

REFINITIV

DELTA REPORT

10-Q

AAP - ADVANCE AUTO PARTS INC

10-Q - APRIL 20, 2024 COMPARED TO 10-Q - OCTOBER 07, 2023

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TOTAL DELTAS 2364

 CHANGES 114

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

FORM 10-Q

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

For the quarterly period ended **October 7, 2023 April 20, 2024**

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 **001-16797**



ADVANCE AUTO PARTS, INC.

(Exact name of registrant as specified in its charter)

Delaware

54-2049910

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

4200 Six Forks Road, Raleigh, North Carolina 27609

(Address of principal executive offices) (Zip Code)

(540) 362-4911

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, \$0.0001 par value	AAP	New York Stock Exchange

Not Applicable

(Former name, former address and former fiscal year, if changed since last report).

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 Registration 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 Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of **November 13, 2023 May 24, 2024**, the number of shares of the registrant's common stock outstanding was **59,501,990 59,622,297** shares.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements herein are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are usually identifiable by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "guidance," "intend," "likely," "may," "plan," "position," "possible," "potential," "probable," "project," "should," "strategy," "will," or similar language. All statements other than statements of historical fact are forward-looking statements, including, but not limited to, statements about our the Company's strategic initiatives, including cost reduction initiatives, our intended sale the Company's ability to complete the potential divestitures of the Worldpac and Carquest Canada, portions of our business, operational plans and objectives, expectations for economic conditions, and future business and financial performance, as well as statements regarding underlying assumptions related thereto. Forward-looking statements reflect our the Company's views based on historical results, current information and assumptions related to future developments. Except as may be required by law, we undertake the Company undertakes no obligation to update any forward-looking statements made herein. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those projected or implied by the forward-looking statements. They include, among others, factors related to the company's leadership transitions, our Company's ability to complete the planned potential divestitures of Worldpac and Carquest Canada, our the Company's ability to hire, train and retain qualified employees, the timing and implementation of strategic initiatives, deterioration of general macroeconomic conditions, geopolitical conflicts, the highly competitive nature of our the industry, demand for our the Company's products and services, access to financing on favorable terms, complexities in our the Company's inventory and supply chain and challenges with transforming and growing our its business. Except as may be required by law, we undertake the Company undertakes no obligation to update any forward-looking statements made herein. Please refer to "Item 1A. Risk Factors" of our the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"), as updated by our the Company's subsequent filings with the SEC, for a description of these and other risks and uncertainties that could cause actual results to differ materially from those projected or implied by the forward-looking statements.

PART I. FINANCIAL INFORMATION

ITEM 1.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Advance Auto Parts, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except per share data) (Unaudited)

Assets	Assets	October 7, 2023	December 31, 2022	Assets	April 20, 2024	December 30, 2023
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 317,528	\$ 269,282			
Receivables, net	Receivables, net	868,305	698,613			
Inventories, net	Inventories, net	4,949,382	4,911,053			
Other current assets	Other current assets	185,249	163,695			
Total current assets	Total current assets	6,320,464	6,042,643			
Property and equipment, net of accumulated depreciation of \$2,797,496 and \$2,590,382		1,663,080	1,690,139			
Property and equipment, net of accumulated depreciation of \$2,942,261 and \$2,857,726						
Operating lease right-of-use assets	Operating lease right-of-use assets	2,600,946	2,607,690			
Goodwill	Goodwill	989,934	990,471			
Other intangible assets, net	Other intangible assets, net	598,699	620,901			
Other assets	Other assets	75,809	62,429			
Total assets	Total assets	\$12,248,932	\$12,014,273			
Liabilities and Stockholders' Equity	Liabilities and Stockholders' Equity			Liabilities and Stockholders' Equity		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable	Accounts payable	\$ 3,943,019	\$ 4,136,415			
Accrued expenses	Accrued expenses	714,317	641,099			
Current portion of long-term debt		—	185,000			
Other current liabilities						
Other current liabilities						
Other current liabilities	Other current liabilities	478,603	427,480			
Total current liabilities	Total current liabilities	5,135,939	5,389,994			

Long-term debt	Long-term debt	1,785,717	1,188,283
Noncurrent operating lease liabilities	Noncurrent operating lease liabilities	2,209,899	2,278,318
Deferred income taxes	Deferred income taxes	382,840	415,997
Other long-term liabilities	Other long-term liabilities	87,669	87,214
Total liabilities	Total liabilities	<u>9,602,064</u>	<u>9,359,806</u>

Commitments and contingencies

Commitments and contingencies

Commitments and contingencies

Stockholders' equity:

Stockholders' equity:

Preferred stock, nonvoting, \$0.0001 par value

Preferred stock, nonvoting, \$0.0001 par value

—

—

Common stock, voting, \$0.0001 par value (59,482 shares and 59,264 shares outstanding at October 7, 2023 and December 31, 2022, respectively)

8

8

Common stock, voting, \$0.0001 par value

Additional paid-in capital

Additional paid-in capital

937,040

897,560

Treasury stock, at cost

Treasury stock, at cost

(2,933,005)

(2,918,768)

Accumulated other comprehensive loss

Accumulated other comprehensive loss

(47,599)

(45,143)

Retained earnings

Retained earnings

4,690,424

4,720,810

Total stockholders' equity

Total stockholders' equity

2,646,868

2,654,467

Total liabilities and stockholders' equity

Total liabilities and stockholders' equity

\$12,248,932

\$12,014,273

The accompanying notes to the condensed consolidated financial statements are an integral part of these statements.

Advance Auto Parts, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations

(in thousands, except per share data) (Unaudited)

	Twelve Weeks Ended		Forty Weeks Ended		Sixteen Weeks Ended	
	October 7,	October 8,	October 7,	October 8,		
	2023	2022	2023	2022		
April 20, 2024				April 20, 2024		April 22, 2023
Net sales	Net sales	\$2,719,079	\$2,641,341	\$8,822,738	\$8,680,977	
Cost of sales, including purchasing and warehousing costs	Cost of sales, including purchasing and warehousing costs					
		1,732,420	1,462,094	5,220,200	4,821,037	
Gross profit	Gross profit	986,659	1,179,247	3,602,538	3,859,940	
Selling, general and administrative expenses	Selling, general and administrative expenses	1,030,355	1,008,226	3,407,445	3,301,959	
Operating (loss) income		(43,696)	171,021	195,093	557,981	
Operating income						
Other, net:	Other, net:					
Interest expense	Interest expense	(19,407)	(12,039)	(69,993)	(35,114)	
Loss on early redemption of senior unsecured notes		—	—	—	(7,408)	
Interest expense						
Interest expense						
Other expense, net						
Other expense, net						
Other expense, net	Other expense, net	(1,216)	(5,054)	(206)	(5,282)	
Total other, net	Total other, net	(20,623)	(17,093)	(70,199)	(47,804)	
(Loss) Income before provision for income taxes		(64,319)	153,928	124,894	510,177	
Income before provision for income taxes						
Provision for income taxes	Provision for income taxes	(15,686)	38,047	34,649	123,383	
Net (loss) income		\$ (48,633)	\$ 115,881	\$ 90,245	\$ 386,794	
Net income						
Basic (loss) earnings per common share		\$ (0.82)	\$ 1.93	\$ 1.52	\$ 6.38	
Basic earnings per common share						
Basic earnings per common share						

Basic earnings per common share

Weighted-average common shares outstanding	Weighted-average common shares outstanding	59,474	60,053	59,411	60,656
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Diluted (loss) earnings per common share	\$ (0.82)	\$ 1.92	\$ 1.51	\$ 6.34
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Diluted earnings per common share

Weighted-average common shares outstanding	Weighted-average common shares outstanding	59,630	60,384	59,588	61,045
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Condensed Consolidated Statements of Comprehensive (Loss) Income
(in thousands) (Unaudited)

	Twelve Weeks Ended		Forty Weeks Ended	
	October 7, 2023	October 8, 2022	October 7, 2023	October 8, 2022
Net (loss) income	\$ (48,633)	\$ 115,881	\$ 90,245	\$ 386,794
Other comprehensive loss:				
Changes in net unrecognized other postretirement benefits, net of tax (benefit) expense of \$(13), \$25, \$43 and \$41	(38)	(70)	121	(116)
Currency translation adjustments	(10,737)	(13,625)	(2,577)	(20,864)
Total other comprehensive loss	(10,775)	(13,695)	(2,456)	(20,980)
Comprehensive (loss) income	\$ (59,408)	\$ 102,186	\$ 87,789	\$ 365,814

	Sixteen Weeks Ended	
	April 20, 2024	April 22, 2023
Net income	\$ 40,012	\$ 48,323
Other comprehensive (loss) income:		
Changes in net unrecognized other postretirement benefits, net of tax of \$(21) and \$70	(58)	197
Currency translation adjustments	5,840	567
Total other comprehensive (loss) income	5,782	764
Comprehensive income	\$ 45,794	\$ 49,087

The accompanying notes to the condensed consolidated financial statements are an integral part of these statements.

Advance Auto Parts, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Stockholders' Equity
(in thousands, except per share data) (Unaudited)

	Twelve Weeks Ended October 7, 2023									
	Common Stock		Additional		Treasury Stock, at Cost		Accumulated Other Comprehensive Loss		Retained Earnings	
	Shares	Amount	Paid-in Capital		at Cost		Loss		Earnings	
Balance at July 15, 2023	59,457	\$ 8	\$ 925,411		\$ (2,932,576)		\$ (36,824)		\$ 4,754,220	\$ 2,710,239
Net loss	—	—	—		—		—		(48,633)	(48,633)
Total other comprehensive loss	—	—	—		—		(10,775)		—	(10,775)
Restricted stock units and deferred stock units vested	18	—	—		—		—		—	—
Share-based compensation	—	—	10,582		—		—		—	10,582
Stock issued under employee stock purchase plan	14	—	1,047		—		—		—	1,047
Repurchases of common stock	(7)	—	—		(429)		—		—	(429)
Cash dividends declared (\$0.25 per common share)	—	—	—		—		—		(15,163)	(15,163)
Balance at October 7, 2023	59,482	\$ 8	\$ 937,040		\$ (2,933,005)		\$ (47,599)		\$ 4,690,424	\$ 2,646,868

	Twelve Weeks Ended October 8, 2022									
	Common Stock		Additional		Treasury Stock, at Cost		Accumulated Other Comprehensive Loss		Retained Earnings	
	Shares	Amount	Paid-in Capital		at Cost		Loss		Earnings	
Balance at July 16, 2022	60,118	\$ 8	\$ 875,500		\$ (2,766,457)		\$ (34,239)		\$ 4,698,756	\$ 2,773,568
Net income	—	—	—		—		—		115,881	115,881
Total other comprehensive loss	—	—	—		—		(13,695)		—	(13,695)
Issuance of shares upon the exercise of stock options	1	—	142		—		—		—	142
Restricted stock units and deferred stock units vested	22	—	—		—		—		—	—
Share-based compensation	—	—	10,946		—		—		—	10,946
Stock issued under employee stock purchase plan	7	—	1,050		—		—		—	1,050
Repurchases of common stock	(452)	—	—		(76,439)		—		—	(76,439)
Cash dividends declared (\$1.50 per common share)	—	—	—		—		—		(90,706)	(90,706)
Other	—	—	(1,200)		—		—		—	(1,200)
Balance at October 8, 2022	59,696	\$ 8	\$ 886,438		\$ (2,842,896)		\$ (47,934)		\$ 4,723,931	\$ 2,719,547

The accompanying notes to the condensed consolidated financial statements are an integral part of these statements.

