this report, making such changes in this report as appropriate, and generally to do all such things on their behalf in their capacities as directors and/or officers to enable the registrant to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission.

/s/ Richard W. Dreiling	Chairman and Chief Executive Officer (Principal Executive Officer)	March 10, 2023 20, 2024
Richard W. Dreiling		Date
/s/ Paul C. Hilal	Vice Chairman	March 10, 2023 20, 2024
Paul C. Hilal		Date
/s/ Edward J. Kelly, III	Lead Independent Director	March 10, 2023 20, 2024
Edward J. Kelly, III		Date
/s/ Thomas W. Dickson	Director	March 10, 2023
Thomas W. Dickson		Date
/s/ Cheryl W. Grisé	Director	March 10, 2023 20, 2024
Cheryl W. Grisé		Date
/s/ Daniel J. Heinrich	Director	March 10, 2023 20, 2024
Daniel J. Heinrich		Date
/s/ Mary A. Laschinger	Director	March 10, 2023 20, 2024
Mary A. Laschinger		Date
/s/ Jeffrey G. Naylor	Director	March 10, 2023 20, 2024
Jeffrey G. Naylor		Date
/s/ Winnie Y. Park	Director	March 10, 2023 20, 2024
Winnie Y. Park		Date
/s/ Diane E. Randolph	Director	March 20, 2024
Diane E. Randolph		Date
/s/ Bertram L. Scott	Director	March 10, 2023 20, 2024
Bertram L. Scott		Date
/s/ Stephanie P. Stahl	Director	March 10, 2023 20, 2024
Stephanie P. Stahl		Date

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Exhibit 3.3

DOLLAR TREE, INC.

AMENDED AND RESTATED BY-LAWS

(Effective June 13, 2023)

ARTICLE I.

OFFICES

The principal office of the Corporation shall be in the City of Chesapeake, Commonwealth of Virginia.

ARTICLE II.

STOCKHOLDERS

1. PLACE OF MEETING: Meetings of stockholders may be held at such place, if any, either within or without the Commonwealth of Virginia, as shall be approved by the Board of Directors and designated in the notice of the meeting. The Board of Directors may, in its sole discretion, determine that meetings of the stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with the Virginia Stock Corporation Act.

2. ANNUAL MEETING: The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on such date and at such time as the Board of Directors in its discretion determines.

3. SPECIAL MEETINGS:

(a) **Right to Call Special Meeting.** Except as otherwise required by law, special meetings of the stockholders of the Corporation for any purpose or purposes: (i) may be called at any time by or at the direction of the Board of Directors acting pursuant to a resolution adopted by a majority of the entire Board of Directors, or by the chairman or vice chairman of the Board of Directors or the chief executive officer of the Corporation; and (ii) shall be called by the chairman of the Board or the secretary of the Corporation upon the written request of one or more stockholders that own, or who are acting on behalf of persons who own, shares representing fifteen percent (15%) or more of the voting power of the then outstanding shares of Common Stock entitled to vote on the matter or matters to be brought before the proposed special meeting (a "Stockholder Requested Special Meeting"), which written request shall state the purpose or purposes for which the special meeting is to be called. Such written request shall be delivered to the chairman of the Board of Directors or to the secretary of the Corporation at the principal executive offices of the Corporation by registered mail. Except as provided for in this paragraph or in the terms of any series of Preferred Stock, special meetings of the stockholders of the Corporation may not be called by any other person or persons.

(b) **Purpose of Special Meeting; Nomination of Directors.** Any business that could be considered at an annual meeting of the stockholders may be considered at a special meeting of the stockholders, including the election and/or removal of any director or directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board of Directors or (ii) by any stockholder of record of the Corporation who is a stockholder of record at the time such stockholder's notice of nomination is delivered to the secretary of the Corporation as provided for in this Article II, Section 3, who shall be entitled to vote at the meeting and who delivers a written notice to the secretary of the Corporation setting forth the information, representations, agreements and consents required in connection with nominations for annual meetings pursuant to Article III, Section 3. In the event a special meeting is called for the purpose of electing one or more directors to the Board of Directors, any stockholder entitled to vote in the election of directors may nominate a person or persons (as the case may be) for election to such position(s) if the stockholder's notice required by the preceding sentence shall be received by the secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the seventh (7th) day following the date on which notice of such meeting is first given to stockholders.

(c) **Record Date; Date and Notice of Special Meeting.** A special meeting requested by stockholders shall be held at such date, time and place as may be fixed by the Board of Directors; *provided, however,* that the date of any such special meeting shall be not more than ninety (90) days after the date on which the special meeting request is delivered to the chairman of the Board of Directors or to the secretary of the Corporation. The Board of Directors shall specify the record date for the determination of stockholders entitled to vote at the special meeting; *provided, however,* that the record date shall not be more than seventy (70) days prior to the date of the special meeting. Following receipt of a special meeting request, it shall be the duty of the secretary of the Corporation to cause notice to be given to the stockholders entitled to vote at such meeting, within the time periods and in the manner set forth in Article II, Section 4 hereof. In the case of a Stockholder Requested Special Meeting pursuant to this Article II, Section 3 for which the secretary of the Corporation has refused to give notice, the stockholders entitled to call such meeting may provide the notice. All business transacted at any special meeting shall be confined to the purpose or purposes stated in the Corporation's notice of special meeting; *provided, however,* that nothing herein shall prohibit the Board of Directors from submitting additional matters to stockholders at any such special meeting pursuant to the Corporation's notice of meeting.

(d) **Adjournment or Postponement; Quorum.** Notwithstanding the provisions of Article II, Section 8, if a quorum is not present at any Stockholder Requested Special Meeting, the chairman of the Board of Directors, the Board of Directors and the Corporation shall have no obligation to

postpone or adjourn such Stockholder Requested Special Meeting and may cancel such Stockholder Requested Special Meeting, and each of the same shall be deemed to have fulfilled their respective obligations under this Article II, Section 3 with respect to such Stockholder Requested Special Meeting.

4. **NOTICES:** Written notice by mail shall be given in accordance with Article VIII, Section 1, stating the place, if any, date and hour of a meeting of stockholders, the means of remote communication, if any, by which stockholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, to each stockholder of record entitled to vote at the meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting, by or at the direction of the chief executive officer, the secretary, or the officer or persons calling the meeting. The notice shall be deemed to be given when it is deposited with postage prepaid in the United States mail addressed to the stockholder at the address as it appears on the stock transfer books of the Corporation.

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Notice of a meeting to act on an amendment of the Articles of Incorporation, a plan of merger, consolidation or share exchange, a proposed sale of all, or substantially all, of the Corporation's assets, otherwise than in the usual and regular course of business, or the dissolution of the Corporation shall be given in the manner provided above not less than twenty-five (25) nor more than sixty (60) days before the date of the meeting. Such notice shall be accompanied, as appropriate, by a copy of the proposed amendment, plan of merger, consolidation, or exchange, or sale agreement.

Notwithstanding the foregoing, a written waiver of notice signed by the person or persons entitled to such notice, either before or after the time stated therein, shall be equivalent to the giving of such notice. A stockholder who attends a meeting shall be deemed to have waived objection to lack of notice or defective notice of the meeting, unless at the beginning of the meeting he objects to holding the meeting or transacting business at the meeting.

5. **ORGANIZATION AND ORDER OF BUSINESS:**

(a) At all meetings of the stockholders, the chairman of the Board of Directors, or in the absence of or at the election of the chairman of the Board, the vice chairman of the Board, or in the absence of or at the election of the vice chairman of the Board, the lead independent director, or in the absence of such directors, another independent director elected by the directors present at such meeting, shall act as chairman of the meeting. In the absence of all of the foregoing directors (or, if present, with their consent), a majority of the shares entitled to vote at such meeting may appoint any person to act as chairman of the meeting. The secretary of the Corporation or, in the secretary's absence, an assistant secretary, shall act as secretary at all meetings of the stockholders. In the event that neither the secretary nor any assistant secretary is present, the chairman may appoint any person to act as secretary of the meeting.

(b) The chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the determination of the order of business, the establishment of procedures for the dismissal of business not properly presented, the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Corporation, restrictions on entry to such meeting after the time prescribed for the commencement thereof and the opening and closing of the voting polls.

(c) At each annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. Business may only be properly brought before the meeting (1) by or at the direction of the Board of Directors or (2) by a stockholder of record of the Corporation who is entitled to vote at such meeting and who complies with the notice procedures set forth in this Article II, Section 5. Notwithstanding the foregoing, this Article II, Section 5 does not apply to the procedures for the nomination and election of directors, which are exclusively governed by Article III, Section 3 hereof.

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(d) For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely written notice thereof to the secretary of the Corporation containing the information set forth in this Article II, Section 5. To be timely, a stockholder's notice must be given, either by personal delivery or by United States certified mail, postage prepaid, and received at the principal executive offices of the Corporation:

(1) not less than ninety (90) days nor more than one hundred twenty (120) days before the first anniversary of the date of the Corporation's last annual meeting of stockholders; or

(2) if no annual meeting was held in the previous year or the date of the applicable annual meeting has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, not later than the close of business on the later of the ninetieth (90th) day prior to the date of the applicable annual meeting and the tenth (10th) day following the day on which public announcement is first made of the date of the applicable annual meeting.

In no event shall any adjournment or postponement of a meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(e) Each such stockholder's notice shall set forth:

(1) as to each matter the stockholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting, including the complete text of any resolutions to be presented at the annual meeting, and the reasons for conducting such business at the annual meeting;

(2) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made:

(A) the name and address, as they appear on the Corporation's stock transfer books, of such stockholder;

(B) the name and address of such beneficial owner, if any;

(C) a representation that such stockholder is a stockholder of record and intends to appear in person at such meeting to bring the business before the meeting specified in the notice;

(D) the class and number of shares of stock of the Corporation beneficially owned, directly or indirectly, by the stockholder and by such beneficial owner, if any;

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(E) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by the stockholder or the beneficial owner, if any, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation;

(F) any proxy, contract, arrangement, understanding, or relationship pursuant to which the stockholder has a right to vote any shares of any security of the Corporation;

(G) any short interest in any security of the Corporation (for purposes of this Article II, Section 5, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security);

(H) any rights to dividends on the shares of the Corporation owned beneficially by the stockholder or the beneficial owner, if any, that are separated or separable from the underlying shares of the Corporation;

(I) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which the stockholder or the beneficial owner, if any, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner;

(J) any performance-related fees (other than an asset-based fee) that the stockholder or the beneficial owner, if any, is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice;

(3) a description of all agreements, arrangements and understandings between the stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by the stockholder;

(4) any other information relating to the stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and

(5) any material interest of the stockholder or the beneficial owner, if any, in such business.

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(f) In addition, to be timely, the stockholder notice shall be supplemented or updated if necessary by the stockholder and beneficial owner, if any, so that the information shall be true and correct as of the record date of the applicable meeting and as of the date that is ten (10) business days prior to the meeting, including any adjournment thereof, and such supplement or update shall be delivered to the secretary of the Corporation not later than two (2) business days after each respective date. For the avoidance of doubt, the obligation to update and supplement as set forth in this Article II, Section 5(f) or any other Section of these By-Laws shall not be deemed to extend any applicable deadlines under these By-Laws, cure deficiencies in any notice of proposed business or permit a change in the business proposed to be considered at a meeting of stockholders.

(g) The secretary of the Corporation shall deliver each properly delivered stockholder's notice that has been timely received to the Board of Directors or a committee designated by the Board of Directors for review.

(h) Notwithstanding anything in these By-Laws to the contrary, with the exception of Article III, Section 3 hereof which shall govern nominations, no business shall be conducted at a meeting except in accordance with the procedures set forth in this Article II, Section 5. The chairman of a meeting shall, if the facts warrant, determine that the business was not brought before the meeting in accordance with the procedures prescribed by this Article II, Section 5, declare such determination to the meeting and the business not properly brought before the meeting shall not be transacted.

(i) Subject to Rule 14a-8 under the Exchange Act, nothing in these By-Laws shall be construed to grant any stockholder the right to include or have disseminated or described in the Corporation's proxy statement any such proposals. Nothing in these By-Laws or in this Article II, Section 5 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or any rights of the holders of any series of Preferred Stock if and to the extent provided for under law, the Articles of Incorporation or these By-Laws.

6. **VOTING:** A stockholder may vote either in person or by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact. No stockholder may authorize more than four (4) persons to act for him, and any proxy shall be delivered to the secretary of the

meeting at or prior to the time designated by the chairman or in the order of business for so delivering such proxies. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy. Each holder of record of stock of any class shall, as to all matters in respect of which stock of such class has voting power, be entitled to such vote as is provided in the Articles of Incorporation for each share of stock of such class standing in his name on the books of the Corporation. Unless required by statute or determined by the chairman to be advisable, the vote on any questions need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting or by such stockholder's proxy, if there be such proxy.

7. **INSPECTORS OF ELECTION:** At every meeting of the stockholders for election of directors, the proxies shall be received and taken in charge, all ballots and votes cast at the meeting shall be received and counted, and all questions touching the qualifications of voters, the validity of proxies, and the acceptance or rejection of votes shall be decided by one or more inspectors. Each inspector shall be appointed by the chairman of the meeting, shall be sworn faithfully to perform his or her duties and shall certify in writing to the returns. No candidate for election as director shall be appointed or act as inspector.

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8. **QUORUM:** At all meetings of the stockholders, unless a greater number of voting by classes is required by law, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum. Treasury shares and shares held by a corporation of which the Corporation owns a majority of the shares entitled to vote for the directors thereof shall not be entitled to vote or to be counted in determining the total number of outstanding shares entitled to vote. Less than a quorum may adjourn. If a meeting is adjourned for lack of a quorum, any matter which might have properly come before the original meeting may come before the adjourned meeting when reconvened.

9. **POSTPONEMENTS; ADJOURNMENTS; CANCELLATIONS:** The postponement or adjournment of any meeting of the stockholders shall be held on such date and at such time as the Board of Directors in its discretion determines. The Board of Directors shall also have the power to cancel any special meeting of the stockholders that was called by the Board of Directors, the chairman of the Board, the vice chairman of the Board or the chief executive officer of the Corporation, in each case, pursuant to Article II, Section 3(a)(i).

10. **REMOTE COMMUNICATION:** If authorized by the Board of Directors in its sole discretion, and subject to any guidelines and procedures as the Board of Directors may adopt, stockholders not physically present at a meeting of stockholders may, by means of remote communication:

(a) participate in a meeting of stockholders; and

(b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication,

provided that the Corporation shall implement reasonable measures to (i) verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, and (ii) provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings.

ARTICLE III.

DIRECTORS

1. **RESPONSIBILITY OF DIRECTORS:** The affairs and business of the Corporation shall be under the management of its Board of Directors and such officers and agents as the Board of Directors may elect and employ.

2. **NUMBER OF DIRECTORS:** The Board of Directors shall consist of ten (10) directors. The Board of Directors shall have the power to amend this by-law to the extent permitted by law.

3. NOMINATION AND ELECTION OF DIRECTORS:

(a) At each annual meeting of stockholders, the stockholders entitled to vote shall elect the directors. Except as provided in Article III, Section 4 hereof, each director shall be elected by a vote of the majority of the votes cast with respect to the director nominee at a meeting of stockholders for the election of directors at which a quorum is present; *provided*, that if the number of director nominees exceeds the number of directors to be elected, the directors shall be elected by a plurality of the votes cast in such election. For purposes of this Article III, Section 3, a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of shares voted "against" that director.

(b) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (1) by or at the direction of the Board of Directors or (2) by any stockholder of the Corporation who (A) is a stockholder of record at the time of giving of notice of such special meeting and at the time of the special meeting, (B) is entitled to vote at the meeting, and (C) complies with the procedures set forth in Article II, Section 3(b) and this Article III, Section 3 as to such nomination.

(c) No person shall be eligible for election as a director unless nominated in accordance with the procedures set forth in this Article III, Section 3. Nominations of persons for election to the Board of Directors may be made (1) by the Board of Directors or (2) by any stockholder of record entitled to vote for the election of directors at the applicable meeting of stockholders who complies with the notice procedures set forth in this Article III, Section 3. The chairman of the applicable meeting of stockholders shall have the sole authority to determine whether a nomination was made in accordance with this Article III, Section 3 and, if any proposed nomination is not in compliance with this Article III, Section 3, declare that such defective nomination be disregarded.

(d) For stockholder nominations to be properly brought before a stockholder meeting, the stockholder must have given timely written notice thereof to the secretary of the Corporation containing the information set forth in this Article III, Section 3. To be timely, a stockholder's notice must be given, either by personal delivery or by United States certified mail, postage prepaid, and received at the principal executive offices of the Corporation:

(1) if in connection with an annual meeting of stockholders, not less than ninety (90) days nor more than one hundred twenty (120) days before the first anniversary of the date of the Corporation's last annual meeting of stockholders;

(2) if no annual meeting was held in the previous year or the date of the applicable annual meeting has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, not later than the close of business on the later of the ninetieth (90th) day prior to the date of the applicable annual meeting and the tenth (10th) day following the day on which public announcement is first made of the date of the applicable annual meeting; or

(3) with respect to any special meeting of stockholders called for the election of directors, not later than the close of business on the seventh (7th) day following the date on which notice of such meeting is first given to stockholders.

In no event shall any adjournment or postponement of a meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(e) Each such stockholder's notice shall set forth:

(1) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made:

(A) the name and address, as they appear on the Corporation's stock transfer books, of such stockholder;

(B) the name and address of such beneficial owner, if any;

(C) a representation that such stockholder is a stockholder of record and intends to appear in person at such meeting to nominate the person or persons specified in the notice;

(D) the class and number of shares of stock of the Corporation beneficially owned, directly or indirectly, by the stockholder and by such beneficial owner, if any;

(E) any Derivative Instrument directly or indirectly owned beneficially by the stockholder or the beneficial owner, if any, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation;

(F) any proxy, contract, arrangement, understanding, or relationship pursuant to which the stockholder has a right to vote any shares of any security of the Corporation;

(G) any short interest in any security of the Corporation (for purposes of this Article III, Section 3 a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security);

(H) any rights to dividends on the shares of the Corporation owned beneficially by the stockholder or the beneficial owner, if any, that are separated or separable from the underlying shares of the Corporation;

(I) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which the stockholder or the beneficial owner, if any, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner;

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(J) any performance-related fees (other than an asset-based fee) that the stockholder or the beneficial owner, if any, is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice;

(K) the information required pursuant to Rule 14a-19(b) promulgated under the Exchange Act if the stockholder, such beneficial owner, if any, or any of their respective affiliates, associates or others acting in concert intends to engage in a solicitation in support of director nominees other than the Corporation's nominees;

(2) as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors:

(A) the name, age, business address and, if known, residence address of such person;

(B) the principal occupation or employment of such person;

(C) the class and number of shares of stock of the Corporation which are beneficially owned by such person;

(D) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the

Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and

(E) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant;

(3) a description of all agreements, arrangements and understandings between the stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the nomination by the stockholder;

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(4) any other information relating to the stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and

(5) any material interest of the stockholder or the beneficial owner, if any, in such nomination.