Advance Auto Parts, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in
Stockholders' Equity
(in thousands, except per share data) (Unaudited)

Forty Weeks Ended October 7, 2023										
Accumulated										
Common Stock		Additional		Treasury Stock, at Cost		Other		Total Stockholders' Equity		
Common Stock		Paid-in Capital		Treasury Stock, at Cost		Comprehensive Loss		Retained Earnings		Stockholders' Equity
Shares	Amount	Capital		Cost		Loss		Earnings		
Balance at December 31, 2022	59,264	\$ 8	\$ 897,560	\$ (2,918,768)	\$ (45,143)	\$ 4,720,810	\$ 2,654,467			
Sixteen Weeks Ended April 20, 2024										

Sixteen Weeks Ended April 20, 2024									
Sixteen Weeks Ended April 20, 2024									
Common Stock		Accumulated							
		Paid-in	Additional	Treasury	Other	Comprehensive	Retained	Total	Stockholders' Equity
	Shares	Capital	Stock, at Cost		Loss	Earnings			
Balance at December 30, 2023									
Balance at December 30, 2023									
Balance at December 30, 2023									
Net income	Net income	—	—	—	—	—	90,245	90,245	
Total other comprehensive loss	Total other comprehensive loss	—	—	—	—	(2,456)	—	(2,456)	
Issuance of shares upon the exercise of stock options		—	—	—	—	—	—	—	
Restricted stock units and deferred stock units vested									
Restricted stock units and deferred stock units vested									
Restricted stock units and deferred stock units vested	Restricted stock units and deferred stock units vested	294	—	—	—	—	—	—	
Share-based compensation	Share-based compensation	—	—	37,435	—	—	—	37,435	
Stock issued under employee stock purchase plan	Stock issued under employee stock purchase plan	32	—	3,045	—	—	—	3,045	
Repurchases of common stock	Repurchases of common stock	(108)	—	—	(14,237)	—	—	(14,237)	
Cash dividends declared (\$2.00 per common share)		—	—	—	—	—	(120,631)	(120,631)	
Other		—	—	(1,000)	—	—	—	(1,000)	
Balance at October 7, 2023	59,482	\$ 8	\$ 937,040	\$ (2,933,005)	\$ (47,599)	\$ 4,690,424	\$ 2,646,868		
Cash dividends declared (\$0.25 per common share)									
Balance at April 20, 2024									
Balance at April 20, 2024									
Balance at April 20, 2024									
Forty Weeks Ended October 8, 2022									
Sixteen Weeks Ended April 22, 2023									
Sixteen Weeks Ended April 22, 2023									
Sixteen Weeks Ended April 22, 2023									
Common Stock		Accumulated							
		Paid-in	Additional	Treasury	Other	Comprehensive	Retained	Total	Stockholders' Equity
	Shares	Capital	Stock, at Cost		Loss	Earnings			
Balance at December 31, 2022									
Balance at December 31, 2022									

Balance at December 31, 2022								
Net income Total other comprehensive income								
	Accumulated							
	Common Stock	Additional	Treasury	Other	Retained	Total		
	Shares	Paid-in Capital	Stock, at Cost	Comprehensive Loss	Earnings	Stockholders' Equity		
Balance at January 1, 2022	62,009	\$ 8 \$ 845,407	\$ (2,300,288)	\$ (26,954)	\$ 4,611,281	\$	3,129,454	
Net income	—	—	—	—	386,794	386,794		
Total other comprehensive loss	—	—	—	(20,980)	—	(20,980)		
Issuance of shares upon the exercise of stock options	3	—	496	—	—	—	496	
Restricted stock units and deferred stock units vested								
Restricted stock units and deferred stock units vested								
Restricted stock units and deferred stock units vested	281	—	—	—	—	—	—	
Share-based compensation	—	—	40,291	—	—	—	40,291	
Stock issued under employee stock purchase plan	25	—	3,144	—	—	—	3,144	
Repurchases of common stock	(2,622)	—	—	(542,608)	—	—	(542,608)	
Cash dividends declared (\$4.50 per common share)	—	—	—	—	—	(274,144)	(274,144)	
Cash dividends declared (\$1.50 per common share)								
Other	Other	—	—	(2,900)	—	—	—	(2,900)
Balance at October 8, 2022	59,696	\$ 8 \$ 886,438	\$ (2,842,896)	\$ (47,934)	\$ 4,723,931	\$	2,719,547	
Balance at April 22, 2023								

The accompanying notes to the condensed consolidated financial statements are an integral part of these statements.

Advance Auto Parts, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands) (Unaudited)

Forty Weeks Ended

Sixteen Weeks Ended

		October 7, 2023	October 8, 2022		
		April 20, 2024		April 20, 2024	April 22, 2023
Cash flows from operating activities:	Cash flows from operating activities:			Cash flows from operating activities:	
Net income	Net income	\$ 90,245	\$ 386,794		
Adjustments to reconcile net income to net cash provided by operating activities:					
Adjustments to reconcile net income to net cash used in operating activities:					
Depreciation and amortization					
Depreciation and amortization	Depreciation and amortization	234,976	215,224		
Share-based compensation	Share-based compensation	37,435	40,291		
Loss and impairment of long-lived assets		1,886	2,858		
Loss on early redemption of senior unsecured notes		—	7,408		
(Gain) Loss and impairment of long-lived assets					
Provision for deferred income taxes					
Provision for deferred income taxes					
Provision for deferred income taxes	Provision for deferred income taxes	(33,059)	24,144		
Other, net	Other, net	1,499	2,064		
Net change in:	Net change in:				
Receivables, net					
Receivables, net					
Receivables, net	Receivables, net	(170,371)	(89,304)		
Inventories, net	Inventories, net	(41,025)	(249,729)		
Accounts payable	Accounts payable	(191,871)	177,103		

Accrued expenses	Accrued expenses	145,704	(27,576)
Other assets and liabilities, net	Other assets and liabilities, net	(45,015)	(6,183)
Net cash provided by operating activities		30,404	483,094
Net cash provided by (used in) operating activities			
Cash flows from investing activities:	Cash flows from investing activities:		
Purchases of property and equipment	Purchases of property and equipment	(187,201)	(333,639)
Proceeds from sales of property and equipment			
Proceeds from sales of property and equipment			
Proceeds from sales of property and equipment	Proceeds from sales of property and equipment	2,001	1,821
Net cash used in investing activities	Net cash used in investing activities	(185,200)	(331,818)
Cash flows from financing activities:	Cash flows from financing activities:		
Borrowings under credit facilities	Borrowings under credit facilities	4,805,000	1,123,000
Payments on credit facilities	Payments on credit facilities	(4,990,000)	(938,000)
Borrowings on senior unsecured notes	Borrowings on senior unsecured notes	599,571	348,618
Payments on senior unsecured notes		—	(201,081)
Dividends paid	Dividends paid	(194,322)	(336,230)
Purchase of noncontrolling interest			
Proceeds from the issuance of common stock			

Repurchases of common stock	Repurchases of common stock	(14,237)	(542,608)
Other, net	Other, net	(1,028)	463
Net cash provided by (used in) financing activities		204,984	(545,838)
Net cash provided by financing activities			
Effect of exchange rate changes on cash	Effect of exchange rate changes on cash	(1,942)	(15,662)
Net increase (decrease) in cash and cash equivalents		48,246	(410,224)
Net decrease in cash and cash equivalents			
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	269,282	601,428
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	\$ 317,528	\$ 191,204
Non-cash transactions:	Non-cash transactions:		
Accrued purchases of property and equipment	Accrued purchases of property and equipment	\$ 9,434	\$ 13,126
Accrued purchases of property and equipment			
Accrued purchases of property and equipment			

The accompanying notes to the condensed consolidated financial statements are an integral part of these statements.

Advance Auto Parts, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts presented in thousands, except per share data, unless otherwise stated)
(Unaudited)

1. Nature of Operations and Basis of Presentation

Description of Business

Advance Auto Parts, Inc. and subsidiaries is a leading automotive aftermarket parts provider in North America, serving both professional installers ("professional") and "do-it-yourself" ("DIY") customers. The accompanying condensed consolidated financial statements have been prepared by us the Company and include the accounts of Advance Auto Parts, Inc., its wholly owned subsidiaries, Advance Stores Company, Incorporated ("Advance Stores") and Neuse River Insurance Company, Inc., and their subsidiaries (collectively referred to as "Advance," "we," "us" or "our" "the Company").

As of October 7, 2023, we April 20, 2024, the Company operated a total of 4,785 4,777 stores and 320 branches primarily within the United States, with additional locations in Canada, Puerto Rico and the U.S. Virgin Islands. In addition, as of October 7, 2023 April 20, 2024, we the Company served 1,307 1,152 independently owned Carquest branded stores across the same geographic locations served by our the Company's stores and branches in addition to Mexico and various Caribbean islands. Our The Company's stores operate primarily under the trade names "Advance Auto Parts" and "Carquest" and our the Company's branches operate under the "Worldpac" and "Autopart International" trade names.

Basis of Presentation

The accounting policies followed in the presentation of interim financial results are consistent with those followed on an annual basis. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), have been condensed or omitted based upon the Securities and Exchange Commission ("SEC") interim reporting principles. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in our the Company's Annual Report on Form 10-K for 2022 2023 ("2023 Form 10-K") as filed with the SEC on February 28, 2023 March 12, 2024.

The accompanying condensed consolidated financial statements reflect all normal recurring adjustments that are necessary to present fairly the results for the interim periods presented. The results of operations for the interim periods are not necessarily indicative of the operating results to be expected for the full year. Our The Company's first quarter of the year contains sixteen weeks. Our The Company's remaining three quarters each consist of twelve weeks.

Immaterial Restatement Revision of Prior Period Previously Issued Financial Statements for Correction of Immaterial Errors

As previously disclosed in our quarterly report on Form 10-Q for During the period year ended April 22, 2023 December 30, 2023, we the Company identified an out errors impacting cost of period charge of \$17.3 million, which related to Selling, sales, selling, general and administrative expenses ("SG&A") expenses and other income (expense), net, of \$62.9 million, \$36.6 million and \$1.7 million incurred in prior years but not previously expensed and was corrected by recognizing the charge in the sixteen weeks ended April 22, 2023. In connection with the preparation of our financial statements for the third quarter of 2023, we identified additional errors impacting Cost of sales, recognized. These errors reduced Cost of sales in periods prior to fiscal year 2023 by \$10.2 million and charges primarily related to product returns costs and vendor credits. We Management assessed the materiality of the errors, including the presentation on prior period consolidated financial statements, on a qualitative and quantitative basis in accordance with SEC Staff Accounting Bulletin No. 99, *Materiality*, codified in Accounting Standards Codification Topic 250, *Accounting Changes and Error Corrections*. Based on this assessment, we Corrections. The Company concluded that these errors and the related impacts did not result in a material misstatement of our its previously issued consolidated financial statements as of and for the fiscal year years ended December 31, 2022 and our January 1, 2022 and its previously issued unaudited condensed consolidated interim financial statements as of and for the twelve and forty weeks ended October 8, 2022, the sixteen weeks ended April 22, 2023 and; the twelve and twenty-eight weeks ended July 15, 2023; and the twelve and forty weeks ended October 7, 2023. However, correcting Correcting the cumulative effect of these errors in the twelve and forty fifty-two weeks ended October 7, 2023 December 30, 2023 would have had a significant effect on the results of operations for such periods.

Advance Auto Parts, Inc. and Subsidiaries

Notes to the Condensed Consolidated Financial Statements

(Amounts presented in thousands, except per share data, unless otherwise stated)

(Unaudited)

Therefore, we have The Company has corrected the relevant prior periods Condensed Consolidated Financial Statements of its consolidated financial statements and related footnotes for these and other immaterial errors corrections for comparative purposes. We purposes, as previously disclosed in Note 18, *Immaterial Restatement of Prior Period Financial Statements* of the Company's 2023 Form 10-K. The Company will also correct adjust previously reported financial information for such immaterial errors in future filings, as applicable.

A summary of the corrections to the impacted financial statement line items from our previously issued financial statements are presented in Note 12, *Immaterial Misstatement of Prior Period Financial Statements*.

2. Significant Accounting Policies

Revenues

The following table summarizes disaggregated revenue from contracts with customers by product group:

		Twelve Weeks Ended		Forty Weeks Ended			
		October 7, 2023	October 8, 2022	October 7, 2023	October 8, 2022		
		Sixteen Weeks Ended					
		April 20, 2024		April 20, 2024		April 22, 2023	
Percentage of Sales:	Percentage of Sales:						
Parts and Batteries	Parts and Batteries	67 %	67 %	66 %	66 %	66 %	66 %
Accessories and Chemicals	Accessories and Chemicals	19	20	20	20		
Engine Maintenance	Engine Maintenance	13	12	13	13		
Other	Other	1	1	1	1		
Total	Total	100 %	100 %	100 %	100 %	100 %	100 %

Recently Issued Accounting Pronouncements - Not Yet Adopted

Supplier Finance Programs Disclosure Improvements

In September 2022, October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04, 2023-06, **Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure Improvements** ("ASU 2023-06"), which defers when companies will be required to improve and clarify disclosure and presentation requirements by June 2027. ASU 2023-06 applies to all entities subject to meeting the SEC disclosure requirements. These updates would require additional qualitative information to the statement of **Supplier Finance Program Obligations** cash flows, earnings per share, debt and shareholder's equity disclosures. The related disclosures are effective for the fiscal year beginning after December 15, 2024. The Company is currently evaluating the impact of adopting ASU 2023-06 on the consolidated financial statements and related disclosures, and does not believe it will have a material impact on the consolidated financial statements.

Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, **("Improvements to Reportable Segment Disclosures** ("ASU 2022-04" 2023-07"), which requires a buyer in a supplier finance program company to disclose sufficient additional, more detailed information about a reportable segment's significant expenses, even if there is one reportable segment, and is intended to improve the program, enabling users of the financial statements to understand the nature of the program and activity and changes during the period. disclosures about a public entity's reportable segments. The ASU 2022-04 was effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the requirement on rollforward information, which is effective for fiscal years beginning after December 15, 2023. During, and for interim periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the first quarter 2023, we adopted impact of the adoption of ASU 2022-04, which did 2023-07 and does not believe it will have a material impact on the consolidated financial statements and segment reporting.