(f) In addition, to be timely, the stockholder notice shall be supplemented or updated if necessary by the stockholder and beneficial owner, if any, so that the information shall be true and correct as of the record date of the applicable meeting and as of the date that is ten (10) business days prior to the meeting, including any adjournment thereof, and such supplement or update shall be delivered to the secretary of the Corporation not later than two (2) business days after each respective date. For the avoidance of doubt, the obligation to update and supplement as set forth in this Article III, Section 3(f) or any other Section of these By-Laws shall not be deemed to extend any applicable deadlines under these By-Laws, cure deficiencies in any notice of nominations or permit a change in the nominees or nominations proposed to be made at a meeting of stockholders.

(g) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

(h) Any person nominated for election as director by the Board of Directors or any committee designated by the Board of Directors shall, upon the request of the Board of Directors or such committee, furnish to the secretary of the Corporation all such information pertaining to such person that is required to be set forth in a stockholder's notice of nomination.

(i) In addition to the other requirements of this Article III, Section 3(b) through (h) with respect to any stockholder nomination proposed to be made at a meeting, (i) each stockholder shall also comply with all applicable requirements of state and federal law, including the Exchange Act, with respect to any such nomination or the solicitation of proxies with respect thereto, (ii) no stockholder, beneficial owner, if any, or any of their respective affiliates, associates and other persons acting in concert therewith shall solicit proxies in support of any nominees other than the nominees of the Board of Directors unless such person has complied with Rule 14a-19 promulgated under the Exchange Act in connection with the solicitation of such proxies, including the provision to the Corporation of notices required thereunder in a timely manner, and (iii) if such stockholder, beneficial owner, if any, or any of their respective affiliates, representatives or others acting in concert therewith (1) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act as required by Article III, Section 3(e)(1)(K) and (2) subsequently fails to comply with any of the requirements of Rule 14a-19 promulgated under the Exchange Act, then the Corporation shall disregard any proxies or votes solicited for such stockholder's nominees. Upon request by the Corporation, if any stockholder, beneficial owner, if any, or any of their respective affiliates, associates and other persons acting in concert therewith provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such stockholder shall deliver to

the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that such stockholder, beneficial owner, if any, and any of their respective affiliates, associates or other persons acting in concert therewith have met the requirements of Rule 14a-19 promulgated under the Exchange Act. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a

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proxy card color other than white, which shall be reserved for the exclusive use by the Board of Directors.

(j) To be eligible to be a director of the Corporation, a person must deliver, prior to the time such person is to begin service as a director to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the secretary of the Corporation upon written request), and a written representation and agreement (in the form provided by the secretary of the Corporation upon written request) that such person (1) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (2) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (3) will abide by the requirements of the Corporate Governance Guidelines and any other policies applicable to the Corporation's directors, including any resignation policy adopted by the Board of Directors in connection with majority voting, if applicable.

(k) Subject to the terms and conditions set forth in these By-Laws, the Corporation shall include in its proxy statement for annual meetings of stockholders the name, together with the Required Information (as required below), of each qualifying person nominated for election (each, a "Stockholder Nominee") to the Board of Directors by a stockholder or group of stockholders that satisfy the requirements of this Article III, Section 3(k), including without limitation qualifying as an Eligible Stockholder (as defined below) and that expressly elects at the time of providing the written notice required by this Article III, Section 3(k) (a "Proxy Access Notice") to have its nominee included in the Corporation's proxy statement pursuant to this Article III, Section 3(k).

(1) For the purposes of this Article III, Section 3(k):

(A) "Voting Stock" shall mean outstanding shares of stock of the Corporation entitled to vote generally for the election of directors as required by the Articles of Incorporation.

(B) "Constituent Holder" shall mean any (i) stockholder, (ii) fund included within two (2) or more funds that are part of the same family of funds by virtue of being under common management and investment control, under common management and sponsored primarily by the same employer or a "group of investment companies" (as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended) (a "Qualifying Fund") or (iii) beneficial holder whose stock ownership is counted for the purposes of qualifying as holding the Proxy Access Required Shares (as defined below) or qualifying as an Eligible Stockholder (as defined below);

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(C) "affiliate" and "associate" shall have the meanings ascribed thereto in Rule 405 under the Securities Act of 1933, as amended (the "Securities Act"), provided, however, the term "partner" as used in the definition of "associate" shall not include any limited partner that is not involved in the management of the relevant partnership; and

(D) a stockholder (including any Constituent Holder) shall be deemed to own only those outstanding shares of Voting Stock as to which the stockholder itself (or such Constituent Holder itself) possesses both (a) the full voting and investment rights and (b) the full economic interest in (including the opportunity for profit and risk of loss on) such shares. The number of shares calculated in accordance with the foregoing clauses (a) and (b) shall be deemed not to include (and to the extent any of the following arrangements have been entered into by affiliates of the stockholder (or of any Constituent Holder), shall be reduced by) any shares (x) sold by such stockholder or Constituent Holder (or any of either's affiliates) in any transaction that has not been settled or closed, including any short sale, (y) borrowed by such stockholder or Constituent Holder (or any of either's affiliates) for any purposes or purchased by such stockholder or Constituent Holder (or any of either's affiliates) pursuant to an agreement to resell, or (z) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such stockholder or Constituent Holder (or any of either's affiliates), whether any such instrument or agreement is to be settled with shares, cash or other consideration, in any such case which instrument or agreement has, or is intended to have, or if exercised by either party thereto would have, the purpose or effect of (i) reducing in any manner, to any extent or at any time in the future, such stockholder's or Constituent Holder's (or either's affiliate's) full right to vote or direct the voting of any such shares, and/or (ii) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such shares by such stockholder or Constituent Holder (or either's affiliate). A stockholder (including any Constituent Holder) shall be deemed to own shares held in the name of a nominee or other intermediary so long as the stockholder itself (or such Constituent Holder itself) retains the right to instruct how the shares are voted with respect to the election of directors and the right to direct the disposition thereof and possesses the full economic interest in the shares. For purposes of this Article III, Section 3(k), a stockholder's (including any Constituent Holder's) ownership of shares shall be deemed to continue during any period in which the stockholder has loaned such shares so long as such stockholder retains the power to recall such shares on no greater than five (5) business days' notice and has recalled such loaned shares as of the record date of the annual meeting of stockholders (and holds any voting power over such shares) or has delegated any voting power over such shares by means of a proxy, power of attorney or other instrument or arrangement, so long as such delegation is revocable at any time by the stockholder.

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(2) For purposes of this Article III, Section 3(k), the "Required Information" that the Corporation will include in its proxy statement is (A) the information concerning the Stockholder Nominee and the Eligible Stockholder that the Corporation determines is required to be disclosed in the Corporation's proxy statement by the regulations promulgated under the Exchange Act; and (B) if the Eligible Stockholder so elects, a Statement (as defined below). The Corporation shall also include the name of the Stockholder Nominee in its proxy card. Any other provision of these By-Laws notwithstanding, the Corporation may in its sole discretion solicit against, and include in the proxy statement its own statement(s) or other information relating to, any Eligible Stockholder and/or Stockholder Nominee, including any information provided to the Corporation with respect to the foregoing.

(3) To be timely, a stockholder's Proxy Access Notice must be received by the secretary of the Corporation at the principal executive offices of the Corporation within the time periods applicable to stockholder nominations pursuant to Article III, Section 3(d). Neither an adjournment nor a postponement of an annual meeting (or an announcement thereof) shall begin a new time period for delivering a Proxy Access Notice.

(4) The maximum number of Stockholder Nominees (including Stockholder Nominees that were submitted by an Eligible Stockholder for inclusion in the Corporation's proxy statement pursuant to this Article III, Section 3(k) but are either subsequently withdrawn or that the Board of Directors decides to nominate as Board of Directors' nominees or otherwise appoint to the Board of Directors) appearing in the Corporation's proxy statement pursuant to this Article III, Section 3(k) with respect to an annual meeting of stockholders shall not exceed the greater of (x) two (2) directors or (y) the largest whole number that does not exceed twenty-five per cent (25%) of the number of directors in

office as of the last day on which a Proxy Access Notice may be delivered in accordance with the procedures set forth in this Article III, Section 3(k) (such greater number, the "Permitted Number"); provided, however, that the Permitted Number shall be reduced by:

(A) the number of directors in office or director candidates for whom access to the Corporation's proxy statement was previously provided pursuant to this Article III, Section 3(k), other than (x) any such director referred to in this clause (A) whose term of office will expire at such annual meeting and who is not seeking (or agreeing) to be nominated at such meeting for another term of office and (y) any such director who at the time of such annual meeting will have served as a director continuously as a nominee of the Board of Directors for at least two (2) successive annual terms;

(B) the number of such director candidates for which the Corporation shall have received one or more stockholder notices nominating director candidates pursuant to Article III, Section 3(d), provided, however, the reduction provided for in this subsection (B) shall not apply if its application would reduce the Permitted Number below one (1); and

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(C) the number of directors in office or director candidates that in either case were elected or appointed to the Board of Directors or will be included in the Corporation's proxy statement with respect to such annual meeting as an unopposed (by the Corporation) nominee, pursuant to an agreement, arrangement or other understanding with a stockholder or group of stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of Voting Stock, by such stockholder or group of stockholders, from the Corporation), other than (x) any such director referred to in this clause (C) whose term of office will expire at such annual meeting and who is not seeking (or agreeing) to be nominated at such meeting for another term of office and (y) any such director who at the time of such annual meeting will have served as a director continuously as a nominee of the Board of Directors for at least two (2) successive annual terms; provided, further, in the event the Board of Directors resolves to reduce the size of the Board of Directors effective on or prior to the date of the annual meeting, the Permitted Number shall be calculated based on the number of directors in office as so reduced. An Eligible Stockholder submitting more than one Stockholder Nominee for inclusion in the Corporation's proxy statement pursuant to this Article III, Section 3(k) shall rank such Stockholder Nominees based on the order that the Eligible Stockholder desires such Stockholder Nominees to be selected for inclusion in the Corporation's proxy statement and include such specified rank in its Proxy Access Notice. If the number of Stockholder Nominees pursuant to this Article III, Section 3(k) for an annual meeting of stockholders exceeds the Permitted Number, then the highest ranking qualifying Stockholder Nominee from each Eligible Stockholder will be selected by the Corporation for inclusion in the proxy statement until the Permitted Number is reached, going in order of the amount (largest to smallest) of the ownership position as disclosed in each Eligible Stockholder's Proxy Access Notice. If the Permitted Number is not reached after the highest ranking Stockholder Nominee from each Eligible Stockholder has been selected, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

(5) An "Eligible Stockholder" is one or more stockholders of record who own and have owned, or are acting on behalf of one or more beneficial owners who own and have owned (in each case as defined above), in each case continuously for at least three (3) years as of both the date that the Proxy Access Notice is received by the Corporation pursuant to this Article III, Section 3(k), and as of the record date for the determination of stockholders entitled to notice and to vote at the annual meeting, at least three per cent (3%) of the aggregate voting power of the Voting Stock (the "Proxy Access Request Required Shares"), and who continue to own the Proxy Access Request Required Shares at all times between the date such Proxy Access Notice is received by the Corporation and the date of the applicable annual meeting. No shares may be attributed to more than one group constituting an Eligible Stockholder under this Article III, Section 3(k) and no stockholder may be a member of more than one group constituting an Eligible Stockholder. Proxy Access Request Required Shares will qualify as such if and only if the beneficial owner of such shares as of the date of the Proxy Access Notice has itself individually beneficially owned such shares continuously for the three (3)-year period ending on that date and through the other applicable dates referred to above (in addition to the other applicable requirements being met).

(6) No later than the final date when a Proxy Access Notice pursuant to this Article III, Section 3(k) may be timely delivered to the secretary, an Eligible Stockholder (including each Constituent Holder) must provide the information required by Article III, Section 3(e) to the secretary of the Corporation and also provide the following information in writing to the secretary:

(A) with respect to each Constituent Holder, the name and address of, and number of shares of Voting Stock owned by, such person;

(B) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three (3)-year holding period) verifying that, as of a date within seven (7) calendar days prior to the date the Proxy Access Notice is delivered to the Corporation, such person owns, and has owned continuously for the preceding three (3) years, the Proxy Access Request Required Shares, and such person's agreement to provide:

a. within ten (10) days after the record date of the annual meeting, written statements from the record holder and intermediaries verifying such person's continuous ownership of the Proxy Access Request Required Shares through the record date, together with any additional information reasonably requested to verify such person's ownership of the Proxy Access Request Required Shares; and b. immediate notice if the Eligible Stockholder ceases to own any of the Proxy Access Request Required Shares prior to the date of the applicable annual meeting of stockholders;

(C) a representation that such person:

a. acquired the Proxy Access Request Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and does not presently have any such intent;

b. has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Stockholder Nominee(s) being nominated pursuant to this Article III, Section 3(k);

c. has not engaged and will not engage in, and has not been and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act with respect to the Corporation in support of the election of any individual as a director at the annual meeting other than in support of its Stockholder Nominee(s) or a nominee of the Board of Directors;

d. will not distribute to any stockholder of the Corporation any form of proxy for the annual meeting other than the form distributed by the Corporation; and

e. will provide facts, statements and other information in all communications with the Corporation and its stockholders that are and will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and will otherwise comply with all applicable laws, rules and regulations in connection with any actions taken pursuant to this Article III, Section 3(k);

(D) in the case of a nomination by a group of stockholders that together is such an Eligible Stockholder, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating stockholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and

(E) an undertaking that such person agrees to:

a. assume all liability stemming from, and indemnify and hold harmless the Corporation and its affiliates and each of its and their directors, officers, and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or its affiliates or any of its or their directors, officers or employees arising out of any legal or regulatory violation arising out of the Eligible Stockholder's communications with the stockholders of the Corporation or out of the information that the Eligible Stockholder provided to the Corporation, in each case in connection with or relating to the nomination of, or efforts to elect, the Stockholder Nominee;

b. promptly provide to the Corporation such other information as the Corporation may reasonably request; and c. file with the Securities and Exchange Commission any solicitation by the Eligible Stockholder of stockholders of the Corporation relating to the annual meeting at which the Stockholder Nominee will be nominated.

In addition, no later than the final date when a Proxy Access Notice pursuant to this Article III, Section 3(k) may be timely delivered to the secretary, a Qualifying Fund whose stock ownership is counted for purposes of qualifying as an Eligible Stockholder must provide to the secretary of the Corporation documentation reasonably satisfactory to the Board of Directors that demonstrates that the funds included within the Qualifying Fund satisfy the definition thereof. In order to be considered timely, any information required by this Article III, Section 3(k) to be provided to the Corporation must be further updated and supplemented (through receipt by the secretary) if necessary so that the information shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and the secretary must receive, at the principal executive offices of the Corporation, such update and supplement not later than five (5) business days after the record date for the meeting in the case of the update and supplement required to be

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made as of the record date, and not later than eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof.

(7) The Eligible Stockholder may provide to the secretary, at the time the information required by this Article III, Section 3(k) is originally provided, a single written statement for inclusion in the Corporation's proxy statement for the annual meeting, not to exceed five hundred (500) words per Stockholder Nominee, in support of the candidacy of such Eligible Stockholder's Stockholder Nominee(s) (the "Statement"). Notwithstanding anything to the contrary contained in this Article III, Section 3(k), the Corporation may omit from its proxy statement any information or Statement that it, in good faith, believes is materially false or misleading, omits to state any material fact, directly or indirectly without factual foundation impugns the character, integrity or personal reputation of or makes charges concerning improper, illegal or immoral conduct or associations with respect to any person or would violate any applicable law or regulation.

(8) No later than the final date when a Proxy Access Notice pursuant to this Article III, Section 3(k) may be timely delivered to the secretary, each Stockholder Nominee must provide to the secretary the information required in Article III, Section 3(e), a completed and executed questionnaire, representation and agreement as required by Article III, Section 3(i), and also:

(A) provide an executed agreement, in a form deemed satisfactory by the Board of Directors or its designee (which form shall be provided by the Corporation reasonably promptly upon written request of a stockholder), that such Stockholder Nominee consents to being named in the Corporation's proxy statement and form of proxy card (and will not agree to be named in any other person's proxy statement or form of proxy card with respect to the Corporation) as a nominee and to serving as a director of the Corporation if elected and that such Stockholder Nominee will promptly provide to the Corporation such other information as the Corporation may reasonably request; and

(B) provide such additional information as necessary to permit the Board of Directors to determine if any of the matters referred to in subsection (10) below apply and to determine if such Stockholder Nominee has any direct or indirect relationship with the Corporation other than those relationships that have been deemed categorically immaterial pursuant to the Corporation's Corporate Governance Guidelines or is or has been subject to any event specified in Item 401(f) of Regulation S-K (or successor rule) of the Securities and Exchange Commission.

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In the event that any information or communications provided by the Eligible Stockholder (or any Constituent Holder) or the Stockholder Nominee to the Corporation or its stockholders ceases to be true and correct in all material respects or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the secretary of any defect in such previously provided information and of the information that is required to correct any such defect; it being understood for the avoidance of doubt that providing any such notification shall not be deemed to cure any such defect or limit the remedies (including without limitation under these By-Laws) available to the Corporation relating to any such defect.

Any proposed Stockholder Nominee shall also furnish any information, in addition to that required above, to the Corporation as it may reasonably require to determine the eligibility of the proposed nominee to serve as an independent director or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee or as otherwise requested pursuant to Article III, Section 3(g).

(9) Any Stockholder Nominee who is included in the Corporation's proxy statement for a particular annual meeting of stockholders, but subsequently is determined not to satisfy the eligibility requirements of this Article III, Section 3(k) or any other provision of these By-Laws, the Articles of Incorporation or other applicable regulation any time before the annual meeting of stockholders, will not be eligible for election at the relevant annual meeting of stockholders.