Income Tax Disclosure Improvements

In December 2023, the FASB issued ASU 2023-09, **Income Taxes** ("ASU 2023-09"), which requires a company to enhance their income tax disclosures. In each annual reporting period, the company should disclose the specific categories used in the rate reconciliation and additional

information for reconciling items that meet a quantitative threshold, including disaggregation of taxes paid by jurisdiction. The related disclosures are effective for the fiscal year beginning after December 15, 2024. The Company is currently evaluating the impact of adopting ASU 2023-09

on our consolidated financial position, results statements and related disclosures and does not believe it will have a material impact on the consolidated financial statements.

Climate Disclosure Requirements

In March 2024, the SEC issued its final climate disclosure rules, which require the disclosure of operations climate-related information in annual reports and cash flows. Refer registration statements. The rules require disclosure in the audited financial statements of certain effects of severe weather events and other natural conditions and greenhouse gas emissions above certain financial thresholds, as well as amounts related to [Note 11, Supplier Finance Programs](#) carbon offsets and renewable energy credits or certificates, if material. Additionally, the rule established disclosure requirements regarding material climate-related risks, descriptions of board oversight and risk management activities, the material impacts of these risks on a registrants' strategy, business model and outlook and any material climate-related targets or goals. On April 4, 2024, the SEC determined to voluntarily stay the final rules pending certain legal challenges. Prior to the stay in the new rules, disclosures would have been effective for further details. annual periods beginning January 1, 2025, except for the greenhouse gas emissions disclosure which would have been effective for annual periods beginning January 1, 2026. The Company is currently evaluating the impact of the new rules on the consolidated financial statements and related disclosures.

3. Inventories net

Inventories, net, are stated at the lower of cost or market. We The Company used the last in, first out ("LIFO") method of accounting for approximately 91.8% 91.3% of inventories as of October 7, 2023 April 20, 2024 and 92.2% of inventories 91.4% as of December 31, 2022 December 30, 2023. Under the LIFO method, our Cost of sales reflects the costs of the most recently purchased inventories, while the inventory carrying balance represents the costs for inventories purchased in the forty weeks ended October 7, 2023 and prior years. As a result, of changes in the LIFO reserve, we Company recorded a reduction to Cost of sales of \$56.1 million \$7.1 million for the twelve sixteen weeks ended October 7, 2023 April 20, 2024 and an increase to Cost of sales of \$67.5 million \$6.6 million for the twelve sixteen weeks ended October 8, 2022 to state inventories at LIFO. For the forty weeks ended October 7, 2023 and October 8, 2022, we recorded a reduction to Cost of Sales of \$89.6 million and an increase to Cost of sales of \$240.8 million April 22, 2023 to state inventories at LIFO.

Advance Auto Parts, Inc. Purchasing and Subsidiaries

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(Amounts presented warehousing costs included in thousands, except per share data, unless otherwise stated)

(Unaudited)

An actual valuation inventories as of inventory under the LIFO method is performed at the end of each fiscal year based on inventory levels April 20, 2024 and carrying costs at that time. Accordingly, interim LIFO calculations are based on our estimates of expected inventory levels December 30, 2023 were \$578.6 million and costs at the end of the year. \$576.9 million.

Inventory balances were as follows:

	October 7, 2023	December 31, 2022
Inventories at first in, first out ("FIFO"), net	\$ 5,138,450	\$ 5,189,702
Adjustments to state inventories at LIFO	(189,068)	(278,649)
Inventories at LIFO, net	\$ 4,949,382	\$ 4,911,053

During the twelve weeks ended October 7, 2023, we commenced a strategic and operational review of the business, which included the rationalization of product assortment and planned decisive actions. As a result, we made a change in our estimate of excess inventory reserves resulting in an increase to Cost of sales of approximately \$119.0 million.

April 20, 2024

December 30, 2023

Inventories at first in, first out ("FIFO")	\$ 5,005,232	\$ 5,041,752
Adjustments to state inventories at LIFO	(176,918)	(184,050)
Inventories at LIFO	\$ 4,828,314	\$ 4,857,702

4. 4. Intangible Assets

Our The Company's definite-lived intangible assets include customer relationships and non-compete agreements. Amortization expense was \$6.7 million \$8.2 million and \$7.0 million \$9.2 million for the twelve sixteen weeks ended October 7, 2023 April 20, 2024 and October 8, 2022, respectively, and \$22.7 million and \$23.6 million for the forty weeks ended October 7, 2023 and October 8, 2022, respectively. April 22, 2023.

5.

5. Receivables, net

Receivables, net, consisted of the following:

	October 7, 2023	December 31, 2022		
	April 20, 2024		April 20, 2024	December 30, 2023
Trade	Trade	\$ 670,106	\$ 576,548	
Vendor	Vendor	200,329	126,640	
Other	Other	14,762	10,638	
Total receivables	Total receivables	885,197	713,826	
Less: allowance for credit losses	Less: allowance for credit losses	(16,892)	(15,213)	
Receivables, net	Receivables, net	\$ 868,305	\$ 698,613	

Advance Auto Parts, Inc. and Subsidiaries

Notes to the Condensed Consolidated Financial Statements

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(Unaudited)

6. Long-term Debt and Fair Value of Financial Instruments

Long-term debt consists of the following:

	October 7, 2023	December 31, 2022		
	April 20, 2024		April 20, 2024	December 30, 2023

5.90%	5.90%			
Senior	Senior			
Unsecured	Unsecured			
Notes due	Notes due			
March 9, 2026	March 9, 2026	\$ 298,198	\$ —	
1.75%	1.75%			
Senior	Senior			
Unsecured	Unsecured			
Notes due	Notes due			
October 1, 2027	October 1, 2027	347,383	346,947	
5.95%	5.95%			
Senior	Senior			
Unsecured	Unsecured			
Notes due	Notes due			
March 9, 2028	March 9, 2028	298,011	—	
3.90%	3.90%			
Senior	Senior			
Unsecured	Unsecured			
Notes due	Notes due			
April 15, 2030	April 15, 2030	496,014	495,562	
3.50%	3.50%			
Senior	Senior			
Unsecured	Unsecured			
Notes due	Notes due			
March 15, 2032	March 15, 2032	346,111	345,774	
Revolving credit facility		—	185,000	
		\$1,785,717	\$1,373,283	
Revolver credit facility				
		\$		
Less:	Less:			
Current	Current			
portion of	portion of			
long-term	long-term			
debt	debt	—	(185,000)	
Long-term debt, excluding the current portion	Long-term debt, excluding the current portion	\$1,785,717	\$1,188,283	
Fair value of long- term debt	Fair value of long- term debt	\$1,518,769	\$1,021,396	

Fair Value of Financial Assets and Liabilities

The fair value of our the Company's senior unsecured notes was determined using Level 2 inputs based on quoted market prices. The carrying amounts of our Cash the Company's cash and cash equivalents, Receivables, receivables, net, Accounts accounts payable and Accrued accrued expenses approximate their fair values due to the relatively short-term nature of these instruments.

Bank Debt

On February 27, 2023 February 26, 2024, we the Company entered into Amendment No. 1 (the "Amendment 4 ("Amendment No. 1"4") to the Credit Agreement dated November 9, 2021, with Advance Auto Parts, Inc., as Borrower, Advance Stores Company, Incorporated, as a Guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent (the "2021 Company's unsecured revolving credit facility ("2021 Credit Agreement") to enable certain addbacks to the definition of Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") contained therein for specific write-downs of inventory and vendor receivables. Amendment No. 1 extended 4 also updated certain limitations on future incurrences of other indebtedness and liens, replacing the maturity date cap thereon of 10% of consolidated net tangible assets with \$400 million, and eliminated the 2021 Credit Agreement by one year from November 9, 2026, to November 9, 2027 and replaced an adjusted LIBOR benchmark rate with a term secured overnight financing rate benchmark rate, as adjusted by an increase of ten basis points, plus the applicable margin under the 2021 Credit Agreement. \$250 million basket for accounts receivable securitization transactions. Amendment No. 14 made no other material changes to the terms of the 2021 Credit Agreement. On August 21, 2023

The 2021 Credit Agreement contains customary covenants restricting the ability of: (a) Advance Auto Parts, Inc. and its subsidiaries to, among other things, (i) create, incur or assume additional debt (only with respect to subsidiaries of Advance Auto Parts, Inc.), we entered (ii) incur liens, (iii) guarantee obligations, and (iv) change the nature of

their business; (b) Advance Auto Parts, Inc., Advance Stores and their subsidiaries to, among other things (i) enter into Amendment No. 2 ("Amendment No. 2") certain hedging arrangements, (ii) enter into restrictive agreements limiting their ability to incur liens on any of their property or assets, pay distributions, repay loans, or guarantee indebtedness of their subsidiaries; and (c) Advance Auto Parts, Inc., among other things, to change its holding company status. The Company is also required to comply with financial covenants with respect to a maximum leverage ratio and a minimum coverage ratio. The 2021 Credit Agreement also provides for customary events of default, including non-payment defaults, covenant defaults and cross-defaults of Advance's other material indebtedness. The Company was in compliance with the financial covenants with respect to the 2021 Credit Agreement in order to amend certain financial covenants related to the Consolidated Coverage Ratio (as defined therein). Pursuant to Amendment No. 2, we will not permit the Consolidated Coverage Ratio for each period as of four fiscal quarters to be less than (a) 1.75 to 1.00 for quarters ending on October 7, 2023 and December 30, 2023, (b) 2.0 to 1.00 for quarters ending on April 20, 2024 through and including the quarters ending on October 4, 2025 and (c) 2.25 to 1.00 for quarters ending after October 4, 2025. Amendment No. 2 made no other material changes to the terms of the 2021 Credit Agreement. On November 20, 2023, we entered into Amendment No. 3 ("Amendment No. 3") to the 2021 Credit Agreement to further amend certain financial covenants related to the Consolidated Coverage Ratio. Refer to [Note 14. Subsequent Event](#) for further details.

As of October 7, 2023 April 20, 2024 and December 30, 2023, we the Company had no outstanding borrowings, \$1.2 billion of borrowing availability and no letters of credit outstanding under the 2021 Credit Agreement. As of December 31, 2022, we had \$185.0 million outstanding borrowings, \$1.0 billion of borrowing availability and no letters of credit outstanding under the 2021 Credit Agreement.

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As of October 7, 2023 April 20, 2024 and December 31, 2022 December 30, 2023, we the Company had \$91.0 million and \$90.2 million \$91.2 million of bilateral letters of credit issued separately from the 2021 Credit Agreement, none of which were drawn upon. These bilateral letters of credit generally have a term of one year or less and primarily serve as collateral for our the Company's self-insurance policies.

The Company was in compliance with financial covenants required by the Company's debt arrangements as of April 20, 2024.

Senior Unsecured Notes

Our The Company's 3.90% senior unsecured notes due April 15, 2030 (the "Original Notes") were issued April 16, 2020, at 99.65% of the principal amount of \$500.0 million, and were not registered under the Securities Act of 1933, as amended (the "Securities Act"). The Original Notes bear interest, payable semi-annually in arrears on April 15 and October 15, at a rate of 3.90% per year. On July 28, 2020, **we** the Company completed an exchange offer whereby the Original Notes in the aggregate principal amount of \$500.0 million were exchanged for a like principal amount (the "Exchange Notes" or "2030 Notes"), and which have been registered under the Securities Act. The Original Notes were substantially identical to the Exchange Notes, except the Exchange Notes are registered under the Securities Act and are not subject to the transfer restrictions and certain registration rights agreement provisions applicable to the Original Notes.

Our The Company's 1.75% senior unsecured notes due October 1, 2027 (the "2027 Notes") were issued September 29, 2020, at 99.67% of the principal amount of \$350.0 million. The 2027 Notes bear interest, payable semi-annually in arrears on April 1 and October 1, at a rate of 1.75% per year. In connection with the 2027 Notes offering, **we** the Company incurred \$2.9 million \$2.9 million of debt issuance costs.

Our The Company's 3.50% senior unsecured notes due 2032 (the "2032 Notes") were issued March 4, 2022, at 99.61% of the principal amount of \$350.0 million. The 2032 Notes bear interest, payable semi-annually in arrears on March 15 and September 15, at a rate of 3.50% per year. In connection with the 2032 Notes offering, **we** the Company incurred \$3.2 million \$3.2 million of debt issuance costs.

Our The Company's 5.90% senior unsecured notes due March 9, 2026 (the "2026 Notes") were issued March 9, 2023, at 99.94% of the principal amount of \$300.0 million. The 2026 Notes bear interest, payable semi-annually in arrears on March 9 and September 9, at a rate of 5.90% per year. In connection with the 2026 Notes offering, **we** the Company incurred \$1.6 million of debt issuance costs.

Our The Company's 5.95% senior unsecured notes due March 9, 2028 (the "2028 Notes") were issued March 9, 2023, at 99.92% of the principal amount of \$300.0 million. The 2028 Notes bear interest, payable semi-annually in arrears on March 9 and September 9, at a rate of 5.95% per year. In connection with the 2028 Notes offering, **we** the Company incurred \$1.7 million \$1.9 million of debt issuance costs.