(10) The Corporation shall not be required to include, pursuant to this Article III, Section 3(k), a Stockholder Nominee in its proxy statement for any annual meeting of stockholders, or if the proxy statement already has been filed, to allow the nomination (or vote with respect to) a Stockholder Nominee (and may declare such nomination ineligible), notwithstanding that proxies in respect of such vote may have been received by the Corporation:

(A) who is not independent under the listing standards of the principal United States exchange upon which the common stock of the Corporation is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation's directors or who is not a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act (or any successor rule) or who is not an "outside director" for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (or any successor provision), in each case as determined by the Board of Directors;

(B) whose service as a member of the Board of Directors would violate or cause the Corporation to be in violation of these By-Laws, the Articles of Incorporation, the rules and listing standards of the principal United States exchange upon which the common stock of the Corporation is traded, or any applicable law, rule or regulation;

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(C) who is or has been, within the past three (3) years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended, or who is a subject of a pending criminal proceeding (other than in connection with traffic violations and other similar minor offenses), has been convicted in a criminal proceeding within the past ten (10) years or is subject to an order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act;

(D) if the Eligible Stockholder (or any Constituent Holder) or applicable Stockholder Nominee otherwise breaches or fails to comply in any material respect with its obligations pursuant to this Article III, Section 3(k) or any agreement, representation or undertaking required by this Article III, Section 3(k); or

(E) if the Eligible Stockholder ceases to be an Eligible Stockholder for any reason, including but not limited to not owning the Proxy Access Request Required Shares through the date of the applicable annual meeting.

(I) Except as provided in Article III, Section 3(k), or to the extent provided by Rule 14a-19 promulgated under the Exchange Act with respect to a nomination made by a stockholder pursuant to Article III, Section 3(c) and that otherwise complies with the applicable provisions of these By-Laws, nothing in these By-Laws shall be construed to grant any stockholder the right to include or have disseminated or described in the Corporation's proxy statement any such nomination of director or directors. Nothing in these By-Laws shall be deemed to affect any rights of the holders of any series of Preferred Stock if and to the extent provided for under law, the Articles of Incorporation or these By-Laws.

4. **DIRECTORS' TERMS:** No decrease in the number of directors shall have the effect of changing the term of any incumbent director. Unless a director resigns or is removed by no less than a majority of the votes of all shares entitled to be cast at an election of directors as required by the Articles of Incorporation, every director shall hold office for the term elected or until a successor shall have been elected. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors.

5. **DIRECTORS' MEETINGS:** The annual meeting of the directors shall be held immediately after the annual meeting of the stockholders. The Board of Directors, as soon as may be convenient after the annual meeting of the stockholders at which such directors are elected, shall elect the officers of the Corporation as provided in Article V, Section 2 hereof. Special meetings may be called by any director by giving notice of the time and place in accordance with Article III, Section 7. Meetings of the Board of Directors (or any committee of the Board) may be held by telephone or similar communication equipment whereby all persons participating in the meeting can hear each other, at such time as may be prescribed, upon call of any director.

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6. **QUORUM AND MANNER OF ACTING:** Except where otherwise provided by law, a quorum shall be a majority of the directors, and the act of a majority of the directors present at any such meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of those present may adjourn the meeting from time to time until a quorum be had. Notice of any such adjourned meeting need not be given. Action may be taken by the directors or a committee of the Board of Directors without a meeting if a written consent setting forth the action, shall be signed by all of the directors or committee members either before or after such action. Such consent shall have the same force and effect as a unanimous vote.

7. **NOTICE OF MEETING:** At the annual meeting of the Board of Directors each year and at any meeting thereafter, the Board shall designate the dates, times and places of regular meetings of the Board for the ensuing calendar year, and no notice of any kind need be given thereafter with respect to such regular meetings. Notice of any special meeting of the Board shall be by oral (in person or by telephone), electronic or written notice duly given to each director not less than twenty-four (24) hours before the date of the proposed meeting.

8. **WAIVER OF NOTICE:** Whenever any notice is required to be given to a director of any meeting for any purpose under the provisions of law, the Articles of Incorporation or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, either before or after the time stated therein, shall be equivalent to the giving of such notice. A director's attendance at or participation in a meeting

wavers any required notice to him of the meeting unless he at the beginning of the meeting or promptly upon his arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

9. **COMPENSATION:** Directors shall not receive a stated salary for their services, but directors may be paid a fixed sum and expenses for attendance at any regular or special meeting of the Board of Directors or any meeting of any committee and such other compensation as the Board of Directors shall determine. A director may serve or be employed by the Corporation in any other capacity and receive compensation therefor.

10. **DIRECTOR EMERITUS:** The Board may appoint to the position of Director Emeritus any retiring director who has served not less than three (3) years as a director of the Corporation. Such person so appointed shall have the title of "Director Emeritus" and shall be entitled to receive notice of, and to attend all meetings of the Board, but shall not in fact be a director, shall not be entitled to vote, shall not be counted in determining a quorum of the Board and shall not have any of the duties or liabilities of a director under law.

11. **COMMITTEES:** In addition to the executive committee authorized by Article IV of these By-Laws, other committees, consisting of two (2) or more directors, may be designated by the Board of Directors by a resolution adopted by the greater number of a majority of all directors in office at the time the action is being taken or the number of directors required to take action under Article III, Section 6 hereof. Any such committee, to the extent provided in the resolution of the Board of Directors designating the committee, shall have and may exercise the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, except as limited by law.

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ARTICLE IV.

EXECUTIVE COMMITTEE

1. **HOW CONSTITUTED AND POWERS:** The Board of Directors, by resolution adopted pursuant to Article III, Section 11 hereof, may designate, in addition to the chairman of the Board of Directors, one or more directors to constitute an executive committee, who shall serve during the pleasure of the Board of Directors. The executive committee, to the extent provided in such resolution and permitted by law, shall have and may exercise all of the authority of the Board of Directors.

2. **ORGANIZATION, ETC.:** The executive committee may choose a chairman and secretary. The executive committee shall keep a record of its acts and proceedings and report the same from time to time to the Board of Directors.

3. **MEETINGS:** Meetings of the executive committee may be called by any member of the committee. Notice of each such meeting, which need not specify the business to be transacted thereat, shall be mailed to each member of the committee, addressed to his residence or usual place of business, at least two (2) days before the day on which the meeting is to be held or shall be sent to such place by telegraph, telex or telecopy or be delivered personally or by telephone, not later than the day before the day on which the meeting is to be held.

4. **QUORUM AND MANNER OF ACTING:** A majority of the executive committee shall constitute a quorum for transaction of business, and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the executive committee. The members of the executive committee shall act only as a committee, and the individual members shall have no powers as such.

5. **REMOVAL:** Any member of the executive committee may be removed, with or without cause, at any time, by the Board of Directors.

6. **VACANCIES:** Any vacancy in the executive committee shall be filled by the Board of Directors.

ARTICLE V.

OFFICERS

1. **NUMBER:** The officers of the Corporation shall be a chairman of the Board of Directors, a president and chief executive officer, a vice chairman of the Board of Directors, one or more vice presidents (one or more of whom may be designated executive vice president or senior vice

president), a chief financial officer, a treasurer, a controller, a secretary, one or more assistant treasurers, assistant controllers and assistant secretaries and such other officers as may from time to time be chosen by the Board of Directors. Any two or more offices may be held by the same person. The Board of Directors, in its discretion, may also designate "chief officers" of certain functions in addition to chief executive officer and chief financial officer, and such officers shall be deemed to be vice presidents for purposes of these By-Laws.

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2. **ELECTION, TERM OF OFFICE AND QUALIFICATIONS:** All officers of the Corporation shall be chosen annually by the Board of Directors, and each officer shall hold office until his successor shall have been duly chosen and qualified or until he shall resign or shall have been removed in the manner hereinafter provided. The chairman of the Board of Directors, the chief executive officer, and the vice chairman of the Board of Directors shall be chosen from among the directors.

3. **VACANCIES:** If any vacancy shall occur among the officers of the Corporation, such vacancy shall be filled by the Board of Directors.

4. **OTHER OFFICERS, AGENTS AND EMPLOYEES – THEIR POWERS AND DUTIES:** The Board of Directors may from time to time appoint such other officers as the Board of Directors may deem necessary, to hold office for such time as may be designated by it or during its pleasure, and the Board of Directors or the chairman of the Board of Directors may appoint, from time to time, such agents and employees of the Corporation as may be deemed proper, and may authorize any officers to appoint and remove agents and employees. The Board of Directors or the chairman of the Board of Directors may from time to time prescribe the powers and duties of such other officers, agents and employees of the Corporation.

5. **REMOVAL:** Any officer, agent or employee of the Corporation may be removed, either with or without cause, by a vote of a majority of the Board of Directors or, in the case of any agent or employee not appointed by the Board of Directors, by a superior officer upon whom such power of removal may be conferred by the Board of Directors or the chairman of the Board of Directors.

6. **CHAIRMAN OF THE BOARD OF DIRECTORS:** The chairman of the Board of Directors shall preside at meetings of the stockholders and of the Board of Directors and shall be a member of the executive committee. If the Corporation designates the chairman as an executive chairman, the executive chairman shall be the senior-most executive of the Corporation and the chief executive officer shall report to the executive chairman. The executive chairman shall be responsible for such management and control of the business and affairs of the Corporation as shall be determined by the Board of Directors. The chairman of the Board shall, in consultation with the vice chairman of the Board and, if one exists, the lead independent director, determine the agenda, schedule and meeting materials for meeting of the Board of Directors and guide Board discussions and facilitate discussions between the Board of Directors and management, and interact with analysts, investors, employees and other key constituents. He shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall from time to time report to the Board of Directors on matters within his knowledge which the interests of the Corporation may require be brought to its notice. The chairman of the Board shall keep the vice chairman and, if one exists, the lead independent director, of the Board informed, and shall consult with the vice chairman and, if one exists, the lead independent director, as to material internal and external discussions the chairman has, and material developments the chairman learns, about the Corporation and the Board of Directors. He shall do and perform such other duties from time to time as may be assigned to him by the Board of Directors.

7. **CHIEF EXECUTIVE OFFICER:** In the absence of the chairman, the vice chairman of the Board of Directors and the lead independent director, the chief executive officer shall preside at meetings of the Board of Directors. The chief executive officer shall be responsible to the chairman of the Board of Directors and, subject to the chairman, shall be responsible for the general management and control of the business and affairs of the Corporation and shall devote himself to the Corporation's operations under the basic policies set by the Board of Directors. He shall from time to time report to the chairman on matters within his knowledge which the interests of the Corporation may require be brought to the chairman's

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notice. In the absence of the chairman and the vice chairman of the Board of Directors, he shall have all of the powers and the duties of the chairman of the Board of Directors. He shall do and perform such other duties from time to time as may be assigned to him by chairman.

8. **PRESIDENT:** The president shall perform such duties and have such powers relative to the business and affairs of the Corporation as may be assigned to him by the Board of Directors. The offices of president and chief executive officer may be held by the same or separate persons, each having the powers and duties hereunder as determined by the Board of Directors. In the event that such offices are held by separate persons, the chief executive officer shall be the more senior ranked officer with respect to exercising the powers and duties under these By-Laws.

9. **VICE CHAIRMAN OF THE BOARD OF DIRECTORS:** The Board of Directors shall designate a vice chairman of the Board of Directors. In the absence or inability to act of the chairman of the Board of Directors, the vice chairman of the Board of Directors shall preside at meetings of the stockholders and of the Board of Directors and shall have the powers and discharge the duties of the chairman of the Board of Directors; *provided*, that the vice chairman may, at his election, designate the lead independent director to preside at such meetings and discharge such duties. The vice chairman of the Board of Directors shall be responsible to the chairman of the Board of Directors. The vice chairman of the Board of Directors shall from time to time report to the chairman of the Board of Directors on matters within his knowledge which the interests of the Corporation may require be brought to his notice. The vice chairman shall keep the chairman informed, and shall consult with the chairman as to material internal and external discussions the vice chairman has, and material developments the vice chairman learns, about the Corporation and the Board of Directors. The vice chairman shall consult with, advise and assist the chairman in the performance of the duties of the chairman. The vice chairman shall provide input on the agenda, schedules and meeting materials for meetings with the Board of Directors; assist in guiding board discussions and in consultation with the chairman, facilitate communication between the Board of Directors and management; and in consultation with the chairman, interact with analysts, investors, employees and other key constituents.

10. **VICE PRESIDENTS:** The vice presidents of the Corporation shall assist the chairman of the Board of Directors, chief executive officer, the president and the vice chairman of the Board of Directors in carrying out their respective duties and shall perform those duties which may from time to time be assigned to them.

11. **TREASURER:** The treasurer shall have charge of the funds, securities, receipts and disbursements of the Corporation. He shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositaries as the Board of Directors may from time to time designate. He shall render to the Board of Directors, the chairman of the Board of Directors, the chief executive officer, the president, the vice chairman of the Board of Directors, and the chief financial officer, whenever required by any of them, an account of all of his transactions as treasurer. If required, he shall give a bond in such sum as the Board of Directors may designate, conditioned upon the faithful performance of the duties of his office and the restoration to the Corporation at the expiration of his term of office or in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession or under his control belonging to the Corporation. He shall perform such other duties as from time to time may be assigned to him.

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12. **ASSISTANT TREASURERS:** In the absence or disability of the treasurer, one or more assistant treasurers shall perform all the duties of the treasurer and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the treasurer. Each assistant treasurer shall also perform such other duties as from time to time may be assigned to him.

13. **SECRETARY:** The secretary shall keep the minutes of all meetings of the stockholders and of the Board of Directors in a book or books kept for that purpose and shall be responsible for authenticating records of the Corporation. He shall keep in safe custody the seal of the Corporation, and shall affix such seal to any instrument requiring it. The secretary shall have charge of such books and papers as the Board of Directors may direct. He shall attend to the giving and serving of all notices of the Corporation and shall also have such other powers and perform

such other duties as pertain to his office, or as the Board of Directors, the chairman of the Board of Directors, the chief executive officer, the president or the vice chairman of the Board of Directors may from time to time prescribe.

14. **ASSISTANT SECRETARIES:** In the absence or disability of the secretary, one or more assistant secretaries shall perform all of the duties of the secretary and, when so acting, shall have all of the powers of, and be subject to all the restrictions upon, the secretary. Each assistant secretary shall also perform such other duties as from time to time may be assigned to him.

15. **CONTROLLER:** The controller shall be administrative head of the controller's department. He shall be in charge of all functions relating to accounting and the preparation and analysis of budgets and statistical reports and shall establish, through appropriate channels, recording and reporting procedures and standards pertaining to such matters. He shall report to the chief financial officer and shall aid in developing internal corporate policies whereby the business of the Corporation shall be conducted with the maximum safety, efficiency and economy, and he shall be available to all departments of the Corporation for advice and guidance in the interpretation and application of policies which are within the scope of his authority. He shall perform such other duties as from time to time may be assigned to him.

16. **ASSISTANT CONTROLLERS:** In the absence or disability of the controller, one or more assistant controllers shall perform all of the duties of the controller and, when so acting, shall have all of the powers of, and be subject to all the restrictions upon, the controller. Each assistant controller shall also perform such other duties as from time to time may be assigned to him

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17. **LEAD INDEPENDENT DIRECTOR:** In the event that the chairman of the Board of Directors is not an independent director, the Board of Directors may designate a lead independent director. The lead independent director shall have the powers and duties hereunder as determined by the Board of Directors from time to time, including any such authorities as may be established under the Corporate Governance Guidelines. In the absence or inability to act of the chairman and vice chairman of the Board of Directors or if designated by the vice chairman in accordance with these By-Laws, the lead independent director shall preside at meetings of the stockholders and of the Board of Directors and shall have the powers and discharge the duties of the chairman of the Board of Directors. The lead independent director shall confer regularly with the chairman of the Board of Directors, the vice chairman of the Board of Directors and the chief executive officer as to material internal and external discussions the lead independent director has, and material developments the lead independent director learns, about the Corporation and the Board of Directors. The lead independent director shall set the agenda for and preside over executive sessions of solely independent directors, and shall have the power to call meetings of the independent directors.

ARTICLE VI.

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

1. **CONTRACTS:** The chairman of the Board of Directors, the chief executive officer, the president, the vice chairman of the Board of Directors, any vice president, the treasurer and such other persons as the chairman of the Board of Directors may authorize shall have the power to execute any contract or other instrument on behalf of the Corporation; no other officer, agent or employee shall, unless otherwise provided in these By-Laws, have any power or authority to bind the Corporation by any contract or acknowledgement, or pledge its credit or render it liable pecuniarily for any purpose or to any amount.

2. **LOANS:** The chairman of the Board of Directors, the chief executive officer, the president, the vice chairman of the Board of Directors, the executive vice president, the treasurer and such other persons as the Board of Directors may authorize shall have the power to effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any corporation, firm or individual, and for such loans and advances may make, execute and deliver promissory notes or other evidences of indebtedness of the Corporation, and, as security for the payment of any and all loans, advances, indebtedness and liability of the Corporation, may pledge, hypothecate or transfer any and all stock, securities and other personal property at any time held by the Corporation, and to that end endorse, assign and deliver the same.

3. **VOTING OF STOCK HELD:** The chairman of the Board of Directors, the chief executive officer, the president, the vice chairman of the Board of Directors, any vice president or the secretary may from time to time appoint an attorney or attorneys or agent or agents of the

Corporation to cast the votes that the Corporation may be entitled to cast as a stockholder or otherwise in any other corporation, any of whose stock or securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing to any action by any other such corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed on behalf of the Corporation such written proxies, consents, waivers or other instruments as such officer may deem necessary or proper in the premises; or the chairman of the Board of Directors, the chief executive officer, the president, the vice chairman of the Board of Directors, any vice president or the secretary may himself attend any meeting of the holders of stock or other securities of such other corporation and thereat vote or exercise any and all powers of the Corporation as the holder of such stock or other securities of such other corporation.

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4. COMPENSATION: The compensation of all officers of the Corporation shall be fixed by the Board of Directors.

ARTICLE VII.

EVIDENCE OF SHARES

1. FORM: Shares of the Corporation's stock shall, when fully paid, be evidenced by certificates containing such information as is required by law and approved by the Board of Directors. Alternatively, the Board of Directors may authorize the issuance of some or all shares of stock without certificates. In such event, within a reasonable time after issuance, the Corporation shall mail to the stockholder a written confirmation of its records with respect to such shares containing the information required by law. When issued, the certificates of stock of the Corporation shall be numbered and entered in the books of the Corporation as they are issued; they shall be signed manually or by the use of a facsimile signature, (i) by the chairman of the Board of Directors, by the chief executive officer, by the president, or by a vice president designated by the Board of Directors and (ii) countersigned by the secretary or an assistant secretary; and they shall bear the corporate seal or a facsimile thereof. The Board of Directors of the Corporation may issue scrip in registered or bearer form, which shall entitle the holder to receive a certificate for a full share. Scrip shall not entitle the holder to exercise voting rights or to receive dividends thereon or to participate in any of the assets of the Corporation in the event of liquidation. The Board may cause scrip to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date or subject to any other conditions that it may deem advisable. Fractional may also be issued.

2. LOST CERTIFICATES: The chief executive officer, president or secretary may direct a new certificate or certificates to be issued in place of any lost or destroyed certificate or certificates previously issued by the Corporation if the person or persons who claim the certificate or certificates make an affidavit stating the certificates of stock have been lost or destroyed. When authorizing the issuance of a new certificate or certificates, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or the legal representative, to advertise the same in such manner as the Corporation shall require and/or to give the Corporation a bond, in such sum as the Corporation may direct, to indemnify the Corporation with respect to the certificate or certificates alleged to have been lost or destroyed.

3. TRANSFER OF STOCK: Upon surrender to the Corporation, or to the transfer agent of the Corporation, if any, of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books.

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4. **REGISTERED STOCKHOLDERS:** The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the owner thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person. The Corporation shall not be liable for registering any transfer of shares which are registered in the name of a fiduciary unless done with actual knowledge of facts which would cause the Corporation's action in registering the transfer to amount to bad faith.

ARTICLE VIII.

MISCELLANEOUS

1. **NOTICES:** Each stockholder, director and officer shall furnish in writing to the secretary of the Corporation the address to which notices of every kind may be delivered or mailed. If such person fails to furnish an address, and the Post Office advises the Corporation that the address furnished is no longer the correct address, the Corporation shall not be required to deliver or mail any notice to such person. Whenever notice is required by applicable law, the Articles of Incorporation or these By-Laws, a written waiver of such notice signed before or after the time stated in the waiver or, in the case of a meeting, the attendance, of a stockholder or director (except for the sole purpose of objecting) or, in the case of a unanimous consent, the signing of the consent, shall be deemed a waiver of notice.

2. **REGISTERED OFFICE AND AGENT:** The Corporation shall at all times have a registered office and a registered agent.

3. **CORPORATE RECORDS:** The Corporation shall keep correct and complete books and records of accounts and minutes of the stockholders' and directors' meetings, and shall keep at its registered office or principal place of business, or at the office of its transfer agent, if any, a record of its stockholders, including the names and addresses of all stockholders and the number, class, and series of the shares held by each. Any person who shall have been a stockholder of record for at least six months immediately preceding demand, or who shall be the holder of record of a least five per cent (5%) of all the outstanding shares of the Corporation, upon written request stating the purpose therefor, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose, the books and records of account of the Corporation, minutes and record of stockholders, and to make copies or extracts therefrom.

4. **REQUIREMENT FOR FINANCIAL STATEMENT:** Upon the written request of any stockholder, the Corporation shall mail to the stockholder its most recent published financial statement.

5. **SEAL:** The seal of the Corporation shall be a flat faced circular die containing the word "SEAL" in the center and the name of the Corporation around the circumference.

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6. **AMENDMENT OF BY-LAWS:** The power to alter, amend or repeal the By-Laws or adopt new By-Laws shall be vested in the Board of Directors, but By-Laws made by the Board of Directors may be repealed or changed or new By-Laws adopted by the stockholders and the stockholders may prescribe that any By-Law adopted by them may not be altered, amended or repealed by the Board of Directors.

7. **FISCAL YEAR:** The fiscal year of the Corporation shall be established by resolution of the Board of Directors and may be changed from time to time.

8. **GENERAL:** Any matters not specifically covered by these By-Laws shall be governed by the applicable provisions of the Code of Virginia in force at the time.

ARTICLE IX.

EMERGENCY BY-LAWS

If a quorum of the Board of Directors cannot readily be assembled because of a catastrophic event, and only in such event, these By-Laws shall, without further action by the Board of Directors, be deemed to have been amended for the duration of such emergency, as follows:

1. The third sentence of Section 5, Article III shall read as follows:

Special meetings of the Board of Directors (or any committee of the Board) shall be held whenever called by order of any director or of any person having the powers and duties of the chairman of the Board of Directors, the chief executive officer, the president or the vice chairman of the Board of Directors.

2. Section 6, Article III shall read as follows:

The directors present at any regular or special meeting called in accordance with these By-Laws shall constitute a quorum for the transaction of business at such meeting, and the action of a majority of such directors shall be the act of the Board of Directors, *provided, however, that in the event that only one director is present at any such meeting no action except the election of directors shall be taken until at least two additional directors have been elected and are in attendance.*

ARTICLE X.

EXCLUSIVE FORUM

Unless the Corporation consents in writing to the selection of an alternative forum (an "Alternative Forum Consent"), the federal and state courts in the Commonwealth of Virginia shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of duty owed by any current or former director, officer, employee, stockholder or agent of the Corporation to the Corporation or the Corporation's stockholders, including a claim alleging the aiding and abetting of such a breach of duty, (iii) any action asserting a claim arising pursuant to any provision of the Virginia Stock Corporation Act, the Articles of Incorporation or these By-Laws (in each case, as may be amended from time to time), (iv) any action or proceeding to interpret, apply, enforce or determine the validity of the Articles of Incorporation or these By-Laws (in each case, as may be amended from time to time), including any right, obligation, or remedy thereunder, (v) any action or proceeding regarding indemnification or advancement or reimbursement of expenses arising out of the Articles of Incorporation, these By-Laws or otherwise, unless the Corporation

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and the party bringing such action or proceeding have entered into a written agreement providing for any other forum or dispute resolution process, in which case such action or proceeding shall be subject to such written agreement, (vi) any action asserting a claim governed by the internal affairs doctrine or (vii) any action asserting one or more "internal corporate claims," as that term is defined in subsection C of Section 13.1-624 of the Virginia Stock Corporation Act, in all cases to the fullest extent permitted by law and subject to one of the courts having personal jurisdiction over the indispensable parties named as defendants. To the extent that the federal or state courts in the Commonwealth of Virginia do not have personal jurisdiction over the indispensable parties named as defendants, such parties must be given a reasonable opportunity to consent to such jurisdiction before any action or proceeding may be brought or maintained in any other court. Unless the Corporation gives an Alternative Forum Consent, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933 (a "Securities Act Complaint").

If any action the subject matter of which is within the scope of this Article X is filed in a court other than a federal or state court located within the Commonwealth of Virginia or, in the case of a Securities Act Complaint, a federal district court of the United States of America (a "Foreign Action") by or in the name of any stockholder (including any beneficial owner), such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the federal and state courts located within the Commonwealth of Virginia in connection with any action brought in any such court to enforce the provisions of this Article X and (ii) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article X. If any provision of this Article X shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision in any other circumstance and of the remaining provisions of Article X (including, without limitation, each portion of any sentence of this Article X containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid,

illegal or unenforceable) and the application of such provision to other persons or entities or circumstances shall not in any way be affected or impaired thereby. Failure to enforce the provisions of this Article X would cause the Corporation irreparable harm, and the Corporation shall be entitled to equitable relief, including injunctive relief and specific performance, to enforce the provisions of this Article X. The existence of any prior Alternative Forum Consent shall not act as a waiver of the Corporation's ongoing consent right as set forth in this Article X with respect to any current or future actions or proceedings.

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Exhibit 4.3

DOLLAR TREE, INC.

**DESCRIPTION OF SECURITIES REGISTERED UNDER
SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

The following summary of the capital stock of Dollar Tree, Inc. (the "Company") is not complete and is subject to, and qualified in its entirety by reference to, applicable provisions of Virginia law and the articles of incorporation and bylaws of the Company. The Company's articles of incorporation and bylaws, each as amended and restated, are filed as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.3 is a part. We encourage you to read our articles of incorporation and bylaws, and the applicable provisions of Virginia law, for additional information.

The Company's common stock is the only class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended.

Authorized Capital Stock

The Company's authorized capital stock consists of 600,000,000 shares of common stock, par value \$.01 per share, and 10,000,000 shares of preferred stock, par value \$.01 per share.

Common Stock

Each share of our common stock entitles its holder to one vote in the election of each director and on all other matters voted on generally by our shareholders, other than any matter that solely relates to the terms of any outstanding series of preferred stock or the number of shares of that series. The holders of shares of our common stock do not have any cumulative voting rights. Our board of directors may grant holders of preferred stock, in the resolutions creating the series of preferred stock, the right to vote on the election of directors or any questions affecting our Company.

Each director is elected by a vote of the majority of the votes cast with respect to the director nominee at a meeting of stockholders for the election of directors at which a quorum is present; provided, that if the number of director nominees exceeds the number of directors to be elected, the directors are elected by a plurality of the votes cast in such election. For purposes of director elections, a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of shares voted "against" that director.

Holders of our common stock are entitled to dividends in such amounts and at such times as our board of directors in its discretion may declare out of funds legally available for the payment of dividends, subject to any preferential dividend rights of outstanding preferred stock.

If we liquidate or dissolve our business, the holders of our common stock are entitled to share ratably in all our assets that are available for distribution to our shareholders after our creditors are paid in full and the holders of all series of our outstanding preferred stock, if any, receive their liquidation preferences in full.

Our common stock has no preemptive rights and is not convertible or redeemable or entitled to the benefits of any sinking or repurchase fund. All of our outstanding shares of common stock are fully paid and non-assessable.

The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which we may designate and issue in the future.

Our common stock is listed for trading on the NASDAQ Global Select Market under the symbol "DLTR." The registrar and transfer agent for our common stock is Computershare Trust Company, N.A.

Preferred Stock

Our board of directors has the authority, without any action by the holders of our common stock, to issue up to an aggregate of 10,000,000 shares of preferred stock in one or more series. The board's authority includes the power to determine the designations, preferences and rights and any qualifications, limitations or restrictions of the shares of each series of preferred stock, including:

- voting rights;
- dividend rights and rates;
- liquidation preferences;
- conversion rights;
- terms of redemption (including sinking fund provisions), redemption price or prices; and
- the number of shares constituting any series of preferred stock (up to the maximum of 10,000,000 shares in the aggregate).

The issuance of shares of preferred stock may adversely affect the rights of our common shareholders. For example, any preferred stock issued may rank senior to the common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of common stock. The issuance of shares of preferred stock also could decrease the amount of earnings and assets available for distribution to holders of shares of common stock.

The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, may have the effect of discouraging, delaying, or preventing a change in control of our Company. For example, if in the due exercise of its fiduciary obligations, the board of directors were to determine that a takeover proposal is not in the best interests of the Company, the board of directors could cause shares of preferred stock to be issued without shareholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquiror or insurgent shareholder or shareholder group.

Voting Requirements for Certain Actions

The articles of incorporation provide that approval of the following actions require the affirmative vote of a majority of the shares entitled to be cast by each voting group entitled to vote on the matter:

- shareholder approval of a plan of merger or share exchange;
- shareholder approval of a sale, lease, exchange or other disposition of the Company's assets, other than certain dispositions that would leave the Company without a "significant continuing business activity;"
- shareholder approval of a plan of domestication;
- shareholder approval of a plan of entity conversion; or
- shareholder approval of a proposal for dissolution of the corporation.

Anti-Takeover Effects of Provisions of our Articles of Incorporation and Bylaws

Certain provisions in our articles of incorporation and in our bylaws could make it more difficult for a third party to acquire, or discourage a third party from acquiring, control of the Company. For example, the following provisions may make it difficult for existing shareholders to replace our board of directors as well as

for another party to obtain control of the Company by replacing our board of directors:

- Our bylaws provide that shareholder nominations of persons for election to the board of directors may be made only upon advance written notice to the board of directors in accordance with certain procedural requirements.
- A shareholder is not eligible to have its director nominees included in the Company's proxy statement for the annual meeting of shareholders unless it meets certain notice and procedural requirements, including (i) continuous ownership for at least three years of at least three per cent of the outstanding shares of stock entitled to vote in the election of directors, and (ii) the maximum number of shareholder nominees may not exceed the greater of two directors or twenty-five per cent of the number of directors then in office.
- The articles of incorporation provide that a director may be removed only if the number of votes cast to remove the director constitutes a majority of the votes entitled to be cast at an election of directors.
- The authorization of undesignated preferred stock in our articles of incorporation makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of the Company.
- Our articles of incorporation do not give shareholders the right to cumulative voting in the election of directors. The absence of cumulative voting makes it more difficult for a minority shareholder to gain a seat on our board of directors or influence our board of directors' decision regarding a takeover.

In addition, there are provisions which may make it difficult to call special meetings of the shareholders or to take other shareholder action:

- Our articles of incorporation and bylaws provide that special meetings of shareholders may be called only by the board of directors, the chairman or vice chairman of the board of directors, our chief executive officer, or upon the written request of one or more shareholders who own shares representing fifteen percent or more of the outstanding shares of common stock entitled to vote on the matter to be brought before the special meeting, and that all business to be transacted at any special meeting of shareholders is limited to the purpose or purposes stated in the notice of the special meeting.
- The bylaws also provide that the only business that may be brought before an annual meeting of shareholders is limited to matters (i) brought before the meeting at the direction of the board of directors or (ii) specified in a written notice given by a shareholder of record who is entitled to vote at the meeting in accordance with certain procedural requirements specified in the bylaws.

Certain Provisions of Virginia Law

The Virginia Stock Corporation Act contains provisions relating to "affiliated transactions" and "control share acquisitions," which in certain circumstances could have anti-takeover effects, but the Company has elected to opt out of these provisions as permitted by Virginia law. The following is a brief summary of the provisions of the Virginia statutes.

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The Virginia provisions relating to "affiliated transactions" prohibit a Virginia corporation having more than 300 shareholders from engaging in material transactions with the beneficial owner of more than 10% of any class of its outstanding voting shares (an "interested shareholder") for a period of three years following the date that such person became an interested shareholder unless:

- a majority (but not less than two) of the disinterested directors of the corporation and the holders of two-thirds of the voting shares, other than the shares beneficially owned by the interested shareholder, approve the affiliated transaction, or
- before the date the person became an interested shareholder, a majority of the disinterested directors of the corporation approved the transaction that resulted in the shareholder becoming an interested shareholder.

Affiliated transactions subject to this approval requirement include mergers, share exchanges, material sales or other dispositions of corporate assets not in the ordinary course of business, any dissolution of the corporation proposed by or on behalf of an interested shareholder or any reclassification, including reverse stock splits, recapitalizations or mergers of the corporation with its subsidiaries, which has the effect of increasing the percentage of voting shares owned beneficially by an interested shareholder by more than 5%.

A Virginia corporation may include in its articles of incorporation a provision opting out of the affiliated transactions statute. The Company's articles of incorporation provide that the Company elects not to be governed by the affiliated transactions statute.

Virginia law also contains provisions relating to "control share acquisitions," which are transactions causing the voting strength of any person acquiring beneficial ownership of shares of a Virginia public corporation to meet or exceed certain threshold percentages (20%, 33 1/3% or 50%) of the total votes entitled to be cast for the election of directors. Shares acquired in a control share acquisition have no voting rights unless:

- the voting rights are granted by a majority vote of all outstanding shares other than those held by the acquiring person or any officer or employee director of the corporation, or
- the articles of incorporation or bylaws of the corporation provide that these Virginia law provisions do not apply to acquisitions of its shares. The acquiring person may require that a special meeting of the shareholders be held to consider the grant of voting rights to the shares acquired in the control share acquisition.

A Virginia corporation may include in its articles of incorporation or bylaws a provision opting out of the control share acquisition statute. The Company's articles of incorporation provide that the Company elects not to be governed by the statutory provisions relating to control share acquisitions, and that such statutory provisions shall not apply to acquisitions of the Company's shares.

**AMENDMENT
TO THE
DOLLAR TREE, INC.
2013 DIRECTOR DEFERRED COMPENSATION PLAN**

FIRST:

Sections 3.1 and 3.2 of the Dollar Tree, Inc. 2013 Director Deferred Compensation Plan (as amended and restated effective June 10, 2021) (the "Plan") are hereby amended and restated in their entirety as follows:

3.1 DEFERRAL OF FEES. Any Eligible Director may elect to defer in either cash or Shares all or a portion of the Fees earned during any calendar year by delivering a deferral election to the Company not later than (a) December 31 of the calendar year immediately preceding the calendar year to which the deferral election relates, or (b) with respect to the calendar year in which an individual first becomes an Eligible Director the date stated in a deferral election form provided by the Company, which date shall be no later than thirty days after the date such individual becomes an Eligible Director; provided that an election made under Section 3.1(b) of the Plan shall not apply to any Fees earned prior to the date such election becomes irrevocable. Unless otherwise expressly provided by the Board, all Fees are earned upon the date payable (absent a deferral election). The election form shall specify the amount or portion of the Fees to be deferred; whether and to what extent such Fees are to be deferred in cash or in Shares; the manner of payment with respect to such deferred amounts; the date on which the deferred amounts shall be paid; and whether the deferred amount shall be paid in a lump sum or in installment payments. Such election shall remain in force for such calendar year and for Fees earned in each calendar year thereafter until changed or revoked by the Director by written notice to the Company not later than December 31 immediately preceding the calendar year to which such change or revocation relates. A deferral election made under this Section 3.1 may not be changed or revoked after the dates set forth in Section 3.1(a) or (b) above. The foregoing provisions of this Section 3.1 shall pertain to initial deferral elections with regard to a deferral of Fees under the Plan. In addition, any Eligible Director may elect to make one subsequent deferral election with regard to Fees subject to an initial deferral election under this Section 3.1. Such subsequent deferral election shall be made on a form provided or specified by the Company for this purpose and shall be irrevocable when made. Further, such subsequent deferral election (i) may be made only with respect to a distribution date previously specified by an Eligible Director on his or her applicable initial election form and not with respect to a distribution based on the date the Eligible Director ceases to serve as a Director of the Company; (ii) may not change the form of distribution from a lump sum to installments or from installments to a lump sum; (iii) must be made not less than 12 months before the distribution date previously specified; (iv) shall not take effect until 12 months after the date on which such subsequent deferral election is made; (v) must specify a new distribution date that is at least five years after the distribution date previously specified; (vi) may not change an election for payment in cash to an election for payment in Shares (or vice versa); and (vii) must be approved in advance by the Board or the Compensation Committee of the Board (or a subcommittee thereof) in accordance with the requirements of Rule 16b-3 under the Exchange Act, if the initial deferral election was for payment in Shares.