We

The Company may redeem some or all of **our** the 2026 Notes and 2028 Notes (the "Notes") at any time, or from time to time, prior to March 9, 2026 in the case of **our** the 2026 Notes, or February 9, 2028 in the case of **our** the 2028 Notes, at the redemption price described in the related indenture for the Notes (the "Indenture"). In the event of a change of control triggering event, as defined in the Indenture, **we** the Company will be required to offer the repurchase of the Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the repurchase date. Currently, the Notes are fully and unconditionally guaranteed, jointly and severally, on an unsubordinated unsecured basis by guarantor and subsidiary guarantees, as defined by the Indenture.

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Debt Guarantees

We are The Company is a guarantor of loans made by banks to various independently owned Carquest-branded stores that are customers of **ours**. **the** Company. These loans totaled \$104.8 million \$107.5 million and \$96.9 million \$106.9 million as of **October 7, 2023** April 20, 2024 and **December 31, 2022** December 30, 2023 and are collateralized by security agreements on merchandise inventory and other assets of the borrowers. The approximate value of the inventory collateralized by these agreements was \$210.4 million \$203.2 million and \$174.6 million \$221.2 million as of **October 7, 2023** April 20, 2024 and **December 31, 2022** December 30, 2023. The Company believes that the likelihood of performance under these guarantees is remote.

7. Leases

Substantially all of **our** the Company's leases are for facilities and vehicles. The initial term for facilities is typically five to ten years, with renewal options typically at five-year intervals, **and with** the exercise of lease renewal options at **our** the Company's sole discretion. **Our** The Company's vehicle

and equipment lease terms are typically three to six years. Our The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Total lease cost is included in Cost of sales and SG&A expenses in the accompanying Condensed Consolidated Statements of Operations and is recorded net of immaterial sublease income. Total lease cost was comprised of the following:

Twelve Weeks		Forty Weeks Ended		Sixteen Weeks Ended	
Ended		October	October	October	October
		7, 2023	8, 2022	7, 2023	8, 2022
Sixteen Weeks			Sixteen Weeks Ended		
Ended			April 20, 2024		
April 20, 2024			April 20, 2024		
Operating lease cost	Operating lease cost	\$133,871	\$130,108	\$438,461	\$433,147
Variable lease cost	Variable lease cost	40,974	40,910	133,407	136,183
Total lease cost	Total lease cost	\$174,845	\$171,018	\$571,868	\$569,330

Other information relating to our the Company's lease liabilities is as follows:

Forty Weeks Ended		Sixteen Weeks Ended		Sixteen Weeks Ended	
October		October	April 20, 2024	April 20, 2024	April 22, 2023
		7, 2023	8, 2022		
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases					
Operating cash flows from operating leases					
Operating cash flows from operating leases	Operating cash flows from operating leases	\$444,391	\$478,658		

Right-of-use assets obtained in exchange for lease obligations:	Right-of-use assets obtained in exchange for lease obligations:
Operating leases	Operating leases
	\$360,319
Operating leases	\$343,950

During first quarter 2024, the Company entered into a sales-leaseback transaction where the Company sold a building and land and entered into a three-year lease of the property upon the sale. This transaction resulted in a gain of \$20.8 million and is included in selling, general and administrative expenses on the condensed consolidated statement of operations.

8. Share Repurchase Program

Our Board of Directors had previously authorized a total aggregate of \$2.7 billion for our share repurchase program. Our share repurchase program permits the repurchase of our common stock on the open market and in privately negotiated transactions from time to time.

During the twelve sixteen weeks ended April 20, 2024 and forty weeks ended October 7, 2023 April 22, 2023, we the Company did not purchase any shares of our the Company's common stock under our the share repurchase program. During the twelve weeks ended October 8, 2022, we repurchased 0.4 million shares at an aggregate cost of \$75.0 million, or an average price of \$168.93 per share. During the forty weeks ended October 8, 2022, we repurchased 2.5 million shares of our common stock under our share repurchase program at an aggregate cost of \$523.2 million, or an average price of \$207.50 per share. We The Company had \$947.3 million remaining under our the share repurchase program as of October 7, 2023 April 20, 2024.

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9. Earnings per Share

The computations of basic and diluted earnings per share were as follows:

	Twelve Weeks Ended		Forty Weeks Ended		Sixteen Weeks Ended
	October 7, 2023	October 8, 2022	October 7, 2023	October 8, 2022	
	April 20, 2024				
Numerator	Numerator				
Net (loss) income applicable to common shares					
	\$48,633	\$115,881	\$90,245	\$386,794	
Net income applicable to common shares					

Net income applicable to common shares					
Net income applicable to common shares					
Denominator	Denominator				
Basic weighted-average common shares					
Basic weighted-average common shares					
Basic weighted-average common shares	Basic weighted-average common shares	59,474	60,053	59,411	60,656
Dilutive impact of share-based awards	Dilutive impact of share-based awards	156	331	177	389
Diluted weighted-average common shares (1)	Diluted weighted-average common shares (1)	59,630	60,384	59,588	61,045
Basic (loss) earnings per common share	\$ (0.82)	\$ 1.93	\$ 1.52	\$ 6.38	
Diluted (loss) earnings per common share	\$ (0.82)	\$ 1.92	\$ 1.51	\$ 6.34	
Basic earnings per common share					
Basic earnings per common share					
Basic earnings per common share					
Diluted earnings per common share					

(1) For the twelve sixteen weeks ended October 7, 2023 April 20, 2024 and October 8, 2022 April 22, 2023, 515 357 thousand and 163 190 thousand restricted stock units ("RSUs") were excluded from the diluted calculation as their inclusion would have been anti-dilutive. For the forty weeks ended October 7, 2023 and October 8, 2022, 299 thousand and 122 thousand RSUs were excluded from the diluted calculation as their inclusion would have been anti-dilutive.

10. Share-Based Compensation

During the twelve sixteen weeks ended October 7, 2023 April 20, 2024, we the Company granted 133 500 thousand time-based RSUs, and 150 thousand stock options. During the forty weeks ended October 7, 2023, we granted 546 thousand time-based RSUs, 22 thousand performance-based RSUs, 73 149 thousand market-based RSUs and 298 194 thousand stock options. The Company grants options to purchase common stock to certain employees under the Company's 2023 Omnibus Incentive Compensation Plan. The general terms of the time-based and market-based RSUs and stock options are similar to awards previously granted by us. the Company. The performance-based RSUs granted may vest following a one-year period subject to the achievement of certain financial goals and employment service as specified in the grant agreement. We grant options to purchase common stock to certain employees under our 2023 Omnibus Incentive Compensation Plan, which recently replaced our 2014 Long-Term Incentive Plan (the "Prior Plan"). Options issued prior to June 2023 were granted under the Prior Plan. The general terms of the stock options will be

similar to awards previously granted. We record Company records compensation expense for the grant date fair value of the option awards evenly over the vesting period.

The weighted-average fair values of the time-based RSUs granted during the twelve weeks ended October 7, 2023 were \$61.19 per share. The weighted-average fair values of the time-based, performance-based and market-based RSUs granted during the forty sixteen weeks ended October 7, 2023 April 20, 2024 were \$95.09, \$135.13 \$79.38 and \$139.75 \$113.31 per share. The fair value of each market-based RSU was determined using a Monte Carlo simulation model. For time-based and performance-based RSUs, the fair value of each award was determined based on the market price of our the Company's stock on the date of grant adjusted for expected dividends during the vesting period, as applicable.

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The weighted-average fair value of stock options granted during the twelve sixteen weeks ended October 7, 2023 April 20, 2024 was \$23.49 per share. The weighted-average fair value of stock options granted during the forty weeks ended October 7, 2023 was \$29.39 \$32.20 per share. The fair value was estimated on the date of grant by applying the Black-Scholes option-pricing valuation model.

	Twelve Weeks Ended		Forty Weeks Ended	
	October 7, 2023		October 7, 2023	
Risk-free interest rate ⁽¹⁾		4.3 %	4.1 -	4.3 %
Expected term ⁽²⁾		6 years		6 years
Expected volatility ⁽³⁾		41.4 %	35.1 -	41.4 %
Expected dividend yield ⁽⁴⁾		1.5 %	1.5 -	4.1 %

	Sixteen Weeks Ended	
	April 20, 2024	
Risk-free interest rate ⁽¹⁾		4.1 %
Expected term ⁽²⁾		6 years
Expected volatility ⁽³⁾		42.6 %
Expected dividend yield ⁽⁴⁾		1.5 %

⁽¹⁾ The risk-free interest rate is based on the yield in effect at grant for zero-coupon U.S. Treasury notes with maturities equivalent to the expected term of the stock options.

⁽²⁾ The expected term represents the period of time options granted are expected to be outstanding. As we do not have sufficient historical data we is not available, the Company utilized the simplified method provided by the SEC to calculate the expected term as the average of the contractual term and vesting period.

⁽³⁾ Expected volatility is the measure of the amount by which the stock price has fluctuated or is expected to fluctuate. We The Company utilized historical trends and the implied volatility of our publicly traded financial instruments in developing the volatility estimate for our stock options.

⁽⁴⁾ The expected dividend yield is calculated based on our the Company's expected quarterly dividend and the three month average stock price as of the grant date.

The total income tax benefit related to share-based compensation expense for the twelve and forty sixteen weeks ended October 7, 2023 April 20, 2024 was \$2.6 million and \$9.1 million, respectively. \$3.3 million. As of October 7, 2023 April 20, 2024, there was \$83.1 million \$113.7 million of unrecognized compensation expense related to all share-based awards that is expected to be recognized over a weighted-average period of 1.61.8 years.

11. Supplier Finance Programs

We maintain The Company maintains supply chain financing agreements with third-party financial institutions to provide our the Company's suppliers with enhanced receivables options. Through these agreements, our the Company's suppliers, at their sole discretion, may elect to sell their its receivables due from us the Company to the third-party financial institution at terms negotiated between the supplier and the third-party financial institution. We do The Company does not provide any guarantees to any third party in connection with these financing arrangements. Our The Company's obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted, and no assets are pledged under the agreements. All outstanding amounts due to third-party financial institutions related to suppliers participating in such financing arrangements are recorded within Accounts accounts payable and represent obligations outstanding under these supplier finance programs for invoices that were

confirmed as valid and owed to the third-party financial institutions in our Condensed Consolidated Balance Sheets, the Company's condensed consolidated balance sheets. As of October 7, 2023 April 20, 2024 and December 31, 2022 December 30, 2023, \$3.2 billion \$3.3 billion and \$3.2 billion \$3.4 billion of our Accounts the Company's accounts payable were to suppliers participating in these financing arrangements.

12. Immaterial Restatement of Prior Period Financial Statements

As discussed in Note 1, we identified errors in our the Company made corrections to the consolidated financial statements. statements for periods ended December 31, 2022, January 1, 2022 and the quarterly periods of 2023. A summary of the corrections related to the impacted financial statement line items in our previously issued Consolidated Balance Sheet, Consolidated Statement of Operations, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Stockholders' Equity and Consolidated Statement of Cash Flows as of and for the year ended December 31, 2022 included in previously filed Annual Report on Form 10-K and Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Comprehensive Income, Condensed Consolidated Statements of Changes in Stockholders' Equity and Condensed Consolidated Statements of Cash Flows for prior periods presented below, which were presented in previously filed Quarterly Reports on Form 10-Q, are as follows (tables may not foot or cross foot due to rounding):

Advance Auto Parts, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts presented in thousands, except per share data, unless otherwise stated)
(Unaudited)

Condensed Consolidated Balance Sheet				
	October 8, 2022			
	As Previously Reported	Adjustments	As Corrected	
Assets				
Receivables, net	\$ 845,667	\$ (2,795)	\$ 842,872	
Total current assets	6,162,519	(2,795)	6,159,724	
Total assets	\$ 12,132,079	\$ (2,795)	\$ 12,129,284	
Liabilities and Stockholders' Equity				
Accounts payable	\$ 4,097,412	\$ (16,579)	\$ 4,080,833	
Accrued expenses	681,216	10,312	691,528	
Total current liabilities	5,442,901	(6,267)	5,436,634	
Total liabilities	9,416,004	(6,267)	9,409,737	
Accumulated other comprehensive loss	(54,298)	6,364	(47,934)	
Retained earnings	4,726,823	(2,892)	4,723,931	
Total stockholders' equity	2,716,075	3,472	2,719,547	
Total liabilities and stockholders' equity	\$ 12,132,079	\$ (2,795)	\$ 12,129,284	

Condensed Consolidated Statement of Operations				
	April 22, 2023			
	Sixteen Weeks Ended			
	As Previously Reported	Adjustments	As Corrected	
Cost of sales	\$ 1,946,931	\$ 8,735	\$ 1,955,666	
Gross profit	1,470,663	(8,735)	1,461,928	
Selling, general and administrative expenses	1,380,664	(16,674)	1,363,990	
Operating income	89,999	7,939	97,938	
Income before provision for income taxes	59,607	7,939	67,546	
Provision for income taxes	16,956	2,267	19,223	
Net income	\$ 42,651	\$ 5,672	\$ 48,323	