3.2 DEFERRAL OF EQUITY AWARDS. Any Eligible Director may elect to defer all or a portion of an Equity Award earned during any calendar year by delivering a deferral election to the Company not later than (a) December 31 of the calendar year immediately preceding the calendar year to which the deferral election relates; or (b) with respect to the calendar year in which an individual first becomes an Eligible Director, the date stated in a deferral election form provided by the Company, which date shall be no later than thirty days after the date such individual becomes an Eligible Director; provided that an election made under this Section 3.2(b) of the Plan shall not apply to any Equity Award earned prior to the date such election becomes irrevocable. Unless otherwise expressly provided by the Board, an Equity Award is earned as of the date it is awarded (absent a deferral election). The election form shall specify the amount or portion of the Equity Award to be deferred; the date on which the deferred Shares shall be issued to the Eligible Director; and whether the deferred Shares shall be issued in a lump sum or in installments. Such election shall remain in force for such calendar year and for Equity Awards earned

during each calendar year thereafter until changed or revoked by the Eligible Director by written notice to the Company not later than December 31 immediately preceding the calendar year to which such change or revocation relates. A deferral election made under this Section 3.2 may not be changed or revoked after the dates set forth in Section 3.2(a) or (b) above. The foregoing provisions of this Section 3.2 shall pertain to initial deferral elections with regard to an Equity Award deferral under the Plan. In addition, any Eligible Director may elect to make one subsequent deferral election with regard to an Equity Award subject to an initial deferral election under this Section 3.2. Such subsequent deferral election shall be made on a form provided or specified by the Company for this purpose and shall be irrevocable when made. Further, such subsequent deferral election (i) may be made only with respect to a distribution date previously specified by an Eligible Director on his or her applicable initial election form and not with respect to a distribution based on the date the Eligible Director ceases to serve as a Director of the Company; (ii) may not change the form of distribution from a lump sum to installments or from installments to a lump sum; (iii) must be made not less than 12 months before the distribution date previously specified; (iv) shall not take effect until 12 months after the date on which such subsequent deferral election is made; (v) must specify a new distribution date that is at least five years after the distribution date previously specified; and (vi) must be approved in advance by the Board or the Compensation Committee of the Board (or a subcommittee thereof) in accordance with the requirements of Rule 16b-3 under the Exchange Act.

SECOND:

Section 5.1 of the Plan is hereby amended and restated in its entirety as follows:

5.1 EFFECTIVE DATE OF THIS PLAN. This Plan is effective July 1, 2013, and the shareholders of Dollar Tree, Inc. originally approved the Plan on June 20, 2013. The effective date of the amended and restated Plan is March 8, 2023.

Approved by the Board of Directors of Dollar Tree, Inc. on March 8, 2023.

Exhibit 10.15.2

**FIRST AMENDMENT
TO THE
DOLLAR TREE, INC.
2021 OMNIBUS INCENTIVE PLAN**

The definition of "Retirement" in Section 2.1(hh) of the Dollar Tree, Inc. 2021 Omnibus Incentive Plan (the "Plan") is hereby amended in its entirety to read as follows, effective November 29, 2022:

(hh) "Retirement" means, unless otherwise provided in an Award Agreement, an Employee's separation from Service or a Director's resignation or retirement from the Board (i) on or after the date such Participant attains the age of fifty-nine and a half (59½) and (ii) following at least seven (7) years of service; provided, however, that the Retirement of an Employee shall not include a termination for Cause even if the foregoing requirements for Retirement are otherwise met.

Approved by the Board of Directors of Dollar Tree, Inc. on November 29, 2022.

Exhibit 10.29

DOLLAR TREE, INC.

2021 OMNIBUS INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

This PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), is effective as of the "Date of Grant" specified in the accompanying Notice of Grant (the "Notice of Grant"), by and between Dollar Tree, Inc., a Virginia corporation, (the "Company"), and the "Grantee," as defined in the Notice of Grant.

WITNESSETH:

The Dollar Tree, Inc. 2021 Omnibus Incentive Plan (the "Plan") provides for the grant of performance-based Restricted Stock Units ("Performance Stock Units"), sometimes referred to by the Company as "PSUs," in accordance with the terms and conditions of the Plan, which are incorporated herein by reference. The Company has determined that it is in the best interest of the Company and its shareholders to provide an Award of Performance Stock Units (this "Award") to the Grantee. Capitalized terms used in this Agreement and not otherwise defined herein or in the Notice of Grant have the meanings set forth in the Plan.

1. PERFORMANCE STOCK UNITS. The Company hereby grants an Award of Performance Stock Units to the Grantee as set forth in the Notice of Grant, subject to the terms, conditions and restrictions as set forth in the Plan, this Agreement and the Notice of Grant. Each vested Performance Stock Unit shall represent the right of the Grantee to receive one (1) share of the Company's Stock. Except as otherwise provided herein, the Performance Stock Units will be settled by issuance of shares of Stock as soon as practicable after the certification date described in the Notice of Grant (the "Certification Date"), but in no event later than the last day of the calendar year that includes the Certification Date.

2. VESTING AND TRANSFER RESTRICTIONS OF PERFORMANCE STOCK UNITS. The Grantee shall vest in the percentage of the Target Performance Stock Units, and the restrictions described in Sections 2.1 and 2.2 shall lapse, when the Vesting Criteria set forth in the Notice of Grant are satisfied.

2.1. Termination of Employment. In the event of a Termination of Employment (as defined in this Section 2.1) of the Grantee with all Member Companies for any reason other than (a) death, (b) Disability (as defined in Section 3.2 of this Agreement) or (c) Retirement (as defined in Section 3.2 of this Agreement) prior to the satisfaction of the Vesting Criteria set forth in the Notice of Grant, the unvested Performance Stock Units shall be forfeited as of the date of such Termination of Employment. For purposes of this Agreement, "Termination of Employment" shall mean a "separation from service" as defined in Treasury Regulation § 1.409A-1(h) and "Member Company" shall mean a "service recipient" as defined in Treasury Regulation § 1.409A-1(h)(3).

2.2. Transfer Restrictions. This Award may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, other than by will or by the laws of descent or distribution, and the provisions of this Agreement, the Plan (as applicable) and the Notice of Grant shall be binding upon the executors, administrators, heirs, and successors of the Grantee. Any levy of any execution, attachment or similar process upon this Award, shall be null, void and without effect. Notwithstanding the foregoing, Grantee may designate one or more beneficiaries for receipt of the shares of Stock subject to vested Performance Stock Units by delivering a beneficiary designation form to the Company. A beneficiary designation will not become effective unless it is made on the form approved by the Company and is received by the Company prior to the Grantee's death.

2.3. Change in Control. In the event of a Change in Control, Section 14 of the Plan shall apply to the Performance Stock Units and the Committee may take such actions as it deems appropriate pursuant to the Plan, including accelerating vesting of this Award by waiving all or part of the Vesting Criteria set forth in the Notice of Grant. If the vesting of Performance Stock Units is accelerated under this Section 2.3, such vested Performance Stock Units shall be settled within 30 days of the date of the corporate action that accelerates vesting hereunder. Notwithstanding any provision to the contrary in this Agreement, in the event accelerated vesting of the Performance Stock Units is required based on the terms of a retention agreement entered into by and between the Grantee and the Company, the Performance Stock Units shall vest as required in such agreement and shall be settled or paid within 30 days of the Grantee's Termination of Employment.

2.4. Dividends. No cash dividends shall be paid on the Performance Stock Units.

2.5. Adjustments for Recapitalizations. In the event of a Transaction (as defined in Section 4.4 of the Plan), the Performance Stock Units shall be adjusted as set forth in Section 4.4 of the Plan and any additional securities or other consideration received pursuant to such adjustment shall be subject to the restrictions and risk of forfeiture to the same extent as the Performance Stock Units with respect to which such securities or other consideration has been distributed.

3. DEATH, DISABILITY, OR RETIREMENT OF GRANTEE.

3.1 Amount of Payment or Settlement; Potential Recoupment. In the event of the Grantee's death or Termination of Employment due to Disability prior to the Certification Date, the Company shall waive the requirement that the Grantee be employed by the Company on the date of payment or settlement of this Award, and on the Certification Date the Grantee will continue to vest in the percentage of the Target Performance Stock Units as certified in writing by the Committee based on performance, and such Award shall be paid or settled as soon as practicable after the Certification Date, but not later than the last day of the calendar year that includes the Certification Date. In the event of the Grantee's Retirement prior to the Certification Date, the Company shall waive the requirement that the Grantee be employed by the Company on the date of payment or settlement of this Award, and on the Certification Date the Grantee will continue to vest in the percentage of the Target Performance Stock Units as certified in writing by the Committee based on performance, and such Award shall be paid or settled as soon as practicable after the Certification Date, but not later than the last day of the calendar year that includes the Certification Date; *provided, however*, that in the event of a failure to comply (as determined under the last paragraph of Section 3.2.2) with the Covenants (as defined in Exhibit A hereto), any further vesting or settlement of the Performance Stock Units will cease, all unvested or unsettled Performance Stock Units will immediately be forfeited, and the Company shall have the right, in its discretion, to recoup all vested and settled Performance Stock Units, any resulting proceeds, and any other economic benefit to the Grantee under this Agreement.

3.2 Definitions. For purposes of this Agreement,

3.2.1. "Disability" shall mean the Grantee has been determined to be disabled under the long-term disability insurance policy of the Company or the Company determines that a qualified medical professional has opined that the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

3.2.2. "Retirement" shall mean the Grantee's Termination of Employment under the following circumstances and subject to the following conditions:

(a) The Termination of Employment is on or after the date the Grantee attains the age of fifty-nine and a half (59 ½) and on or after the last day of the Company's fiscal year that includes the Date of Grant.

(b) The Termination of Employment is on or after the date the Grantee completes two (2) years of Service.

(c) The Termination of Employment is on or after the date specified in an "Adequate Notice," unless an earlier separation date is requested by the "Appropriate Party." Adequate Notice, for this purpose, means communication to the Appropriate Party on a form prescribed by the Company that the Grantee is giving consideration to retiring as of a date that is (a) at least 12 months after such communication, for an Employee serving as Chief Executive Officer ("CEO") or, for Employees not serving as CEO, at least six months after such communication. Appropriate Party, for this purpose, means (a) the Board, for the CEO; and (b) the CEO for other Employees. The Grantee acknowledges that any Termination of Employment after the Grantee has provided Adequate Notice will be considered a voluntary termination for purposes of, and thus shall preclude eligibility for, severance under any "Executive Agreement" or similar agreement between the Grantee and the Company in effect on the date of Retirement.

(d) The Grantee supports a transition to the Grantee's successor in the manner requested by the Board or the Grantee's supervisor, as applicable.

(e) The Grantee complies with the Covenants.

(f) The Grantee's execution, and non-revocation, of a separation agreement containing a release of claims in favor of the Company, its affiliates, and their respective officers and directors, and other relevant provisions in a form provided by and acceptable to the Company, which release has become irrevocable not later than 30 days after the date of the Grantee's Termination of Employment.

(g) Retirement of the Grantee shall not include a termination by a Member Company for Cause or resignation at a time when Cause exists, even if the foregoing requirements for Retirement are otherwise met.

Whether the circumstances and conditions above are present or have been satisfied for the Grantee will be determined by (a) the Board, for the CEO; and (b) the CEO, for other Employees. Whether special circumstances warrant a variation from the above definition will be determined by (a) the Board, for the CEO; and (b) the Committee, for other Employees.

4. SHAREHOLDER RIGHTS. This Award does not entitle Grantee to any rights as a shareholder of the Company unless and until the shares of Stock underlying this Award have been issued to Grantee by registry in book-entry form with the Company, unless and until the shares of Stock underlying this Award have been issued to Grantee by registry in book-entry form with the Company.

5. ISSUANCE OF SHARES. The Company will issue the shares of Stock subject to the Performance Stock Units as non-certificated shares in book-entry form registered in Grantee's name. The purchase price of the shares of Stock is Grantee's Service to the Company during the vesting periods. The obligation of the Company to deliver shares of Stock upon the vesting of the Performance Stock Units shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate to comply with relevant state and federal securities laws and regulations and the rules of any applicable stock exchange.

6. CODE SECTION 409A. This Agreement and all amounts payable hereunder are intended to be exempt from Code Section 409A as short-term deferrals (as defined under Treasury Regulations Section 1.409A-1(b)(4)), and this Agreement shall be administered and interpreted consistent with that intent. To the extent this Agreement provides for a deferral of compensation subject to Code Section 409A and the regulations promulgated thereunder, this Agreement is intended to and shall be interpreted and administered as necessary to comply with Code Section 409A. All payments made under this Agreement will be treated as separate payments and will not be aggregated with any other payment for purposes of Code Section 409A and the exemptions therefrom. Notwithstanding any other provision of this Agreement to the contrary, and solely to the extent required by Code Section 409A, in the event that Grantee is a "specified employee" under Code Section 409A(a)(2)(i) and the regulations promulgated thereunder on the date of Grantee's Termination of Employment, then amounts payable under this Award due to Grantee's Termination of Employment (other than for death) shall be accumulated and paid without interest to the Grantee on the first business day of the seventh month following the date of the Grantee's Termination of Employment.

7. TAXES; WITHHOLDING OBLIGATION.

7.1. Generally. Grantee shall be ultimately liable and responsible for all taxes owed in connection with this Award, regardless of any action a Member Company takes with respect to any tax withholding obligations that arise in connection with this Award. The Member Companies make no representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of this Award or the subsequent sale of shares of Stock issuable pursuant to this Award. Neither the Company nor any Member Company is committed or under any obligation to structure this Award to reduce or eliminate Grantee's tax liability.

7.2. Payment of Withholding Taxes. The Company shall deduct from the shares of Stock issuable to a Participant upon the settlement of Performance Stock Units granted hereunder a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to the tax withholding obligations thereon of the Member Companies. Upon the settlement of such Performance Stock Units, all tax withholding shall be satisfied by deduction of shares of Stock otherwise issuable to a Participant upon the settlement of this Award. The Fair Market Value of any shares of Stock withheld or cancelled under this Section 7.2 shall not exceed the amount determined by the minimum statutory withholding rates for each applicable tax jurisdiction.

8. NO EMPLOYMENT RIGHTS. Nothing in this Agreement shall affect in any manner whatsoever the right or power of a Member Company to terminate Grantee's employment for any reason, with or without Cause.

9. MISCELLANEOUS.

9.1. Governing Law; Jurisdiction and Venue. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Virginia, without giving effect to choice of law provisions thereof. The Circuit Court of the City of Norfolk, Virginia, and the United States District Court, Eastern District of Virginia, Norfolk Division shall be the exclusive courts of jurisdiction and venue for any litigation, special proceedings or other proceedings between the parties that may be brought, or arise out of, in connection with, or by reason of this Agreement, except to the extent of proceedings required to be brought in accordance with any arbitration agreement between the parties, and the parties to this Agreement hereby consent to the jurisdiction of such courts.

9.2. Entire Agreement; Enforcement of Rights.

9.2.1. The Plan and the Notice of Grant are hereby incorporated by reference in this Agreement. This Agreement (including the Plan and the Notice of Grant) sets forth the entire agreement and understanding of the parties relating to the subject matter herein. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in a writing signed by the Company and the Grantee to this Agreement. In the event of a conflict between this Agreement and the Plan, the terms of the Plan control. A copy of the Plan may be obtained from the Chief Human Resources Officer of the Company (or such other party as the Company may designate). This Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

9.2.2. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party. Any action or proceeding to enforce this Agreement shall be brought in accordance with the requirements of any arbitration agreement between the parties, except that the Company may seek temporary or permanent injunctive relief or other forms of immediate relief related to a breach of any of the covenants in this Agreement in the state or federal courts located in Norfolk, Virginia.

9.3. **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.

9.4. **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by fax, or twenty-four (24) hours after being delivered to a reliable overnight courier service for overnight delivery (with delivery costs prepaid), or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

9.5. **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by, the Company's successors and assigns. The rights and obligations of Grantee under this Agreement may only be assigned with the prior written consent of the Company.

9.6. **Claw-back.** The Grantee acknowledges and agrees that this Award of Performance Stock Units is subject to the provisions of Section 19.1 of the Plan, "Forfeiture Events; Recoupment," and to the provisions of any claw-back or similar policy adopted, implemented, or amended by the Company, whether before or after the Date of Grant.

EXHIBIT A

Restrictive Covenants

The covenants set forth in this Exhibit A (the "Covenants") are several. Compliance with the Covenants is a condition of Retirement under this Agreement.

a. **Confidential Information.** The Grantee understands and acknowledges that during the course of the Grantee's employment by the Company, the Grantee will have access to and learn about Confidential Information belonging to the Company.

For purposes of the Covenants, "Confidential Information" is all information not generally known to the public and developed or maintained by the Company or its agents in spoken, printed, electronic or any other form or medium, relating directly or indirectly to the Company's: business processes, practices, methods, policies, plans, operations, strategies, agreements, contracts, transactions, potential transactions, know-how, trade secrets, intellectual property, works-in-process, databases, systems, vendor and supplier information, financial information, accounting information, accounting records, legal information, marketing information, advertising information, pricing information, credit information, design information, personnel information, market studies, sales information, revenue, costs, customer information, manufacturing information, transportation and logistics information, and factory lists of the Company or of any other person or entity that has entrusted information to the Company in confidence.

The Grantee understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified or treated as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Grantee understands and acknowledges that the Company has invested, and continues to invest, substantial time, money, and specialized knowledge into developing its resources, creating and developing its vendor base, increasing its customer base, expanding the number of geographic markets in which it operates, training its executives, developing best operational practices, and negotiating highly competitive prices in the discount retail sector so as to provide the best value possible to its customers. The Grantee understands and acknowledges that as a result of these ongoing efforts, the Company has created, and continues to use and create, Confidential Information. This Confidential Information provides the Company with a competitive advantage over others in the marketplace, and it is essential to the Company's success moving forward.

Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Grantee, provided that such disclosure is through no direct or indirect fault of the Grantee or anyone acting on the Grantee's behalf.

i. Disclosure and Use Restrictions. The Grantee agrees and covenants: (i) to treat all Confidential Information as strictly confidential; (ii) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other executives and employees of the Company not having a need to know such information); (iii) not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Company, except as required in the performance of the Grantee's authorized employment duties to the Company or with the prior consent of the Grantee's supervisor; and (iv) to immediately return and not retain, in any form, any such Confidential Information upon the Separation Date. Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid subpoena or order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or subpoena/order. The Grantee shall promptly provide written notice of any such order to the Company's Chief Legal Officer, if permitted by law to do so.

The Grantee understands and acknowledges that the Grantee's obligations under the Covenants with regard to any particular Confidential Information shall commence immediately upon the Grantee's first having access to such Confidential Information and shall continue during and after the Grantee's employment by the Company until such time as such Confidential Information has become public knowledge other than as a result of the Grantee's breach of the Covenants or breach by those acting in concert with the Grantee or on the Grantee's behalf.

ii. Whistleblower Protection and Notice of Immunity under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016. Notwithstanding any other provision of the Covenants or any other agreement or Company policy, the Grantee will not be held liable under this Agreement or any other agreement or Company policy or any federal or state trade secret law for any disclosure of a trade secret or other Confidential Information that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (iii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

b. Covenant Not to Compete.

i. Acknowledgment. The Grantee understands that the senior nature of the Grantee's position gives the Grantee access to and knowledge of Confidential Information and places the Grantee in a position of trust and confidence with the Company and, further, that the improper use or disclosure by the Grantee of Confidential Information is likely to result in unfair or unlawful competitive activity that would substantially harm the Company. The Grantee understands and acknowledges that the Grantee's experience and expertise relating to the business of a retailer are unique and specialized, and that the Company's ability to reserve these talents for the exclusive knowledge and use of the Company during the Grantee's employment and for a reasonable period thereafter is of great competitive importance and commercial value to the Company.

ii. Non-Competition. Because of the Company's legitimate business interest as described herein and the good and valuable consideration offered to the Grantee herein, during the Grantee's employment and for a 24-month period beginning on the Separation Date, the Grantee agrees and covenants that the Grantee will not engage in any Prohibited Activity (as defined below) for a Competitor (as defined below). This restrictive covenant applies whether the Grantee's employment is terminated by the Grantee or by the Company for any reason or no reason.

1. For purposes of this non-compete, "Prohibited Activity" is activity in which the Grantee, in any competitive capacity (whether for compensation or not) provides services, advises, consults, or otherwise acts in a role in which Executive (i) would be engaged in the same or similar type of work or services the Grantee performed for or on behalf of the Company at any time during the two-year period immediately prior to the Separation Date and would be competitive with business, products, or services of the Company; or (ii) would reasonably be expected to require the Grantee's application of, disclosure of, reliance on, or use of the Company's Confidential Information or customer goodwill.

2. A "Competitor" is defined as (i) Dollar General; Walmart; Target; Five Below; or (ii) a Discount Retail Chain that operates one or more retail stores located within the Restricted Area.
 3. "Discount Retail Chain" is defined as a chain of stores (with at least 200 stores as of Executive's Separation Date, including by way of illustration and not limitation, 99 Cents Only) that predominantly sell good or products retailing for \$5 or less.
 4. "Restricted Area" is defined as the area that is within ten miles of any Dollar Tree or Family Dollar store existing as of the Separation Date.
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iii. Nothing herein shall prohibit the Grantee from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Grantee is not a controlling person of, or a member of a group that controls, such corporation.

c. Non-Piracy of Company Executives. The Grantee agrees and covenants that, for a period of 24 months from the Separation Date, the Grantee shall not directly or indirectly solicit, hire, recruit, or attempt to hire or recruit, any Company Executive, or induce the termination of employment of any Company Executive. "Company Executive" means any person who at the time of, or within three months immediately prior to, the solicitation, hiring, recruitment, or inducement, was employed by the Company at a Director-level or more senior position. The types of communication prohibited by this provision explicitly include all forms of oral, written, or electronic communication, including, but not limited to, communications by email, regular mail, express mail, telephone, fax, instant message, and social media, where the purpose of or reasonably anticipated impact or consequence of the communication would be to solicit, hire or recruit such person. For the avoidance of doubt, this restriction applies regardless of whether the Grantee or the Company Executive initiated the first communication.

d. Non-Disparagement. The Grantee agrees and covenants that, during the Grantee's employment and for a period of 24 months after the Separation Date, the Grantee will not make, publish, or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company, or any of its executives, directors, and officers. This Section does not, in any way, restrict or impede the Grantee from exercising protected rights to the extent that such rights cannot be waived by agreement or otherwise under applicable law, including but not limited to the Grantee's right to discuss sexual assault and/or sexual harassment claims, make a complaint or charge with or respond to an inquiry from any government agency, or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency.

e. Acknowledgment. The Grantee acknowledges and agrees that the services the Grantee will render to the Company are of a special and unique character; that the Grantee will obtain knowledge and skill relevant to the Company's industry, methods of doing business, and logistical, operational, merchandising and marketing strategies by virtue of the Grantee's employment; and that the restrictive covenants and other terms and conditions of the Covenants are reasonable and reasonably necessary to protect the legitimate business interests of the Company.

The Grantee affirms that the Grantee will not be subject to undue hardship or an unreasonable restraint on the Grantee's ability to earn a livelihood by reason of the Grantee's full compliance with the terms and conditions of the Covenants or the Company's enforcement thereof; and that the Covenants and this Award are not a contract of employment and shall not be construed as a commitment by either of the parties to continue an employment relationship for any certain period of time.

The Grantee's obligations under each of Sections (a)(i), (b)(ii), (c), and (d) above are separable and independently enforceable of each other and of any legal obligations that may exist between the Company and the Grantee. The real or perceived existence of any claim or cause of action of the Grantee against the Company, whether predicated on the Covenants or some other basis, will not alleviate the Grantee of the Grantee's obligations under the Covenants and will not constitute a defense to the enforcement by the Company of the restrictions and covenants contained herein.

f. **Remedies.** In the event of a breach or threatened breach by the Grantee of any of the Covenants, the Grantee hereby consents and agrees that the Company shall be entitled to seek (notwithstanding the any agreement to arbitrate claims to which the Company, the Grantee, or a Member Company is subject), in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief including without limitation a claim for recovery or disgorgement of any amount paid or realized, or shares issued to the Grantee pursuant to the Award.

Exhibit 10.30

DOLLAR TREE, INC.

2021 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

(STANDARD)

This RESTRICTED STOCK UNIT AGREEMENT (the “**Agreement**”) is effective as of the “**Date of Grant**” specified in the accompanying Notice of Grant (the “**Notice of Grant**”), by and between Dollar Tree, Inc., a Virginia corporation, (the “**Company**”) and the “**Grantee**” as defined in the Notice of Grant.

WITNESSETH:

The Dollar Tree, Inc. 2021 Omnibus Incentive Plan (the “**Plan**”) provides for the grant of Restricted Stock Units in accordance with the terms and conditions of the Plan, which are incorporated herein by reference. The Company has determined that it is in the best interest of the Company and its shareholders to provide an Award of Restricted Stock Units (this “**Award**”) to the Grantee. Capitalized terms used in this Agreement and not otherwise defined herein or in the Notice of Grant have the meanings set forth in the Plan.

1. RESTRICTED STOCK UNITS. The Company hereby grants the Grantee the number of Restricted Stock Units as set forth in the Notice of Grant subject to the terms, conditions and restrictions as set forth in the Plan, this Agreement and the Notice of Grant. Each vested Restricted Stock Unit shall represent the right of the Grantee to receive one share of the Company’s Stock. Except as otherwise provided herein, the Restricted Stock Units will be settled by issuance of shares of Stock as soon as practicable after the date the Vesting Criteria set forth in the Notice of Grant are satisfied or deemed satisfied hereunder, but in no event later than the last day of the calendar year in which such Vesting Criteria are satisfied or deemed satisfied hereunder.

2. VESTING AND TRANSFER RESTRICTIONS OF RESTRICTED STOCK UNITS. The Restricted Stock Units shall become vested, if at all, and the restrictions described in Sections 2.1 and 2.2 shall lapse, as the Vesting Criteria set forth in the Notice of Grant are satisfied.

2.1. Termination of Employment. In the event of Termination of Employment (as defined in this Section 2.1) of the Grantee with all Member Companies for any reason other than (a) death, (b) Disability (as defined in Section 3.2 of this Agreement) or (c) Retirement (as defined in Section 3.2 of this Agreement) prior to the satisfaction of the Vesting Criteria, the unvested Restricted Stock Units shall be forfeited as of the date of such Termination of Employment. For purposes of this Agreement, “Termination of Employment” shall mean a “separation from service” as defined in Treasury Regulation § 1.409A-1(h) and “Member Company” shall mean a “service recipient” as defined in Treasury Regulation § 1.409A-1(h)(3).

2.2. Transfer Restrictions. The Restricted Stock Units may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, other than by will or by the laws of descent or distribution, and the provisions of this Agreement, the Plan and the Notice of Grant shall be binding upon the executors, administrators, heirs, and successors of the Grantee. Any levy of any execution, attachment or similar process upon the Restricted Stock Units, shall be null, void and without effect. Notwithstanding the foregoing, Grantee may designate one or more beneficiaries for receipt of the shares of Stock subject to this Award by delivering a beneficiary designation form to the Company. A beneficiary designation will not become effective unless it is made on the form approved by the Company and is received by the Company prior to the Grantee’s death.

2.3. Change in Control. In the event of a Change in Control, Section 14 of the Plan shall apply to the Restricted Stock Units and the Committee may take such actions as it deems appropriate pursuant to the Plan, including accelerating vesting of this Award by waiving all or part of the Vesting Criteria set forth in the Notice of Grant. Notwithstanding any provision to the contrary in this Agreement, in the event accelerated vesting of the Restricted Stock Units is required based on the terms of a retention agreement entered into by and between the Grantee and the Company, the Restricted Stock Units shall vest as required in such agreement and shall be settled or paid within 30 days of the Grantee's Termination of Employment.

2.4. Dividends. No cash dividends shall be paid on the Restricted Stock Units.

2.5. Adjustments for Recapitalizations. In the event of a Transaction (as defined in Section 4.4 of the Plan), the Restricted Stock Units shall be adjusted as set forth in Section 4.4 of the Plan and any additional securities or other consideration received pursuant to such adjustment shall be subject to the restrictions and risk of forfeiture to the same extent as the Restricted Stock Units with respect to which such securities or other consideration has been distributed.

3. DEATH, DISABILITY, OR RETIREMENT OF GRANTEE.

3.1 Amount of Payment or Settlement; Potential Recoupment. In the event of the Grantee's death prior to satisfaction of the Vesting Criteria in the Notice of Grant, the Company shall waive the requirement that the Grantee be employed by the Company on the date of payment or settlement of this Award, this Award shall vest in full, and such Award shall be paid or settled as soon as practicable, but not later than the last day of the calendar year that includes the date of the Grantee's death. In the event of the Grantee's Termination of Employment due to Disability prior to satisfaction of the Vesting Criteria in the Notice of Grant, the Company shall waive the requirement that the Grantee be employed by the Company on the date of payment or settlement of this Award, this Award will continue to be settled in accordance with the vesting dates set forth in the Notice of Grant ("Vesting Dates") as though the Grantee had not had a Termination of Employment, and such Award shall be paid or settled as soon as practicable after the respective Vesting Dates, but not later than the last day of the calendar year that includes the respective Vesting Dates. In the event of the Grantee's Retirement prior to satisfaction of the Vesting Criteria in the Notice of Grant, the Company shall waive the requirement that the Grantee be employed by the Company on the date of payment or settlement of this Award, this Award will continue to be settled in accordance with the Vesting Dates as though the Grantee had not had a Termination of Employment, and such Award shall be paid or settled as soon as practicable after the respective Vesting Dates, but not later than the last day of the calendar year that includes the respective Vesting Dates; *provided, however*, that in the event of a failure to comply (as determined under the last paragraph of Section 3.2.2) with the Covenants (as defined in Section 3.2.2), any further settlement of the Restricted Stock Units will cease, all Restricted Stock Units that has not been settled will immediately be forfeited, and the Company shall have the right, in its discretion, to recoup all vested or settled Restricted Stock Units, any resulting proceeds, and any other economic benefit to the Grantee under this Agreement.

3.2 Definitions. For purposes of this Agreement,

3.2.1. "Disability" shall mean the Grantee has been determined to be disabled under the long-term disability insurance policy of the Company or the Company determines that a qualified medical professional has opined that the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

3.2.2. "Retirement" shall mean the Grantee's Termination of Employment under the following circumstances and subject to the following conditions:

(a) The Termination of Employment is on or after the date the Grantee attains the age of fifty-nine and a half (59 ½).

(b) The Termination of Employment is on or after the date the Grantee completes two (2) years of Service.

(c) The Termination of Employment is on or after the date specified in an "Adequate Notice," unless an earlier separation date is requested by the "Appropriate Party." Adequate Notice, for this purpose, means communication to the Appropriate Party on a form prescribed by the Company

that the Grantee is giving consideration to retiring as of a date that is at least 12 months after such communication, for an Employee serving as Chief Executive Officer ("CEO") or, for Employees not serving as CEO, at least six months after such communication. Appropriate Party, for this purpose, means (a) the Board, for the CEO; and (b) the CEO for other Employees. The Grantee acknowledges that any Termination of Employment after the Grantee has provided Adequate Notice will be considered a voluntary termination for purposes of, and thus shall preclude eligibility for, severance under any "Executive Agreement" or similar agreement between the Grantee and the Company in effect on the date of Retirement.

(d) The Grantee supports a transition to the Grantee's successor in the manner requested by the Board or the Grantee's supervisor, as applicable.

(e) The Grantee abides by the Covenants (as defined in Exhibit A hereto).

(f) The Grantee's execution, and non-revocation, of a separation agreement containing a release of claims in favor of the Company, its affiliates, and their respective officers and directors, and other relevant provisions in a form provided by and acceptable to the Company, which release has become irrevocable not later than 30 days after the date of the Grantee's Termination of Employment.

(g) Retirement of the Grantee shall not include a Termination of Employment by the Company or a Member Company for Cause or a resignation at a time when Cause exists, even if the foregoing requirements for Retirement are otherwise met.

Whether the circumstances and conditions above are present or have been satisfied for the Grantee will be determined by (a) the Board, for the CEO; and (b) the CEO, for other Employees. Whether special circumstances warrant a variation from the above definition will be determined by (a) the Board, for the CEO; and (b) the Committee, for other Employees.

4. SHAREHOLDER RIGHTS. This Award does not entitle the Grantee to any rights as a shareholder of the Company unless and until the shares of Stock underlying this Award have been issued to the Grantee by registry in book-entry form with the Company.

5. ISSUANCE OF SHARES. The Company will issue the shares of Stock subject to the Restricted Stock Units as non-certificated shares in book-entry form registered in Grantee's name. The purchase price of the shares of Stock is the Grantee's Service to the Company during the vesting periods. The obligation of the Company to deliver shares of Stock upon the vesting of the Restricted Stock Units shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate to comply with relevant state and federal securities laws and regulations and the rules of any applicable stock exchange.

6. CODE SECTION 409A. To the extent this Agreement provides for a deferral of compensation subject to Code Section 409A and the regulations promulgated thereunder, this Agreement is intended to and shall be interpreted and administered as necessary to comply with Code Section 409A. All payments made under this Agreement will be treated as separate payments and will not be aggregated with any other payment for purposes of Code Section 409A and the exemptions therefrom. In the event the Committee exercises discretion to accelerate satisfaction of the Vesting Criteria in the event of a Change in Control, then to the extent required for compliance with Code Section 409A, settlement shall nonetheless be made on the earlier of (i) the respective Vesting Dates for the applicable number of Restricted Stock Units or (ii) the Grantee's Termination of Employment. Notwithstanding any other provision of this Agreement to the contrary, and solely to the extent required by Code Section 409A, in the event that Grantee is a "specified employee" under Code Section 409A(a)(2)(i) and the regulations promulgated thereunder on the date of Grantee's Termination of Employment, then amounts payable under this Award due to Grantee's Termination of Employment (other than for death) shall be accumulated and paid without interest to the Grantee on the first business day of the seventh month following the date of the Grantee's Termination of Employment.

7. TAXES; WITHHOLDING OBLIGATION.

7.1. Generally. Grantee shall be ultimately liable and responsible for all taxes owed in connection with this Award, regardless of any action a Member Company takes with respect to any tax withholding obligations that arise in connection with this Award. The Member Companies make no representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of this Award or the subsequent sale of shares of Stock issuable pursuant to this Award. Neither the Company nor any Member Company is committed or under any obligation to structure this Award to reduce or eliminate Grantee's tax liability.

7.2. Payment of Withholding Taxes. The Company shall deduct from the shares of Stock issuable to the Grantee upon the settlement of this Award a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to the tax withholding obligations thereon of the Member Companies. Upon the settlement of this Award, all tax withholding shall be satisfied by deduction of shares of Stock otherwise issuable to the Grantee upon the settlement of this Award. The Fair Market Value of any shares of Stock withheld or cancelled under this Section 7.2 shall not exceed the amount determined by the minimum statutory withholding rates for each applicable tax jurisdiction.

8. NO EMPLOYMENT RIGHTS. Nothing in this Agreement shall affect in any manner whatsoever the right or power of a Member Company to terminate Grantee's employment for any reason, with or without Cause.

9. MISCELLANEOUS.

9.1. Governing Law; Jurisdiction and Venue. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Virginia, without giving effect to choice of law provisions thereof. The Circuit Court of the City of Norfolk, Virginia, and the United States District Court, Eastern District of Virginia, Norfolk Division shall be the exclusive courts of jurisdiction and venue for any litigation, special proceedings or other proceedings between the parties that may be brought, or arise out of, in connection with, or by reason of this Agreement, except to the extent of proceedings required to be brought in accordance with any arbitration agreement between the parties, and the parties to this Agreement hereby consent to the jurisdiction of such courts.