Basic earnings per share	\$ 0.72	\$ 0.09	\$ 0.81
Diluted earnings per common share	\$ 0.72	\$ 0.09	\$ 0.81

Condensed Consolidated Balance Sheet					
December 31, 2022					
	As Previously Reported		Adjustments		As Corrected
Assets					
Inventories, net	\$ 4,915,262	\$ (4,209)	\$ 4,911,053		
Total current assets	6,046,852	(4,209)	6,042,643		
Total assets	\$ 12,018,482	\$ (4,209)	\$ 12,014,273		
Liabilities and Stockholders' Equity					
Accounts payable	\$ 4,123,462	\$ 12,953	\$ 4,136,415		
Accrued expenses	634,447	6,652	641,099		
Total current liabilities	5,370,389	19,605	5,389,994		
Total liabilities	9,340,201	19,605	9,359,806		
Retained earnings	4,744,624	(23,814)	4,720,810		
Total stockholders' equity	2,678,281	(23,814)	2,654,467		
Total liabilities and stockholders' equity	\$ 12,018,482	\$ (4,209)	\$ 12,014,273		

Advance Auto Parts, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts presented in thousands, except per share data, unless otherwise stated)
(Unaudited)

Condensed Consolidated Balance Sheet					
April 22, 2023					
	As Previously Reported		Adjustments		As Corrected
Liabilities and Stockholders' Equity					
Accounts payable	\$ 3,682,749	\$ 15,995	\$ 3,698,744		
Accrued expenses	718,290	(3,970)	714,320		
Total current liabilities	4,983,455	12,025	4,995,480		
Total liabilities	9,546,077	12,025	9,558,102		
Retained earnings	4,697,697	(12,025)	4,685,672		
Total stockholders' equity	\$ 2,636,161	\$ (12,025)	\$ 2,624,136		

Condensed Consolidated Balance Sheet					
July 15, 2023					
	As Previously Reported		Adjustments		As Corrected
Liabilities and Stockholders' Equity					
Accounts payable	\$ 3,780,215	\$ 17,221	\$ 3,797,436		
Accrued expenses	685,191	(4,273)	680,918		
Total current liabilities	5,026,378	12,948	5,039,326		
Total liabilities	9,581,189	12,948	9,594,137		
Retained earnings	4,767,168	(12,948)	4,754,220		

Total stockholders' equity	\$ 2,723,187	\$ (12,948)	\$ 2,710,239
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Condensed Consolidated Statement of Comprehensive Income April 22, 2023			
	Sixteen Weeks Ended		
	As Previously Reported	Adjustments	As Corrected
Net income	\$ 42,651	\$ 5,672	\$ 48,323
Currency translation adjustments	591	(24)	567
Total other comprehensive loss	788	(24)	764
Comprehensive income	\$ 43,439	\$ 5,648	\$ 49,087

Advance Auto Parts, Inc. and Subsidiaries

Notes to the Condensed Consolidated Financial Statements

(Amounts presented in thousands, except per share data, unless otherwise stated)

(Unaudited)

Condensed Consolidated Statements of Operations						
October 8, 2022						
	Twelve Weeks Ended			Forty Weeks Ended		
	As Previously Reported	Adjustments	As Corrected	As Previously Reported	Adjustments	As Corrected
Cost of sales	\$ 1,461,490	\$ 604	\$ 1,462,094	\$ 4,808,888	\$ 12,149	\$ 4,821,037
Gross profit	1,179,851	(604)	1,179,247	3,872,089	(12,149)	3,859,940
Selling, general and administrative expenses	1,002,653	5,573	1,008,226	3,289,940	12,019	3,301,959
Operating income	177,198	(6,177)	171,021	582,149	(24,168)	557,981
Other (expense) income, net	(17,741)	12,687	(5,054)	(18,314)	13,032	(5,282)
Total other, net	(29,780)	12,687	(17,093)	(60,836)	13,032	(47,804)
Income before provision for income taxes	147,418	6,510	153,928	521,313	(11,136)	510,177
Provision for income taxes	36,436	1,611	38,047	126,137	(2,754)	123,383
Net income	\$ 110,982	\$ 4,899	\$ 115,881	\$ 395,176	\$ (8,382)	\$ 386,794
Basic earnings per share	\$ 1.85	\$ 0.08	\$ 1.93	\$ 6.52	\$ (0.14)	\$ 6.38
Basic weighted average shares	60,053	—	60,053	60,656	—	60,656
Diluted earnings per common share	\$ 1.84	\$ 0.08	\$ 1.92	\$ 6.47	\$ (0.14)	\$ 6.34
Diluted weighted average shares	60,384	—	60,384	61,045	—	61,045

Condensed Consolidated Statements of Changes in Stockholders' Equity				
Sixteen Weeks Ended April 22, 2023				
	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	
Sixteen Weeks As Previously Reported				
Balance at December 31, 2022	\$ (45,143)	\$ 4,744,624	\$ 2,678,281	
Net income	—	42,651	42,651	
Total other comprehensive income	788	—	788	

Balance at April 22, 2023	\$	(44,355)	\$	4,697,697	\$	2,636,161
Adjustments						
Balance at December 31, 2022	\$	448	\$	(79,537)	\$	(79,089)
Net income		—		5,672		5,672
Total other comprehensive income		(24)		—		(24)
Balance at April 22, 2023	\$	424	\$	(73,865)	\$	(73,441)
As Corrected						
Balance at December 31, 2022	\$	(44,695)	\$	4,665,087	\$	2,599,192
Net income		—		48,323		48,323
Total other comprehensive income		764		—		764
Balance at April 22, 2023	\$	(43,931)	\$	4,623,832	\$	2,562,720

Condensed Consolidated Statement of Operations					
December 31, 2022					
	Year Ended				
	As Previously Reported				
		Adjustments		As Corrected	
Cost of sales	\$ 6,192,622	\$ 26,065	\$	6,218,687	
Gross profit	4,962,100	(26,065)		4,936,035	
Selling, general and administrative expenses	4,247,949	12,444		4,260,393	
Operating income	714,151	(38,509)		675,642	
Other (expense) income, net	(6,996)	(427)		(7,423)	
Total other, net	(65,464)	(427)		(65,891)	
Income before provision for income taxes	648,687	(38,936)		609,751	
Provision for income taxes	146,815	(9,635)		137,180	
Net income	\$ 501,872	\$ (29,301)	\$	472,571	
Basic earnings per share	\$ 8.32	\$ (0.49)	\$	7.83	
Basic weighted average shares	60,351	—		60,351	
Diluted earnings per common share	\$ 8.27	\$ (0.49)	\$	7.78	
Diluted weighted average shares	60,717	—		60,717	

Condensed Consolidated Statement of Cash Flows					
Sixteen Weeks Ended April 22, 2023					
	As Previously Reported				
	Adjustments				
Net income	\$ 42,651	\$ 5,672	\$	48,323	
Other, net	391	458		849	
Net change in:					
Receivables, net	(83,370)	(2,457)		(85,827)	
Inventories, net	(100,178)	(4,177)		(104,355)	
Accounts payable	(440,995)	16,805		(424,190)	
Accrued expenses	85,035	4,631		89,666	
Other assets and liabilities, net	1,534	(24,591)		(23,057)	
Net cash used in operating activities	(378,865)	(3,659)		(382,524)	

Other, net ⁽¹⁾	(3,919)	(458)	(4,377)
Net cash used in financing activities	425,660	(458)	425,202
Effect of exchange rate changes on cash	93	(25)	68
Net (decrease) increase in cash and cash equivalents	(42,783)	(4,142)	(46,925)
Cash and cash equivalents, beginning of period	269,282	1,523	270,805
Cash and cash equivalents, end of period	\$ 226,499	\$ (2,619)	\$ 223,880

Advance Auto Parts, Inc.⁽¹⁾ The summary of corrections table above inadvertently omitted disclosure for proceeds from the issuance of common stock as follows: \$1.1 million as previously reported, \$0 adjustments, and Subsidiaries

Notes to the Condensed Consolidated Financial Statements

(Amounts presented in thousands, except per share data, unless otherwise stated)

(Unaudited)

	Condensed Consolidated Statement of Operations		
	April 22, 2023		
	Sixteen Weeks Ended		
	As Previously Reported	Adjustments	As Corrected
Cost of sales	\$ 1,946,931	\$ 1,627	\$ 1,948,558
Gross profit	1,470,663	(1,627)	1,469,036
Selling, general and administrative expenses	1,380,664	(17,275)	1,363,389
Operating income	89,999	15,648	105,647
Income before provision for income taxes	59,607	15,648	75,255
Provision for income taxes	16,956	3,859	20,815
Net income	\$ 42,651	\$ 11,789	\$ 54,440
Basic earnings per share	\$ 0.72	\$ 0.20	\$ 0.92
Basic weighted average shares	59,334	—	59,334
Diluted earnings per common share	\$ 0.72	\$ 0.19	\$ 0.91
Diluted weighted average shares	59,544	—	59,544

	Condensed Consolidated Statements of Operations		
	July 15, 2023		
	Twelve Weeks Ended		
	As Previously Reported	Adjustments	As Corrected
Cost of sales	\$ 1,537,997	\$ 1,226	\$ 1,539,223
Gross profit	1,148,069	(1,226)	1,146,843
Selling, general and administrative expenses	1,013,701	—	1,013,701
Operating income	134,368	(1,226)	133,142
Income before provision for income taxes	115,183	(1,226)	113,957
Provision for income taxes	29,821	(303)	29,518
Net income	\$ 85,362	\$ (923)	\$ 84,439
Basic earnings per share	\$ 1.44	\$ (0.02)	\$ 1.42
Basic weighted average shares	59,451	—	59,451
	As Previously Reported	Adjustments	As Corrected
Cost of sales	\$ 3,484,927	\$ 2,853	\$ 3,487,780
Gross profit	2,618,732	(2,853)	2,615,879
Selling, general and administrative expenses	2,394,365	(17,275)	2,377,090
Operating income	224,367	14,422	238,789
Income before provision for income taxes	174,789	14,422	189,211
Provision for income taxes	46,776	3,556	50,332
Net income	\$ 128,013	\$ 10,866	\$ 138,879
Basic earnings per share	\$ 2.16	\$ 0.18	\$ 2.34
Basic weighted average shares	59,384	—	59,384

Diluted earnings per common share	\$ 1.43	\$ (0.02)	\$ 1.41	\$ 2.15	\$ 0.18	\$ 2.33
Diluted weighted average shares	59,604	—	59,604	59,570	—	59,570

\$1.1 million as corrected.

Advance Auto Parts, Inc.

13. Contingencies

On October 9, 2023 and Subsidiaries

Notes October 27, 2023, two putative class actions on behalf of purchasers of the Company's securities who purchased or otherwise acquired their securities between November 16, 2022 and May 30, 2023, inclusive (the "Class Period"), were commenced against the Company and certain of the Company's former officers in the United States District Court for the Eastern District of North Carolina. The plaintiffs allege that the defendants made certain false and materially misleading statements during the alleged Class Period in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. These cases were consolidated on February 9, 2024 and the court-appointed lead plaintiff filed a consolidated complaint on April 22, 2024. The consolidated complaint proposes a Class Period of November 16, 2022 to November 15, 2023 and alleges that defendants made false and misleading statements in connection with (a) the Company's 2023 guidance and (b) certain accounting issues previously disclosed by the Company. The defendants' response to the Condensed Consolidated Financial Statements

(Amounts presented in thousands, except per share data, unless otherwise stated)

(Unaudited)

Condensed Consolidated Statements of Comprehensive Income							
October 8, 2022							
	Twelve Weeks Ended			Forty Weeks Ended			
	As Previously Reported	Adjustments	As Corrected	As Previously Reported	Adjustments	As Corrected	
Net income	\$ 110,982	\$ 4,899	\$ 115,881	\$ 395,176	\$ (8,382)	\$ 386,794	
Currency translation adjustments	(33,439)	19,814	(13,625)	(31,555)	10,691	(20,864)	
Total other comprehensive loss	(33,509)	19,814	(13,695)	(31,671)	10,691	(20,980)	
Comprehensive income	\$ 77,473	\$ 24,713	\$ 102,186	\$ 363,505	\$ 2,309	\$ 365,814	

consolidated complaint is due on June 21, 2024. The Company strongly disputes the allegations and intends to defend the case vigorously.

Condensed Consolidated Statement of Comprehensive Income				
December 31, 2022				
	Year Ended			
	As Previously Reported	Adjustments	As Corrected	
Net income	\$ 501,872	\$ (29,301)	\$ 472,571	
Currency translation adjustments	(22,330)	4,327	(18,003)	
Total other comprehensive loss	(22,516)	4,327	(18,189)	
Comprehensive income	\$ 479,356	\$ (24,974)	\$ 454,382	

On January 17, 2024, February 20, 2024 and February 26, 2024, derivative shareholder complaints were commenced against the Company's directors and certain former officers alleging derivative liability for the allegations made in the securities class action complaints noted above. The court consolidated these actions and appointed co-lead counsel on April 9, 2024. The defendants' response to the complaints is due on June 10, 2024.