9.2. Entire Agreement; Enforcement of Rights.

9.2.1. The Plan and the Notice of Grant are hereby incorporated by reference in this Agreement. This Agreement (including the Plan and the Notice of Grant) sets forth the entire agreement and understanding of the parties relating to the subject matter herein. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in a writing signed by the Company and the Grantee to this Agreement. In the event of a conflict between this Agreement and the Plan, the terms of the Plan control. A copy of the Plan may be obtained from the Chief Human Resources Officer of the Company (or such other party as the Company may designate). This Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

9.2.2. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party. Any action or proceeding to enforce this Agreement shall be brought in accordance with the requirements of any arbitration agreement between the parties, except that the Company may seek temporary or permanent injunctive relief or other forms of immediate relief related to a breach of any of the covenants in this Agreement in the state or federal courts located in Norfolk, Virginia.

9.3. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.

9.4. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by fax, or twenty-four (24) hours after being delivered to a reliable overnight courier service for overnight delivery (with delivery costs prepaid), or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

9.5. Successors and Assigns. The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by, the Company's successors and assigns. The rights and obligations of Grantee under this Agreement may only be assigned with the prior written consent of the Company.

9.6. Claw-back. The Grantee acknowledges and agrees that this Award of Restricted Stock Units is subject to the provisions of Section 19.1 of the Plan, "Forfeiture Events; Recoupment," and to the provisions of any claw-back or similar policy adopted, implemented, or amended by the Company, whether before or after the Date of Grant.

EXHIBIT A

Restrictive Covenants

The covenants set forth in this Exhibit A (the "Covenants") are several. Compliance with the Covenants is a condition of Retirement under this Agreement.

a. **Confidential Information.** The Grantee understands and acknowledges that during the course of the Grantee's employment by the Company, the Grantee will have access to and learn about Confidential Information belonging to the Company.

For purposes of the Covenants, "Confidential Information" is all information not generally known to the public and developed or maintained by the Company or its agents in spoken, printed, electronic or any other form or medium, relating directly or indirectly to the Company's: business processes, practices, methods, policies, plans, operations, strategies, agreements, contracts, transactions, potential transactions, know-how, trade secrets, intellectual property, works-in-process, databases, systems, vendor and supplier information, financial information, accounting information, accounting records, legal information, marketing information, advertising information, pricing information, credit information, design information, personnel information, market studies, sales information, revenue, costs, customer information, manufacturing information, transportation and logistics information, and factory lists of the Company or of any other person or entity that has entrusted information to the Company in confidence.

The Grantee understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified or treated as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Grantee understands and acknowledges that the Company has invested, and continues to invest, substantial time, money, and specialized knowledge into developing its resources, creating and developing its vendor base, increasing its customer base, expanding the number of geographic markets in which it operates, training its executives, developing best operational practices, and negotiating highly competitive prices in the discount retail sector so as to provide the best value possible to its customers. The Grantee understands and acknowledges that as a result of these ongoing efforts, the Company has created, and continues to use and create, Confidential Information. This Confidential Information provides the Company with a competitive advantage over others in the marketplace, and it is essential to the Company's success moving forward.

Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Grantee, provided that such disclosure is through no direct or indirect fault of the Grantee or anyone acting on the Grantee's behalf.

i. **Disclosure and Use Restrictions.** The Grantee agrees and covenants: (i) to treat all Confidential Information as strictly confidential; (ii) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other executives and employees of the Company not having a need to know such information); (iii) not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Company, except as required in the performance of the Grantee's authorized employment duties to the Company or with the prior consent of the Grantee's supervisor; and (iv) to immediately return and not retain, in any form, any such Confidential Information upon the Separation Date. Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid subpoena or order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or subpoena/order. The Grantee shall promptly provide written notice of any such order to the Company's Chief Legal Officer, if permitted by law to do so.

The Grantee understands and acknowledges that the Grantee's obligations under the Covenants with regard to any particular Confidential Information shall commence immediately upon the Grantee's first having access to such Confidential Information and shall continue during and after the Grantee's employment by the Company until such time as such Confidential Information has become public knowledge other than as a result of the Grantee's breach of the Covenants or breach by those acting in concert with the Grantee or on the Grantee's behalf.

ii. Whistleblower Protection and Notice of Immunity under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016. Notwithstanding any other provision of the Covenants or any other agreement or Company policy, the Grantee will not be held liable under this Agreement or any other agreement or Company policy or any federal or state trade secret law for any disclosure of a trade secret or other Confidential Information that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (iii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

b. Covenant Not to Compete.

i. Acknowledgment. The Grantee understands that the senior nature of the Grantee's position gives the Grantee access to and knowledge of Confidential Information and places the Grantee in a position of trust and confidence with the Company and, further, that the improper use or disclosure by the Grantee of Confidential Information is likely to result in unfair or unlawful competitive activity that would substantially harm the Company. The Grantee understands and acknowledges that the Grantee's experience and expertise relating to the business of a retailer are unique and specialized, and that the Company's ability to reserve these talents for the exclusive knowledge and use of the Company during the Grantee's employment and for a reasonable period thereafter is of great competitive importance and commercial value to the Company.

ii. Non-Competition. Because of the Company's legitimate business interest as described herein and the good and valuable consideration offered to the Grantee herein, during the Grantee's employment and for a 24-month period beginning on the Separation Date, the Grantee agrees and covenants that the Grantee will not engage in any Prohibited Activity (as defined below) for a Competitor (as defined below). This restrictive covenant applies whether the Grantee's employment is terminated by the Grantee or by the Company for any reason or no reason.

1. For purposes of this non-compete, "Prohibited Activity" is activity in which the Grantee, in any competitive capacity (whether for compensation or not) provides services, advises, consults, or otherwise acts in a role in which Executive (i) would be engaged in the same or similar type of work or services the Grantee performed for or on behalf of the Company at any time during the two-year period immediately prior to the Separation Date and would be competitive with business, products, or services of the Company; or (ii) would reasonably be expected to require the Grantee's application of, disclosure of, reliance on, or use of the Company's Confidential Information or customer goodwill.
2. A "Competitor" is defined as (i) Dollar General; Walmart; Target; Five Below; or (ii) a Discount Retail Chain that operates one or more retail stores located within the Restricted Area.
3. "Discount Retail Chain" is defined as a chain of stores (with at least 200 stores as of Executive's Separation Date, including by way of illustration and not limitation, 99 Cents Only) that predominantly sell good or products retailing for \$5 or less.
4. "Restricted Area" is defined as the area that is within ten miles of any Dollar Tree or Family Dollar store existing as of the Separation Date.

iii. Nothing herein shall prohibit the Grantee from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Grantee is not a controlling person of, or a member of a group that controls, such corporation.

c. Non-Piracy of Company Executives. The Grantee agrees and covenants that, for a period of 24 months from the Separation Date, the Grantee shall not directly or indirectly solicit, hire, recruit, or attempt to hire or recruit, any Company Executive, or induce the termination of employment of any Company Executive. "Company Executive" means any person who at the time of, or within three months immediately prior to, the solicitation, hiring, recruitment, or inducement, was employed by the Company at a Director-level or more senior position. The types of communication prohibited by this provision explicitly include all forms of oral, written, or electronic communication, including, but not limited to, communications by email, regular mail, express mail, telephone, fax, instant message, and social media, where the purpose of or reasonably anticipated impact or consequence of the communication would be to solicit, hire or recruit such person. For the avoidance of doubt, this restriction applies regardless of whether the Grantee or the Company Executive initiated the first communication.

d. Non-Disparagement. The Grantee agrees and covenants that, during the Grantee's employment and for a period of 24 months after the Separation Date, the Grantee will not make, publish, or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company, or any of its executives, directors, and officers. This Section does not, in any way, restrict or impede the Grantee from exercising protected

rights to the extent that such rights cannot be waived by agreement or otherwise under applicable law, including but not limited to the Grantee's right to discuss sexual assault and/or sexual harassment claims, make a complaint or charge with or respond to an inquiry from any government agency, or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency.

e. Acknowledgment. The Grantee acknowledges and agrees that the services the Grantee will render to the Company are of a special and unique character; that the Grantee will obtain knowledge and skill relevant to the Company's industry, methods of doing business, and logistical, operational, merchandising and marketing strategies by virtue of the Grantee's employment; and that the restrictive covenants and other terms and conditions of the Covenants are reasonable and reasonably necessary to protect the legitimate business interests of the Company.

The Grantee affirms that the Grantee will not be subject to undue hardship or an unreasonable restraint on the Grantee's ability to earn a livelihood by reason of the Grantee's full compliance with the terms and conditions of the Covenants or the Company's enforcement thereof; and that the Covenants and this Award are not a contract of employment and shall not be construed as a commitment by either of the parties to continue an employment relationship for any certain period of time.

The Grantee's obligations under each of Sections (a)(i), (b)(ii), (c), and (d) above are separable and independently enforceable of each other and of any legal obligations that may exist between the Company and the Grantee. The real or perceived existence of any claim or cause of action of the Grantee against the Company, whether predicated on the Covenants or some other basis, will not alleviate the Grantee of the Grantee's obligations under the Covenants and will not constitute a defense to the enforcement by the Company of the restrictions and covenants contained herein.

f. Remedies. In the event of a breach or threatened breach by the Grantee of any of the Covenants, the Grantee hereby consents and agrees that the Company shall be entitled to seek (notwithstanding the any agreement to arbitrate claims to which the Company, the Grantee, or a Member Company is subject), in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief including without limitation a claim for recovery or disgorgement of any amount paid or realized, or shares issued to the Grantee pursuant to the Award.

Exhibit 10.31

DOLLAR TREE, INC.

2021 OMNIBUS INCENTIVE PLAN

NONSTATUTORY STOCK OPTION AGREEMENT

THIS NONSTATUTORY STOCK OPTION AGREEMENT (this "**Agreement**") is effective as of the "Date of Grant" specified in the accompanying Notice of Grant (the "**Notice of Grant**"), by and between Dollar Tree, Inc., a Virginia corporation, (the "**Company**") and the "Grantee" as defined in the Notice of Grant.

WITNESSETH:

The Dollar Tree, Inc. 2021 Omnibus Incentive Plan (the "**Plan**") provides for the grant of Options in accordance with the terms and conditions of the Plan, which are incorporated herein by reference. The Company has determined that it is in the best interest of the Company and its shareholders to issue an Award of Options to the Grantee (this "**Award**"). Capitalized terms used in this Agreement and not otherwise defined herein or in the Notice of Grant have the meanings set forth in the Plan.

1. AWARD AND EXERCISE PRICE. The Company hereby grants the Grantee an Option to purchase the number of shares of Stock set forth in the Notice of Grant (such shares of Stock, the “**Covered Shares**”) at the exercise price per Covered Share set forth in the Notice of Grant (the “**Exercise Price**”), subject to the terms, conditions and restrictions as set forth in the Plan, this Agreement and the Notice of Grant. The Option is not an Incentive Stock Option.

2. EXERCISABILITY. The Option shall vest and become exercisable in accordance with the vesting and exercise schedule set forth in the Notice of Grant, subject to Section 3 and the other terms and conditions of this Agreement and the Plan. In the event of the Grantee’s Termination of Employment (as defined in Section 7) due to death, the Option shall become fully vested and exercisable on the date of death. In the event of the Grantee’s Termination of Employment due to Disability (as defined in Section 9) or Retirement (as defined in Section 8), the Option shall continue to vest and become exercisable in accordance with the vesting and exercise schedule set forth in the Notice of Grant, as though the Grantee had not had a Termination of Employment. In the event of the Grantee’s Termination of Employment other than due to death, Disability or Retirement, the Option shall be exercisable for the number of Covered Shares for which it was exercisable on such date of termination, and no further vesting or additional exercisability shall occur. Notwithstanding the foregoing, in the event of a Change in Control, Section 14 of the Plan shall apply to the Option, and the Committee may take such actions as it deems appropriate pursuant to the Plan, including accelerating vesting and/or exercisability of this Award by waiving all or part of the conditions for vesting and/or exercisability set forth in the Notice of Grant.

3. EXPIRATION, POTENTIAL RECOUPMENT. The Option shall not be exercisable after the Company’s close of business on the last business day that occurs prior to the Expiration Date. The “Expiration Date” shall be the earliest to occur of:

(a) the ten-year anniversary of the Date of Grant;

(b) if the Grantee’s Termination of Employment occurs due to (i) death, (ii) Disability or (iii) Retirement, the ten-year anniversary of the Grant Date;

(c) if the Grantee experiences a Termination of Employment by a Member Company without Cause, the one-year anniversary of the Date of Termination;

(d) if the Grantee’s Termination of Employment occurs due to Grantee’s resignation (for clarity, other than upon death or due to Disability or Retirement), and other than at a time when Cause exists, the three-month anniversary of the Date of Termination;

(e) if the Grantee experiences a Termination of Employment by a Member Company for Cause or resigns at a time when Cause exists, the Date of Termination; or

(f) if the Grantee’s Termination of Employment occurs following the Grantee’s provision of Adequate Notice (as defined in Section 8), the date of a failure to comply (as determined under the last paragraph of Section 8) with the Covenants (as defined in Section 8).

The Grantee further acknowledges and agrees that if the Grantee’s Termination of Employment occurs following the Grantee’s provision of Adequate Notice, upon the Grantee’s failure to comply (as determined under the last paragraph of Section 8) with the Covenants, any Stock acquired under this Agreement, any resulting proceeds, and any other economic benefit to the Grantee under this Agreement shall be subject to immediate recoupment by the Company and to the remedies set forth in Exhibit A hereto.

4. METHOD OF OPTION EXERCISE.

4.1 Notice of Exercise. Subject to the terms of this Agreement and the Plan, the Option may be exercised in whole or in part by filing a written notice with the Company in a form and by a method acceptable to the Committee at its corporate headquarters prior to the Company’s close of business on the last business day that occurs prior to the Expiration Date. Such notice shall specify the number of Covered Shares which the Grantee elects to purchase and shall be accompanied by payment of the Exercise Price for such shares of Stock indicated by the Grantee’s election if applicable.

4.2 Payment of Exercise Price. Payment shall be made by cash or by check payable to the Company. Except as otherwise provided by the Committee before the Option is exercised: (i) all or a portion of the Exercise Price may be paid by the Grantee by delivery or attestation of shares of Stock that have been owned by the Grantee and are otherwise acceptable to the Committee having an aggregate Fair Market Value (valued as of the date of exercise) that is equal to the amount of cash that would otherwise be required; (ii) the Grantee may pay the Exercise Price by authorizing a securities brokerage firm with which the Company has established and maintains a cashless exercise program to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option and

remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price; or (iii) the Grantee may pay the Exercise Price by such other method as is permitted under the Plan and approved, prior to exercise, by the Committee.

4.3 Compliance with Law. The Option shall not be exercisable if and to the extent the Company determines that such exercise would violate applicable state or federal securities laws or the rules and regulations of any securities exchange on which the Stock is traded. If the Company makes such a determination, it shall use all reasonable efforts to obtain compliance with such laws, rules and regulations. In making any determination hereunder, the Company may rely on the opinion of counsel for the Company.

5. WITHHOLDING. All deliveries and distributions under this Agreement are subject to withholding of all applicable taxes, to the extent such withholding is required by law. The Company shall deduct from the shares of Stock issuable to a Participant upon the exercise a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to the tax withholding obligations of the Member Companies. Upon the exercise, all tax withholding shall be satisfied by deduction of shares of Stock otherwise issuable to Grantee. The Fair Market Value of any shares of Stock withheld shall not exceed the amount determined by the minimum statutory withholding rates for each applicable tax jurisdiction.

6. TRANSFERABILITY. During the lifetime of the Grantee, an Option shall be exercisable only by the Grantee or the Grantee's guardian or legal representative. Transfers at death are governed by Section 10 below.

7. DATE OF TERMINATION. For purposes of this Agreement, the Grantee's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Grantee experiences a Termination of Employment (as defined in this Section 7) with the Member Companies, regardless of the reason for the termination of such status. For purposes of this Agreement, "Termination of Employment" shall mean a "separation from service" as defined in Treasury Regulation § 1.409A-1(h) and "Member Company" shall mean a "service recipient" as defined in Treasury Regulation § 1.409A-1(h)(3).

8. RETIREMENT. For purposes of this Agreement, the Grantee's "Retirement" means the Grantee's Termination of Employment under the following circumstances and subject to the following conditions:

- (a) The Termination of Employment is on or after the date the Grantee attains the age of fifty-nine and a half (59 ½).
- (b) The Termination of Employment is on or after the date the Grantee completes two (2) years of Service.
- (c) The Termination of Employment is on or after the date specified in an "Adequate Notice," unless an earlier separation date is requested by the "Appropriate Party." Adequate Notice, for this purpose, means communication to the Appropriate Party on a form prescribed by the Company that the Grantee is giving consideration to retiring as of a date at least twelve (12) months after such communication for an Employee serving as Chief Executive Officer ("CEO"), or, for Employees not serving as CEO, at least six (6) months after such communication. Appropriate Party, for this purpose, means (a) the Board, for the CEO; and (b) the CEO for other Employees. The Grantee acknowledges that any Termination of Employment after the Grantee has provided Adequate Notice will be considered a voluntary termination for purposes of, and thus shall preclude eligibility for, severance under any "Executive Agreement" or similar agreement between the Grantee and the Company in effect on the date of Retirement.
- (d) The Grantee supports a transition to the Grantee's successor in the manner requested by the Board or the Grantee's supervisor, as applicable.
- (e) The Grantee complies with the Covenants (as defined in Exhibit A hereto).
- (f) The Grantee's execution, and non-revocation, of a separation agreement containing a release of claims in favor of the Company, its affiliates, and their respective officers and directors, and other relevant provisions in a form provided by and acceptable to the Company, which separation agreement has become irrevocable not later than thirty (30) days after the date of the Grantee's Termination of Employment.

(g) Retirement of the Grantee shall not include a Termination of Employment by the Company for Cause or a resignation at a time when Cause exists, even if the foregoing requirements for Retirement are otherwise met.

Whether the circumstances and conditions above are present or have been satisfied for the Grantee will be determined by (a) the Board, for the CEO; and (b) the CEO, for other Employees. Whether special circumstances warrant a variation from the above definition will be determined by (a) the Board, for the CEO; and (b) the Committee, for other Employees.