Condensed Consolidated Statement of Comprehensive Income				
April 22, 2023				

	Sixteen Weeks Ended		
	As Previously		
	Reported	Adjustments	As Corrected
Net income	\$ 42,651	\$ 11,789	\$ 54,440
Comprehensive income	\$ 43,439	\$ 11,789	\$ 55,228

Condensed Consolidated Statements of Comprehensive Income										
July 15, 2023										
	Twelve Weeks Ended				Twenty-Eight Weeks Ended					
	As Previously		As Previously		As Previously		As Previously			
	Reported	Adjustments	As Corrected		Reported	Adjustments	As Corrected			
Net income	\$ 85,362	\$ (923)	\$ 84,439		\$ 128,013	\$ 10,866	\$ 138,879			
Comprehensive income	\$ 92,893	\$ (923)	\$ 91,970		\$ 136,332	\$ 10,866	\$ 147,198			

Advance Auto Parts, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts presented in thousands, except per share data, unless otherwise stated)
(Unaudited)

Condensed Consolidated Statements of Changes in Stockholders' Equity				
	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	
Twelve Weeks As Previously Reported				
Balance at July 16, 2022	\$ (20,789)	\$ 4,706,547	\$	2,794,809
Net income	—	110,982		110,982
Total other comprehensive loss	(33,509)	—		(33,509)
Balance at October 8, 2022	\$ (54,298)	\$ 4,726,823	\$	2,716,075
Adjustments				
Balance at July 16, 2022	\$ (13,450)	\$ (7,791)	\$	(21,241)
Net income	—	4,899		4,899
Total other comprehensive income	19,814	—		19,814
Balance at October 8, 2022	\$ 6,364	\$ (2,892)	\$	3,472
As Corrected				
Balance at July 16, 2022	\$ (34,239)	\$ 4,698,756	\$	2,773,568
Net income	—	115,881		115,881
Total other comprehensive loss	(13,695)	—		(13,695)
Balance at October 8, 2022	\$ (47,934)	\$ 4,723,931	\$	2,719,547
Forty Weeks As Previously Reported				
Balance at January 1, 2022	\$ (22,627)	\$ 4,605,791	\$	3,128,291
Net income	—	395,176		395,176
Total other comprehensive loss	(31,671)	—		(31,671)
Balance at October 8, 2022	\$ (54,298)	\$ 4,726,823	\$	2,716,075
Adjustments				
Balance at January 1, 2022	\$ (4,327)	\$ 5,490	\$	1,163
Net income	—	(8,382)		(8,382)
Total other comprehensive income	10,691	—		10,691

Balance at October 8, 2022	\$	6,364	\$	(2,892)	\$	3,472
As Corrected						
Balance at January 1, 2022	\$	(26,954)	\$	4,611,281	\$	3,129,454
Net income		—		386,794		386,794
Total other comprehensive loss		(20,980)		—		(20,980)
Balance at October 8, 2022	\$	(47,934)	\$	4,723,931	\$	2,719,547

Advance Auto Parts, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts presented in thousands, except per share data, unless otherwise stated)
(Unaudited)

		Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
Fifty-Two Weeks As Previously Reported				
Balance at January 1, 2022	\$	(22,627)	\$	4,605,791
Net income		—		501,872
Total other comprehensive loss		(22,516)		—
Balance at December 31, 2022	\$	(45,143)	\$	4,744,624
Adjustments				
Balance at January 1, 2022	\$	(4,327)	\$	5,490
Net Income		—		(29,301)
Total other comprehensive income		4,327		—
Balance at December 31, 2022	\$	—	\$	(23,814)
As Corrected				
Balance at January 1, 2022	\$	(26,954)	\$	4,611,281
Net income		—		472,571
Total other comprehensive loss		(18,189)		—
Balance at December 31, 2022	\$	(45,143)	\$	4,720,810
Sixteen Weeks As Previously Reported				
Balance at December 31, 2022	\$	4,744,624	\$	2,678,281
Net Income		42,651		42,651
Balance at April 22, 2023	\$	4,697,697	\$	2,636,161
Adjustments				
Balance at December 31, 2022	\$	(23,814)	\$	(23,814)
Net Income		11,789		11,789
Balance at April 22, 2023	\$	(12,025)	\$	(12,025)
As Corrected				

Balance at December 31, 2022	\$ 4,720,810	\$ 2,654,467
Net Income	54,440	54,440
Balance at April 22, 2023	\$ 4,685,672	\$ 2,624,136

Advance Auto Parts, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts presented in thousands, except per share data, unless otherwise stated)
(Unaudited)

	Retained Earnings	Total Stockholders' Equity
Twelve Weeks As Previously Reported		
Balance at April 22, 2023	\$ 4,697,697	\$ 2,636,161
Net Income	85,362	85,362
Balance at July 15, 2023	\$ 4,767,168	\$ 2,723,187
Adjustments		
Balance at April 22, 2023	\$ (12,025)	\$ (12,025)
Net Income	(923)	(923)
Balance at July 15, 2023	\$ (12,948)	\$ (12,948)
As Corrected		
Balance at April 22, 2023	\$ 4,685,672	\$ 2,624,136
Net Income	84,439	84,439
Balance at July 15, 2023	\$ 4,754,220	\$ 2,710,239
Twenty-Eight Weeks As Previously Reported		
Balance at December 31, 2022	\$ 4,744,624	\$ 2,678,281
Net Income	128,013	128,013
Balance at July 15, 2023	\$ 4,767,168	\$ 2,723,187
Adjustments		
Balance at December 31, 2022	\$ (23,814)	\$ (23,814)
Net Income	10,866	10,866
Balance at July 15, 2023	\$ (12,948)	\$ (12,948)
As Corrected		
Balance at December 31, 2022	\$ 4,720,810	\$ 2,654,467
Net Income	138,879	138,879
Balance at July 15, 2023	\$ 4,754,220	\$ 2,710,239

Condensed Consolidated Statement of Cash Flows	Forty Weeks Ended October 8, 2022		
	As Previously Reported	Adjustments	As Corrected
Net income	\$ 395,176	\$ (8,382)	\$ 386,794

Net change in:			
Receivables, net	(66,902)	(22,402)	(89,304)
Inventories, net	(284,271)	34,542	(249,729)
Accounts payable	187,331	(10,228)	177,103
Accrued expenses	\$ (34,046)	\$ 6,470	\$ (27,576)

Advance Auto Parts, Inc. and Subsidiaries

Notes to the Condensed Consolidated Financial Statements

(Amounts presented in thousands, except per share data, unless otherwise stated)

(Unaudited)

Condensed Consolidated Statement of Cash Flows				
Fifty-Two Weeks Ended December 31, 2022				
	As Previously Reported	Adjustments	As Corrected	
Net income	\$ 501,872	\$ (29,301)	\$	472,571
Net change in:				
Receivables, net	81,254	(25,197)		56,057
Inventories, net	(272,253)	38,751		(233,502)
Accounts payable	212,568	12,939		225,507
Accrued expenses	\$ (165,643)	\$ 2,808	\$	(162,835)

Condensed Consolidated Statement of Cash Flows				
Sixteen Weeks Ended April 22, 2023				
	As Previously Reported	Adjustments	As Corrected	
Net income	\$ 42,651	\$ 11,789	\$	54,440
Net change in:				
Inventories, net	(100,178)	(4,209)		(104,387)
Accounts payable	(440,995)	3,042		(437,953)
Accrued expenses	\$ 85,035	\$ (10,622)	\$	74,413

Condensed Consolidated Statement of Cash Flows				
Twenty-Eight Weeks ended July 15, 2023				
	As Previously Reported	Adjustments	As Corrected	
Net income	\$ 128,013	\$ 10,866	\$	138,879
Net change in:				
Inventories, net	(145,148)	(4,209)		(149,357)
Accounts payable	(346,808)	4,268		(342,540)
Accrued expenses	\$ 120,888	\$ (10,925)	\$	109,963

13. Other Contingency

In the normal course of business, the Company identified a potential discrepancy in trade compliance pertaining to customs transactions. The Company is conducting a thorough review of transactions and if the review identifies any relevant errors, the Company will reimburse U.S. Customs and Border Protection ("CBP") for duties, fees and interest identified an immaterial amount owed if any. The Company has submitted a voluntary initial prior disclosure with the CBP. Based on currently known information, it is too early for management to reasonably estimate the loss, or range of loss, if any, that may result. Accordingly, management has not recorded a loss contingency as of October 7, 2023, related to this matter.

14. Subsequent Event

On November 20, 2023, we entered into Amendment No. 3 to further amend financial covenants related to the Consolidated Coverage Ratio (as defined therein). Pursuant to Amendment No. 3, we will not permit the Consolidated Coverage Ratio to be less than (a) 1.75 to 1.00 for each period of four fiscal quarters ending on October 7, 2023 through and including \$100,000 during the period of four fiscal quarters ending on October 5, 2024, (b) 2.0 to 1.00 five-year lookback period.

Advance Auto Parts, Inc. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts presented in thousands, except per share data, unless otherwise stated)
(Unaudited)

for each period of four fiscal quarters ending on December 28, 2024 through and including the period of four fiscal quarters ending on October 4, 2025 and (c) 2.25 to 1.00 for each period of four fiscal quarters ending after October 4, 2025. Amendment No. 3 made no other material changes to the terms of the 2021 Credit Agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the audited consolidated financial statements and notes included in our the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 30, 2023 (filed with the SEC on February 28, 2023 March 12, 2024), which we refer the Company refers to as our 2022 the 2023 Form 10-K, and our the Company's condensed consolidated financial statements and the notes to those statements that appear elsewhere in this report. The results of operations for the interim periods are not necessarily indicative of the operating results to be expected for the full year. The Company's first quarter of the year contains sixteen weeks. The Company's remaining three quarters each consist of twelve weeks.

Management Overview

A high-level summary of our the Company's financial results for the third first quarter of 2023 included: 2024 includes:

- Net sales during the third first quarter of 2023 was \$2.72 billion 2024 were \$3.41 billion, an increase a decrease of 2.9% 0.3% compared with the third first quarter of 2022, 2023. Comparable store sales increased 1.2% compared with the third quarter of 2022, primarily driven by an increase in demand within our professional business, and partially offset by a decrease in our DIY omnichannel business. declined 0.2%.
- Gross profit margin for the third first quarter of 2023 2024 was 36.3% 42.0% of Net net sales, a decrease of 836 82 basis points compared with the third first quarter of 2022, 2023. Gross profit margin was negatively impacted by higher product increased costs a change in estimate for reserves that resulted in a \$119.0 million reduction of inventory and associated charges and not fully covered by pricing actions, partially offset by supply chain deleverage. This was offset by a reduction in LIFO expense. productivity.
- Selling, General general & Administrative administrative ("SG&A") expenses for the third first quarter of 2023 2024 were 37.9% 39.4% of Net net sales, a twenty-eight-basis-pointan improvement of 48 basis points compared with the third first quarter of 2022, 2023. This was primarily driven by cost control efforts initiated at the end of 2023 and a net gain on sale of assets, partially offset by increased field wages and training and ongoing expense inflationary pressure.
- Diluted loss per share was \$0.82 in the third quarter of 2023, compared with Diluted The Company generated diluted earnings per share ("Diluted EPS") of \$1.92 in \$0.67 during the third first quarter of 2022, 2024, compared with \$0.81 for the comparable period of 2023.

Business and Risks Update

We have been executing The Company continues to make progress on the various initiatives to improve elements of the Company's strategic business plan, which is focused on improving the customer experience, expand margins margin expansion and drive driving consistent execution for both professional and DIY customers, including: customers. To achieve these improvements, the Company has undertaken planned strategic actions to help build a foundation for long-term success across the organization, which include:

- Continued refinement Conducting sales process for the potential disposition of a demand-based assortment, leveraging purchase and search history from our common catalog, Worldpac;
- Advancement towards optimizing our footprint by market Reducing costs to drive share, repurpose our in-market store and asset base and streamline our distribution network, remain competitive while reinvesting in the frontline;
- Progress in Making organizational changes to position the implementation of a more efficient and optimized end-to-end supply chain to deliver our broad assortment of inventory. Company for success;
- Continued negotiations with vendors on strategic sourcing Assessing the productivity of all assets, including company-owned stores and pricing to help mitigate inflationary pressures. Carquest Independents; and
- Rationalization of product assortment.

As previously disclosed, in Consolidating the third quarter of 2023, we initiated a comprehensive operational and strategic review of our business to help improve execution and position Advance for long-term success and increased shareholder value. We have identified and are pursuing cost reductions that we expect will generate at least \$150 million in savings on an annualized basis, of which, we intend to invest approximately \$50 million in employee compensation and training with a clear focus on improving the retention of our frontline team members. We have also announced that we are initiating separate sale processes for Worldpac and the Canadian Carquest portions of our business. Our operational and strategic review progress is ongoing. Company's supply chain.

Industry Update

Operating within the automotive aftermarket industry, we are impacted the Company is influenced by a number of general macroeconomic factors, many of which are similar to those affecting the overall retail industry, and include but are not limited to:

- Inflationary pressures, including logistics and labor
- Global supply chain disruptions
- Rising fuel costs
- Miles driven
- Unemployment rates
- Consumer confidence and purchasing power
- Competition
- Changes in new car sales
- Economic and geopolitical uncertainty
- Increased foreign currency exchange volatility

Stores and Branches

Key factors in selecting sites and market locations in which we operate the Company operates include population, demographics, traffic count, vehicle profile, competitive landscape and the cost of real estate. During the forty sixteen weeks ended October 7, 2023 April 20, 2024, 51 seven stores and branches were opened and 32 17 were closed, resulting in a total of 5,105 5,097 stores and branches compared with a total of 5,086 5,107 stores and branches as of December 31, 2022 December 30, 2023.

Results of Operations

(\$ in millions)	Twelve Weeks Ended				\$ Favorable/ (Unfavorable)	Basis Points
	October 7, 2023		October 8, 2022 ⁽¹⁾			
Net sales	\$ 2,719.1	100.0 %	\$ 2,641.3	100.0 %	\$ 77.8	—
Cost of sales	1,732.4	63.7	1,462.1	55.4	(270.3)	(836)
Gross profit	986.7	36.3	1,179.2	44.6	(192.5)	(836)
SG&A	1,030.4	37.9	1,008.2	38.2	(22.2)	28
Operating (loss) income	(43.7)	(1.6)	171.0	6.5	(214.7)	(808)
Interest expense	(19.4)	(0.7)	(12.0)	(0.5)	(7.4)	(26)

Other expense, net	(1.2)	0.0	(5.1)	(0.2)	3.9	15
Provision for income taxes	(15.7)	(0.6)	38.0	1.4	53.7	202
Net (loss) income	\$ (48.6)	(1.8)%	\$ 115.9	4.4 %	\$ (164.5)	(617)

Forty Weeks Ended									
(\$ in millions)	(\$ in millions)	Sixteen Weeks Ended			\$ Favorable/ (Unfavorable)	Basis Points	Sixteen Weeks Ended	\$ Favorable/ (Unfavorable)	Basis Points
		October 7, 2023	October 8, 2022	(1)					
Net sales	Net sales	\$ 8,822.7	100.0 %	\$ 8,681.0	100.0 %	\$ 141.7	—		
Cost of sales	Cost of sales	5,220.2	59.2	4,821.0	55.5	(399.2)	(363)		
Gross profit	Gross profit	3,602.5	40.8	3,860.0	44.5	(257.5)	(363)		
SG&A	SG&A	3,407.4	38.6	3,302.0	38.0	(105.4)	(58)		
Operating income	Operating income	195.1	2.2	558.0	6.4	(362.9)	(422)		
Interest expense	Interest expense	(70.0)	(0.8)	(35.1)	(0.4)	(34.9)	(39)		
Loss on early redemptions of senior unsecured notes		—	0.0	(7.4)	(0.1)	7.4	9		
Other expense, net	Other expense, net								
Other expense, net	Other expense, net	(0.2)	0.0	(5.3)	(0.1)	5.1	6		
Provision for income taxes	Provision for income taxes	34.6	0.4	123.4	1.4	88.8	103		
Net income	Net income	\$ 90.2	1.0 %	\$ 386.8	4.5 %	\$ (296.5)	(343)		

Note: Table amounts may not foot due to rounding.

⁽¹⁾ We revised prior Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Comprehensive Income to correct certain errors impacting cost of sales and SG&A costs. For additional information, refer to Notes 1 and 12 of the Notes to the Condensed Consolidated Financial Statements included herein.

Net Sales

Net sales for the first quarter of 2024, net sales for the twelve weeks ended October 7, 2023 increased 2.9% decreased 0.3% and comparable store sales declined 0.2% compared with the same period in 2022, driven predominately by product mix and strength in the professional business. Comparable store sales increased 1.2% for the twelve weeks ended October 7, 2023 compared with the twelve weeks ended October 8, 2022, primarily driven by an increase in demand within our professional business, and partially offset by a decrease in our DIY omnichannel business. From a category perspective, we saw strength in filters, engine management, motor oil and batteries.

Net sales for the forty weeks ended October 7, 2023 increased 1.6% compared with the same period in 2022, driven predominately by new store openings and favorable product mix. Comparable store sales was flat for the forty weeks ended October 7, 2023 compared with the forty weeks ended October 8, 2022. Category growth was led by motor oil and brakes.

We calculate The Company calculates comparable store sales based on the change in store or branch sales starting once a location has been open for 13 complete accounting periods (approximately one year) and by including e-commerce sales. Sales sales and exclude sales fulfilled by distribution centers to independently owned Carquest stores are excluded from our comparable store sales. locations. Acquired stores are included in our the Company's comparable store sales once the stores have completed 13 complete accounting periods following the acquisition date. We include The Company includes sales from relocated stores in comparable store sales from the original date of opening.

Gross Profit

Gross profit for the twelve weeks ended October 7, 2023 first quarter of 2024 was \$986.7 million \$1.43 billion, or 36.3% 42.0% of Net net sales, compared compared with \$1.18 billion \$1.46 billion, or 44.6% 42.8% of Net net sales, for the twelve weeks ended October 8, 2022. For the forty weeks ended October 7, 2023 and October 8, 2022, Gross profit was \$3.6 billion, or 40.8% first quarter of Net sales, and \$3.86 billion, or 44.5% of Net sales.

2023. During the twelve and forty weeks ended October 7, 2023 first quarter of 2024, Gross gross profit margin was negatively impacted by a change in estimate associated with inventory reserves of \$119 million. Higher product increased costs that were not fully covered by pricing actions and elevated supply chain costs contributed to gross profit margin decline. This was actions. These were partially offset by a reduction in LIFO-related expenses.

supply chain productivity.

Selling, General and Administrative Expenses

SG&A expenses for the twelve weeks ended October 7, 2023 first quarter of 2024 were \$1.03 billion \$1.34 billion, or 37.9% 39.4% of Net net sales, compared with \$1.01 billion \$1.36 billion, or 38.2% 39.9% of Net net sales, for the twelve weeks ended October 8, 2022.

SG&A expenses for the forty weeks ended October 7, 2023 were \$3.41 billion, or 38.6% first quarter of Net sales, compared with \$3.30 billion, or 38.0% of Net sales, for the forty weeks ended October 8, 2022. 2023. The increase improvement in SG&A as a percentage of Net net sales was primarily driven by inflation within labor cost control efforts initiated at the end of 2023, including reduced corporate expenditures from the decrease in headcount and benefits significant reduction of marketing expenses, as well as a net gain on asset sales (see Note 7. Leases for additional information). These were partially offset by a decrease in new store start-up costs. increased field wages and training and ongoing expense inflationary pressure.

Provision for Income Taxes

Our ProvisionThe Company's provision for income taxes for the twelve weeks ended October 7, 2023 was a benefit first quarter of \$15.7 million compared 2024 was \$19.8 million compared with an expense of \$38.0 million \$19.2 million for the twelve weeks ended October 8, 2022 same period in 2023. For the forty weeks ended October 7, 2023 and October 8, 2022, our Provision for income taxes was an expense of \$34.6 million and \$123.4 million. The decrease in tax expense primarily resulted from lower Income before provision for income taxes compared with the prior year.

Our Company's effective tax rate was 24.4% and 24.7% 33.2% for the twelve weeks ended October 7, 2023 first quarter of 2024 and October 8, 2022. Our effective tax rate was 27.7% and 24.2% 28.5% for the forty weeks ended October 7, 2023 and October 8, 2022, first quarter of 2023. The higher effective income tax rate for the twelve weeks ended and forty weeks ended October 7, 2023 first quarter of 2024 compared with October 8, 2022 reflected the same period in the prior year was due to a discrete charge related to share based compensation. for stock-based compensation in the first quarter of 2024.

Liquidity and Capital Resources

Overview

The Company's primary cash requirements necessary to maintain the Company's current operations include payroll and benefits, inventory purchases, contractual obligations, capital expenditures, payment of income taxes, funding of initiatives under the Company's strategic business plan and other operational priorities, and including payment of interest on the Company's long-term debt. Historically, we have the Company has also used available funds to repay borrowings under the Company's credit facility, to periodically repurchase shares of the Company's common stock under the share repurchase program, to pay the Company's quarterly cash dividend and for acquisitions. However, the Company's future uses of cash may differ, including with respect to the weight we place the Company places on the preservation of cash and liquidity, degree of investment in the Company's business and other capital allocation factors.

Typically, we have the Company has funded our its cash requirements primarily through cash generated from operations, supplemented by borrowings under our the Company's credit facilities and notes offerings as needed. We believe The Company believes funds generated from our its expected results of operations, available cash and cash equivalents, and available borrowings under our the Company's credit facility will be sufficient to fund our its obligations for the next year. We The Company also believe believes such funds, cash and available borrowings, together with our the Company's ability to generate cash through credit facilities and notes offerings as needed, will be sufficient to fund our its ongoing obligations.

The Company's supplier finance programs did not have a material impact on our its liquidity or capital resources in the periods presented nor do we does the Company expect such arrangements to have a material impact on our its liquidity or capital resources for the foreseeable future. However, as See [Note 11, Supplier Finance Programs](#) of the Company's condensed consolidated financial statements for further described below, if we experience meaningfully lower supplier or bank participation in our supplier finance programs as a result of a decline in our credit ratings, it may have a material negative impact on our liquidity or capital resources. discussion.

On March 9, 2023 February 26, 2024, we issued our 5.90% senior unsecured notes due 2026 (the "2026 Notes") and our 5.95% senior unsecured notes due 2028 (the "2028 Notes"). Refer to [Note 6, Long-term Debt and Fair Value of Financial Instruments](#) of the Notes to the Condensed Consolidated Financial Statements included herein for further details. Proceeds from our 2026 Notes and 2028 Notes were utilized to make repayments on our revolving facility and supplement operational and capital expenditures.

On February 27, 2023, we Company entered into Amendment No. 1 (the "Amendment No. 1") to the Credit Agreement, dated November 9, 2021, with Advance Auto Parts, Inc., as Borrower, Advance Stores Company, Incorporated, as a Guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent (the "2021 Credit Agreement"). 4 ("Amendment No. 1 extends the maturity date of 4") to the 2021 Credit Agreement by one year from November 9, 2026, to November 9, 2027 enable certain addbacks to the definition of Consolidated EBITDA contained therein for specific write-downs of inventory and vendor receivables. Amendment No. 14 also replaces an adjusted LIBOR benchmark rate updated certain limitations on future incurrences of other indebtedness and liens, replacing the cap thereon of 10% of consolidated net tangible assets with a Term Secured Overnight Financing Rate benchmark rate, as adjusted by an increase of ten basis points, plus \$400 million, and eliminated the applicable margin under 2021 Credit Agreement. \$250 million basket for accounts receivable securitization transactions. Amendment No. 14 made no other material changes to the terms of the 2021 Credit Agreement. On August 21, 2023, we entered into Amendment No. 2 ("Amendment No. 2") to the 2021 Credit Agreement in order to amend certain financial covenants related to the Consolidated Coverage Ratio (as defined therein), and on November 20, 2023, we entered into Amendment No. 3 ("Amendment No. 3") to the 2021 Credit Agreement in order to further amend financial covenants related to the Consolidated Coverage Ratio. Pursuant to Amendment No. 2 and Amendment No. 3, we will not permit the Consolidated Coverage Ratio to be less than (a) 1.75 to 1.00 for each period of four fiscal quarters ending on October 7, 2023 through and including the period of four fiscal quarters ending on October 5, 2024, (b) 2.00 to 1.00 for each period of four fiscal quarters ending on December 28, 2024 through and including the period of four fiscal quarters ending on October 4, 2025 and (c) 2.25 to 1.00 for each period of four fiscal quarters ending after October 4, 2025. Amendment No. 2. and Amendment No. 3 made no other material changes to the terms of the 2021 Credit Agreement.

As of October 7, 2023, we were in compliance with the financial covenants required by our 2021 Credit Agreement. To provide further leverage cushion, we amended the Consolidated Coverage Ratio on November 20, 2023 to a minimum of 1.75 to 1.00 through fiscal quarter ending October 5, 2024. In addition, we are required to maintain a maximum leverage ratio of 3.75 to 1.00. Our compliance with these covenants will depend upon achieving our financial targets including improvements in operating income. Based on management's current financial projections, we currently expect to be in compliance with these financial covenants for the next 12 months. However, risk of noncompliance increases if our financial performance worsens or we are required to increase borrowings to fund operations. If we are not in compliance with the financial covenants required by our 2021

Credit Agreement, and cannot timely secure an amendment or waiver thereof, we would be in default of our 2021 Credit Agreement and our outstanding senior unsecured notes, which would have a material adverse impact on our financial condition.