9. DISABILITY. For purposes of this Agreement "Disability" shall mean the Grantee has been determined to be disabled under the long-term disability insurance policy of the Company or the Company determines that a qualified medical professional has opined that the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

10. BINDING EFFECT; HEIRS AND SUCCESSORS.

10.1 General. The terms and conditions of this Agreement shall be effective upon delivery to the Grantee, with or without execution by the Grantee.

10.2 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

10.3 Designated Beneficiary. If any rights exercisable by the Grantee or shares of Stock that may be issued to the Grantee under this Agreement have not been exercised or issued, respectively, at the time of the Grantee's death, such rights shall be exercisable by the Designated Beneficiary, and such shares of Stock shall be deliverable to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Grantee in accordance with Section 19.5 of the Plan. If a deceased Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive the Grantee, any rights that would have been exercisable by the Grantee and any benefits distributable to the Grantee shall be exercised by or distributed to the legal representative of the estate of the Grantee. If a deceased Participant designates a beneficiary and the Designated Beneficiary survives the Grantee but dies before the Designated Beneficiary's exercise of all rights under this Agreement or before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary.

11. ENTIRE AGREEMENT; ENFORCEMENT OF RIGHTS.

11.1 Entire Agreement. The Plan and the Notice of Grant are hereby incorporated by reference in this Agreement. This Agreement (including the Plan and the Notice of Grant) sets forth the entire agreement and understanding of the parties relating to the subject matter herein. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in a writing signed by the Company and the Grantee to this Agreement. In the event of a conflict between this Agreement and the Plan, the terms of the Plan control. A copy of the Plan may be obtained from the Chief Human Resources Officer of the Company (or such other party as the Company may designate). This Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

11.2 Enforcement of Rights. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party. Any action or proceeding to enforce this Agreement shall be brought in accordance with the requirements of any arbitration agreement between the parties, except that the Company may seek temporary or permanent injunctive relief or other forms of immediate relief related to a breach of any of the covenants in this Agreement in the state or federal courts located in Norfolk, Virginia.

12. NO IMPLIED RIGHTS.

12.1 Service. The Option will not confer on the Grantee any right with respect to continuance of Service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate or modify the terms of such Participant's Service at any time.

12.2. Shareholder Rights. The Grantee shall not have any rights of a shareholder with respect to the Covered Shares until a stock certificate has been duly issued following exercise of the Option as provided herein.

13. NOTICES. Except to the extent otherwise provided in Section 4.1, any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by fax, or twenty-four (24) hours after being delivered to a reliable overnight courier service for overnight delivery (with delivery costs prepaid), or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

14. FRACTIONAL SHARES. In lieu of issuing a fraction of a share upon any exercise of the Option, resulting from an adjustment of the Option pursuant to Section 4.4 of the Plan or otherwise, the Company will be entitled to pay to the Grantee the Fair Market Value of such fractional share.

15. AMENDMENT. This Agreement may be amended by written agreement of the Grantee and the Company, without the consent of any other person.

16. GOVERNING LAW; JURISDICTION AND VENUE. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Virginia, without giving effect to choice of law provisions thereof. The Circuit Court of the City of Norfolk, Virginia, and the United States District Court, Eastern District of Virginia, Norfolk Division shall be the exclusive courts of jurisdiction and venue for any litigation, special proceedings or other proceedings between the parties that may be brought, or arise out of, in connection with, or by reason of this Agreement, except to the extent of proceedings required to be brought in accordance with any arbitration agreement between the parties, and the parties to this Agreement hereby consent to the jurisdiction of such courts.

17. CLAW-BACK. The Grantee acknowledges and agrees that the Option is subject to the provisions of Section 19.1 of the Plan, "Forfeiture Events; Recoupment," and to the provisions of any claw-back or similar policy adopted, implemented, or amended by the Company, whether before or after the Date of Grant.

EXHIBIT A

Restrictive Covenants

The covenants set forth in this Exhibit A (the "Covenants") are several. Compliance with the Covenants is a condition of Retirement under this Agreement.

a. Confidential Information. The Grantee understands and acknowledges that during the course of the Grantee's employment by the Company, the Grantee will have access to and learn about Confidential Information belonging to the Company.

For purposes of the Covenants, "Confidential Information" is all information not generally known to the public and developed or maintained by the Company or its agents in spoken, printed, electronic or any other form or medium, relating directly or indirectly to the Company's: business processes, practices, methods, policies, plans, operations, strategies, agreements, contracts, transactions, potential transactions, know-how, trade secrets, intellectual property, works-in-process, databases, systems, vendor and supplier information, financial information, accounting information, accounting records, legal information, marketing information, advertising information, pricing information, credit information, design information, personnel information, market studies, sales information, revenue, costs, customer information, manufacturing information, transportation and logistics information, and factory lists of the Company or of any other person or entity that has entrusted information to the Company in confidence.

The Grantee understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified or treated as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Grantee understands and acknowledges that the Company has invested, and continues to invest, substantial time, money, and specialized knowledge into developing its resources, creating and developing its vendor base, increasing its customer base, expanding the number of geographic markets in which it operates, training its executives, developing best operational practices, and negotiating highly competitive prices in the discount retail sector so as to provide the best value possible to its customers. The Grantee understands and acknowledges that as a result of these ongoing efforts, the Company has created, and continues to use and create, Confidential Information. This Confidential Information provides the Company with a competitive advantage over others in the marketplace, and it is essential to the Company's success moving forward.

Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Grantee, provided that such disclosure is through no direct or indirect fault of the Grantee or anyone acting on the Grantee's behalf.

i. Disclosure and Use Restrictions. The Grantee agrees and covenants: (i) to treat all Confidential Information as strictly confidential; (ii) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other executives and employees of the Company not having a need to know such information); (iii) not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Company, except as required in the performance of the Grantee's authorized employment duties to the Company or with the prior consent of the Grantee's supervisor; and (iv) to immediately return and not retain, in any form, any such Confidential Information upon the Separation Date. Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid subpoena or order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or subpoena/order. The Grantee shall promptly provide written notice of any such order to the Company's Chief Legal Officer, if permitted by law to do so.

The Grantee understands and acknowledges that the Grantee's obligations under the Covenants with regard to any particular Confidential Information shall commence immediately upon the Grantee's first having access to such Confidential Information and shall continue during and after the Grantee's employment by the Company until such time as such Confidential Information has become public knowledge other than as a result of the Grantee's breach of the Covenants or breach by those acting in concert with the Grantee or on the Grantee's behalf.

ii. Whistleblower Protection and Notice of Immunity under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016. Notwithstanding any other provision of the Covenants or any other agreement or Company policy, the Grantee will not be held liable under this Agreement or any other agreement or Company policy or any federal or state trade secret law for any disclosure of a trade secret or other Confidential Information that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (iii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

b. Covenant Not to Compete.

i. Acknowledgment. The Grantee understands that the senior nature of the Grantee's position gives the Grantee access to and knowledge of Confidential Information and places the Grantee in a position of trust and confidence with the Company and, further, that the improper use or disclosure by the Grantee of Confidential Information is likely to result in unfair or unlawful competitive activity that would substantially harm the Company. The Grantee understands and acknowledges that the Grantee's experience and expertise relating to the business of a retailer are unique and specialized, and that the Company's ability to reserve these talents for the exclusive knowledge and use of the Company during the Grantee's employment and for a reasonable period thereafter is of great competitive importance and commercial value to the Company.

ii. Non-Competition. Because of the Company's legitimate business interest as described herein and the good and valuable consideration offered to the Grantee herein, during the Grantee's employment and for a 24-month period beginning on the Separation Date, the Grantee agrees and covenants that the Grantee will not engage in any Prohibited Activity (as defined below) for a Competitor (as defined below). This restrictive covenant applies whether the Grantee's employment is terminated by the Grantee or by the Company for any reason or no reason.

1. For purposes of this non-compete, "Prohibited Activity" is activity in which the Grantee, in any competitive capacity (whether for compensation or not) provides services, advises, consults, or otherwise acts in a role in which Executive (i) would be engaged in the same or similar type of work or services the Grantee performed for or on behalf of the Company at any time during the two-year period immediately prior to the Separation Date and would be competitive with business, products, or services of the Company; or (ii) would reasonably be expected to require the Grantee's application of, disclosure of, reliance on, or use of the Company's Confidential Information or customer goodwill.

2. A "Competitor" is defined as (i) Dollar General; Walmart; Target; Five Below; or (ii) a Discount Retail Chain that operates one or more retail stores located within the Restricted Area.
 3. "Discount Retail Chain" is defined as a chain of stores (with at least 200 stores as of Executive's Separation Date, including by way of illustration and not limitation, 99 Cents Only) that predominantly sell good or products retailing for \$5 or less.
 4. "Restricted Area" is defined as the area that is within ten miles of any Dollar Tree or Family Dollar store existing as of the Separation Date.
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iii. Nothing herein shall prohibit the Grantee from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Grantee is not a controlling person of, or a member of a group that controls, such corporation.

c. Non-Piracy of Company Executives. The Grantee agrees and covenants that, for a period of 24 months from the Separation Date, the Grantee shall not directly or indirectly solicit, hire, recruit, or attempt to hire or recruit, any Company Executive, or induce the termination of employment of any Company Executive. "Company Executive" means any person who at the time of, or within three months immediately prior to, the solicitation, hiring, recruitment, or inducement, was employed by the Company at a Director-level or more senior position. The types of communication prohibited by this provision explicitly include all forms of oral, written, or electronic communication, including, but not limited to, communications by email, regular mail, express mail, telephone, fax, instant message, and social media, where the purpose of or reasonably anticipated impact or consequence of the communication would be to solicit, hire or recruit such person. For the avoidance of doubt, this restriction applies regardless of whether the Grantee or the Company Executive initiated the first communication.

d. Non-Disparagement. The Grantee agrees and covenants that, during the Grantee's employment and for a period of 24 months after the Separation Date, the Grantee will not make, publish, or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company, or any of its executives, directors, and officers. This Section does not, in any way, restrict or impede the Grantee from exercising protected rights to the extent that such rights cannot be waived by agreement or otherwise under applicable law, including but not limited to the Grantee's right to discuss sexual assault and/or sexual harassment claims, make a complaint or charge with or respond to an inquiry from any government agency, or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency.

e. Acknowledgment. The Grantee acknowledges and agrees that the services the Grantee will render to the Company are of a special and unique character; that the Grantee will obtain knowledge and skill relevant to the Company's industry, methods of doing business, and logistical, operational, merchandising and marketing strategies by virtue of the Grantee's employment; and that the restrictive covenants and other terms and conditions of the Covenants are reasonable and reasonably necessary to protect the legitimate business interests of the Company.

The Grantee affirms that the Grantee will not be subject to undue hardship or an unreasonable restraint on the Grantee's ability to earn a livelihood by reason of the Grantee's full compliance with the terms and conditions of the Covenants or the Company's enforcement thereof; and that the Covenants and this Award are not a contract of employment and shall not be construed as a commitment by either of the parties to continue an employment relationship for any certain period of time.

The Grantee's obligations under each of Sections (a)(i), (b)(ii), (c), and (d) above are separable and independently enforceable of each other and of any legal obligations that may exist between the Company and the Grantee. The real or perceived existence of any claim or cause of action of the Grantee against the Company, whether predicated on the Covenants or some other basis, will not alleviate the Grantee of the Grantee's obligations under the Covenants and will not constitute a defense to the enforcement by the Company of the restrictions and covenants contained herein.

f. **Remedies.** In the event of a breach or threatened breach by the Grantee of any of the Covenants, the Grantee hereby consents and agrees that the Company shall be entitled to seek (notwithstanding the any agreement to arbitrate claims to which the Company, the Grantee, or a Member Company is subject), in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief including without limitation a claim for recovery or disgorgement of any amount paid or realized, or shares issued to the Grantee pursuant to the Award.

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT **Subsidiaries of the Registrant**

Subsidiary Name	State or Jurisdiction of Incorporation	D/B/A
Dollar Tree Stores, Inc.	Virginia	Dollar Tree
Dollar Tree Management, LLC	Virginia	N/A
Family Dollar Stores, LLC (1)	Delaware	Family Dollar
Family Dollar Services, LLC	North Carolina	N/A
Family Dollar Stores Holdings, LLC (1)	Virginia	N/A
Family Dollar Merchandising, LLC	Delaware	N/A
Family Dollar IP Co., LLC	North Carolina	N/A
Greenbrier International, Inc.	Delaware	N/A
Dollar Tree Distribution, Inc.	Virginia	N/A
Dollar Tree Insurance, Inc.	South Carolina	N/A
Dollar Tree Stores Canada, Inc. (2)	British Columbia	Dollar Tree Canada

(1) These corporations have subsidiaries which are retail companies.

(2) The registrant indirectly holds an interest in this foreign entity.

Certain other subsidiaries are not included because, when considered in the aggregate as a single subsidiary, they do not constitute a significant subsidiary as of **January 28, 2023** **February 3, 2024**.

EXHIBIT Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-264010, 333-257061, 333-207645, 333-198015, 333-175121, and 333-106886) on Form S-8 and registration statement (No. 333-261307) on Form S-3 of our reports dated **March 10, 2023** **March 20, 2024**, with respect to the consolidated financial statements of Dollar Tree, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Norfolk, Virginia Beach, Virginia

March **10, 2023** **20, 2024**

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Exhibit 31.1

Chief Executive Officer Certification

I, Richard W. Dreiling, certify that:

1. I have reviewed this annual report on Form 10-K of Dollar Tree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **March 10, 2023** March 20, 2024

/s/ Richard W. Dreiling

Richard W. Dreiling
Chairman and Chief Executive Officer

Exhibit 31.2

Chief Financial Officer Certification

I, Jeffrey A. Davis, certify that:

1. I have reviewed this annual report on Form 10-K of Dollar Tree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **March 10, 2023** **March 20, 2024**

/s/ Jeffrey A. Davis

Jeffrey A. Davis

Chief Financial Officer

Exhibit 32.1

**Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Dollar Tree, Inc. (the Company) on Form 10-K for the year ending **January 28, 2023** **February 3, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Richard W. Dreiling, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, **that that to my knowledge**:

- (1) **To my knowledge, the The** Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 10, 2023 **20, 2024**

Date

/s/ Richard W. Dreiling

Richard W. Dreiling

Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been furnished to Dollar Tree, Inc. and will be retained by Dollar Tree, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Dollar Tree, Inc. (the Company) on Form 10-K for the year ending **January 28, 2023** **February 3, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Jeffrey A. Davis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, **that: that to my knowledge:**

- (1) **To my knowledge, the** **The** Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March **10, 2023** **20, 2024**

Date

/s/ Jeffrey A. Davis

Jeffrey A. Davis

Chief Financial Officer

A signed original of this written statement required by Section 906 has been furnished to Dollar Tree, Inc. and will be retained by Dollar Tree, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.



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Exhibit 97.1 1 DOLLAR TREE, INC. CLAWBACK POLICY (Effective April 15, 2018) Introduction The Board of Directors (the "Board") of Dollar Tree, Inc. (the "Company") believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in certain events (the "Policy"). This Policy is designed to comply with Rule 10D-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the listing standards of the Nasdaq Stock Market. The Board will disclose the circumstances of any recoupment required by law or determined by it to be in the best interests of the Company's shareholders. Any determinations required hereunder shall be made by the Board or, if so designated, by the Compensation Committee of the Board and any such determination shall be final and binding on all affected individuals. Covered Executives This Policy applies to the Company's current and former executive officers (within the meaning of Rule 10D-1 under the Exchange Act and the listing standards of the Nasdaq Stock Market) ("Covered Executives"). Recoupment Accounting Restatement In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, the Board reasonably promptly will require recoupment of any erroneously awarded Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement and such additional periods as may be required under Rule 10D-1 of the Exchange Act or the listing standards of the Nasdaq Stock Market. Recoupment under this Policy will be required on a "no fault" basis, without regard to whether any misconduct occurred or a Covered Executive's responsibility for the erroneous financial statements. For purposes of this Policy, an "accounting restatement" includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.



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2 Incentive Compensation For purposes of this Policy, Incentive Compensation means incentive-based compensation (within the meaning of Rule 10D-1 under the Exchange Act and the listing standards of the Nasdaq Stock Market), including, without limitation, any of the following, provided that, such compensation is granted, earned or vested based wholly or in part on the attainment of one or more financial reporting measures: • Cash bonuses; • Other short- and long-term cash awards; • Stock options; • Stock appreciation rights; • Restricted stock; • Restricted stock units; • Performance stock units; and • Other stock-based awards. Financial reporting measures include any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, or any measure derived wholly or in part from such measures (including non-GAAP financial measures), or the Company's stock price or total shareholder return. Excess Incentive Compensation: Amount Subject to Recovery The amount of erroneously awarded compensation to be recovered will be the excess of the Incentive Compensation received by the Covered Executive based on the erroneous data over the Incentive Compensation that would have been received by the Covered Executive had it been based on the restated amounts, computed without regard to any taxes paid, as determined by the Board. For Incentive Compensation based on the Company's stock price or total shareholder return, if the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement on the Company's stock price or total shareholder return. Method of Recoupment The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder, which may include, without limitation: • requiring reimbursement of cash Incentive Compensation previously paid; • seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards.



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3 • offsetting, to the extent required for compliance with Internal Revenue Code section 409A ("409A"), against any compensation otherwise owed or payable by the Company to the Covered Executive at the time such compensation would otherwise be payable; • withholding future incentive compensation awards and equity awards; • cancelling (at a time permissible under 409A, if applicable) outstanding vested or unvested equity awards; and/or • taking any other remedial and recovery action permitted by law, as determined by the Board. **No Indemnification** The Company shall not indemnify any Covered Executives against the loss of any erroneously awarded Incentive Compensation under this Policy. **Interpretation** The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Rule 10D-1 under the Exchange Act and the listing standards of the Nasdaq Stock Market. **Effective Date** This Policy, as amended, is effective as of April 15, 2018 (the "Effective Date") and shall apply to incentive Compensation that is received by Covered Executives on or after the Effective Date. **Amendment; Termination** The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary. The Board may terminate this Policy at any time. **Other Recoupment Rights** The Board intends that this Policy will be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company by law or pursuant to the terms of any compensation plan or arrangement, employment agreement, executive agreement, retention



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4 Committee in accordance with Rule 10D-1 under the Exchange Act and the listing standards of the Nasdaq Stock Market. Successors This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives. (as amended June 13, 2023)

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