Share Repurchase Program

Our The Company's share repurchase program permits the repurchase of our the Company's common stock on the open market and in privately negotiated transactions from time to time. We will The Company expects to continue our its temporary pause on repurchases under our the existing share repurchase program for the remainder of 2023 and will to continue to evaluate current and expected business conditions with respect to possible resumption of share repurchase activity in 2024. activity.

During the twelve weeks ended first quarter of 2024 and forty weeks ended October 7, 2023, we purchased no the Company did not purchase any shares of our its common stock under our the share repurchase program. During the twelve weeks ended October 8, 2022, we repurchased 0.4 million shares at an aggregate cost of \$75.0 million, or an average price of \$168.93 per share. During the forty weeks ended October 8, 2022, we repurchased 2.5 million shares of our common stock under our share repurchase program at an aggregate cost of \$523.2 million, or an average price of \$207.50 per share. We The Company had \$947.3 million remaining under our the share repurchase program as of October 7, 2023 April 20, 2024.

Analysis of Cash Flows

The following table summarizes our the Company's cash flows from operating, investing and financing activities:

(in thousands)	Forty Weeks Ended	
	October 7, 2023	October 8, 2022 ⁽¹⁾
Cash flows provided by operating activities	\$ 30,404	\$ 483,094
Cash flows used in investing activities	(185,200)	(331,818)
Cash flows provided by (used in) financing activities	204,984	(545,838)
Effect of exchange rate changes on cash	(1,942)	(15,662)
Net increase (decrease) in cash and cash equivalents	\$ 48,246	\$ (410,224)

⁽¹⁾ We revised prior Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Comprehensive Income to correct certain errors impacting cost of sales and selling, general and administrative costs. For additional information, refer to Notes 1 and 12 of the Notes to the Condensed Consolidated Financial Statements included herein.

(in thousands)	Sixteen Weeks Ended	
	April 20, 2024	April 22, 2023
Cash flows provided by (used in) operating activities	\$ 2,688	\$ (382,524)
Cash flows used in investing activities	(38,929)	(89,671)
Cash flows (used in) provided by financing activities	(25,644)	425,202
Effect of exchange rate changes on cash	9,417	68
Net decrease in cash and cash equivalents	\$ (52,468)	\$ (46,925)

Operating Activities

For the forty weeks ended October 7, 2023 first quarter of 2024, Cash cash flows provided by operating activities decreased increased by \$452.7 million \$385.2 million to \$30.4 million \$2.7 million compared with the same period of prior year. The net decrease increase in cash flows provided by operating activities was driven by lower Net income and an increase in cash used in working capital, primarily in Accounts payable, namely accounts payable, inventories and accrued expenses.

Investing Activities

For the forty weeks ended October 7, 2023, Cash flows first quarter of 2024, cash flows used in investing activities were \$185.2 million, a decrease of \$146.6 million decreased by \$50.7 million to \$38.9 million compared with the same period of prior year. The decrease in cash used in investing

activities was primarily attributable due to lower capital spend compared in the current year coupled with the prior year. higher proceeds on asset sales (see Note 7. Leases for additional information).

Financing Activities

For the forty weeks ended October 7, 2023, Cash flows provided by first quarter of 2024, cash flows used in financing activities was \$205.0 million \$25.6 million, an increase decrease of \$750.8 million \$450.8 million compared with the same period of prior year. The increase decrease in cash provided by financing activities was attributable due to net proceeds received from the issuance no issuances of the 2026 Notes and 2028 Notes, a decrease in share repurchases of our common stock and senior unsecured notes offset by a decrease in dividends paid during the forty weeks ended October 7, 2023. first quarter of 2024 compared with the same period of prior year.

Our

The Company's Board of Directors has declared a cash dividend every quarter since 2006. Any payments of dividends in the future will be at the discretion of our the Company's Board of Directors and will depend upon our the Company's results of operations, cash flows, capital requirements and other factors deemed relevant by our the Board of Directors.

Long-Term Debt

On March 9, 2023, we issued \$300.0 million aggregate principal amount of our 2026 Notes and \$300.0 million aggregate principal amount of our 2028 Notes. The 2026 Notes were issued at 99.94% of the principal amount of \$300.0 million, are due March 9, 2026 and bear interest at 5.90% per year payable semi-annually in arrears on March 9 and September 9 of each year. The 2028 Notes were issued at 99.92% of the principal amount of \$300.0 million, are due March 9, 2028 and bear interest at 5.95% per year payable semi-annually in arrears on March 9 and September 9 of each year.

For additional information, refer to [Note 6. Long-term Debt and Fair Value of Financial Instruments](#) of the Notes to the Condensed Consolidated Financial Statements included herein.

As of October 7, 2023, we had a credit rating from Standard & Poor's of BB+ and from Moody's Investor Service of Baa2. As of October 7, 2023, the outlooks by Standard & Poor's and Moody's on our credit rating were stable and negative, respectively. The current pricing grid used to determine our borrowing rate under the 2021 Credit Agreement is based on our credit ratings. If our credit ratings improve, our interest rate on future borrowings under the Credit Agreement may decrease. However, if our credit ratings further decline, it would negatively impact our interest rate, and our access to additional financing on favorable terms may be limited. In addition, further decline in our credit ratings would likely reduce the attractiveness of our supplier finance programs, whereby our suppliers are provided financing arrangements based on our credit rating. This could result in significantly lower supplier or bank participation in those programs. Following the downgrade in our credit rating from Standard & Poor's, certain banks reduced participation in our programs. However, this capacity has been substantially replaced with new participating banks as well as existing participating banks providing increased capacity. Meaningfully lower participation in our supplier payment programs would shorten our payable terms, resulting in an increase in our working capital requirements, and may have a material negative impact on our liquidity or capital resources.

With respect to all senior unsecured notes for which Advance Auto Parts, Inc. ("Issuer") is an issuer or provides full and unconditional guarantee, Advance Stores, a wholly owned subsidiary of the Issuer, serves as the guarantor ("Guarantor Subsidiary"). The subsidiary guarantees related to our the Issuer's senior unsecured notes are full and unconditional and joint and several, and there are no restrictions on the ability of the Issuer to obtain funds from its Guarantor Subsidiary. Our The Company's captive insurance subsidiary, an insignificant wholly owned subsidiary of the Issuer, does not serve as guarantor of our its senior unsecured notes.

Critical Accounting Policies For additional information, refer to [Note 6. Long-term Debt and Estimates Fair Value of Financial Instruments](#) of the Notes to the Condensed Consolidated Financial Statements included herein.

Our financial statements have been prepared in accordance with GAAP. Our discussion As of April 20, 2024, the Company had a credit rating from Standard & Poor's of BB+ and analysis from Moody's Investor Service of Baa3. As of April 20, 2024, the financial condition outlooks by Standard & Poor's and results of operations are Moody's on the Company's credit rating were stable and negative. The current pricing grid used to determine the Company's borrowing rate under the Credit Agreement is based on these financial statements. The preparation the Company's credit ratings. If the Company's credit ratings decline, the interest rate on outstanding balances may increase and the Company's access to additional financing on favorable terms may be limited. In addition, declines could reduce the attractiveness of these financial statements requires certain vendor payment programs whereby third-party institutions finance arrangements to the application of accounting policies in addition to certain estimates and judgments by our management. Our estimates and judgments are Company's vendors based on currently available information, historical results and other assumptions we believe are reasonable. Actual results the Company's credit rating, which could differ materially from result in increased working capital requirements. Conversely, if these estimates.

During credit ratings improve, the forty weeks ended October 7, 2023, there were no changes to the critical accounting policies discussed in our 2022 Form 10-K. For a complete discussion of our critical accounting policies, refer to the 2022 Form 10-K. Company's interest rate may decrease.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant changes in our the Company's exposure to market risk since December 31, 2022 December 30, 2023. Refer to "[Item 7A. Quantitative and Qualitative Disclosures about Market Risk](#)" in our 2022 the Company's 2023 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), are our controls and other procedures that are designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Internal controls over financial reporting, no matter how well designed, have inherent limitations, including the possibility of human error and the override of controls. Therefore, even those systems determined to be effective can provide only "reasonable assurance" with respect to the reliability of financial reporting and financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of our internal controls may vary over time.

Our management evaluated, with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures as of October 7, 2023 April 20, 2024. Based on this evaluation, our principal executive officer and our principal financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective to accomplish their objectives at the reasonable assurance level solely due to the material weakness weaknesses described below.

Control Environment

As previously disclosed Material Weaknesses in Internal Control over Financial Reporting

In our Form 10-Q for the period ended April 22, 2023, management identified a material weakness in our internal control over financial reporting that existed due to turnover of key accounting positions during the first quarter of 2023. The Company was unable to attract, develop and retain sufficient resources to fulfill internal control responsibilities during the first quarter quarter 2023. Additionally, we did not design and implement effective control activities including account reconciliations. This relates to account reconciliations of cash and a small number of other miscellaneous accounts.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Management believes that the Condensed Consolidated Financial Statements and related financial information included in this Form 10-Q present fairly, in all material respects, our balance sheets, statements of operations, comprehensive income and cash flows as of and for the periods presented.

Details on Account Reconciliation Material Weakness

As discussed above, subsequent to December 30, 2023, in connection with the preparation of the quarterly financial statements contained in this Form 10-Q, management identified certain cash account reconciliations whereby a former employee in the Company's Indian Shared Service Center circumvented a cash reconciliation controls policy and concealed unreconciled items. This individual did not follow the Company's policy to display all reconciling items in the reconciliation process. Management determined that the adjustments necessary to correct identified errors are immaterial.

The Audit Committee was informed of a significant deficiency regarding cash reconciliations in March 2024 by management and discussed the deficiency with the Company's independent registered accounting firm. This significant deficiency has now been elevated to a material weakness due to noncompliance with policy. The Company believes the cash reconciliation policy noncompliance primarily related to inadequately trained and supervised personnel and is closely linked to the material weakness disclosed in the Form 10-Q for the period ended April 22, 2023.

As a result, the Company is concurrently amending its Form 10-K for the fiscal year ended December 30, 2023 to amend (1) management's annual report on internal control over financial reporting and (2) Deloitte & Touche LLP's report on the Company's internal control over financial reporting, in each case, to reflect the additional material weakness.

Remediation Efforts to Address the Previously Disclosed Material Weakness

The Company has devoted, and will continue to devote, significant time and resources to execute our plan to remediate complete its remediation of the aforementioned material weakness and enable us to conclude full remediation once these steps have been completed and are operating effectively. The following components of the remediation plan, among others, have been executed:

- Hired Backfilled open roles and hired approximately 30 experienced personnel (both permanent employees and contract labor) with the requisite accounting and internal controls knowledge and experience to sufficiently complement the existing global controllership organization;
- Engaged a third-party consultant to Completed the review of the organizational structure of the global controllership function; function by a third-party consultant and implemented recommended changes;
- Assessed our methodologies, policies, and procedures to ensure adequate design and effectiveness of processes supporting internal control over financial reporting;
- Added redundant and compensating internal controls to enhance our internal control structure;
- Assessed the specific training needs for newly hired and existing personnel and developed and delivered training programs designed to uphold our internal controls standards; and

- Following the departure of the Company's Chief Financial Officer during the third fiscal quarter of 2023, hired a new Chief Financial Officer who will begin began employment with the Company on November 27, 2023;
- Following the departure of the Company's Chief Accounting Officer during the fourth fiscal quarter of 2023, hired a new Chief Accounting Officer who began employment with the Company on January 9, 2024; and
- Reperformed cash reconciliations for 2023 year end and will continue to execute the same comprehensive testing until this matter is considered fully remediated.

The Company is continuing to implement its remediation plan, including its determination if additional updates considers that the actions described above are appropriate in comprehensive and will remediate the enumerated points above. As previously disclosed, material weaknesses and strengthen the Company's Chief Accounting Officer resigned from internal control over financial reporting. Given the limited time that the open roles have been filled, the Company effective October 18, 2023. The Company is actively searching for a new Chief Accounting Officer. In accordance with believes that additional time will be beneficial to demonstrate that personnel have the Company's defined internal controls policies, ability to consistently perform their responsibilities to ensure that the material weakness weaknesses have been fully remediated. Therefore, the Company has concluded that these material weaknesses will not be considered fully remediated until the remediation actions, including those bulleted above, and any other determined to be appropriate, have been completed and have operated effectively for a sufficient period of time. time and have been

sufficiently tested. The Company is committed to validating that targeting completion of the changes implemented are operating as intended within our remediation plan, and testing of these material weaknesses in the second half of fiscal 2024.

Changes in Internal Control Over Financial Reporting

Except for the changes described above, there has been no change in the Company's internal control over financial reporting during the third first quarter ended October 7, 2023 April 20, 2024, that has materially affected or is reasonably likely to materially affect its internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

PART II. OTHER INFORMATION

None.

ITEM 1. LEGAL PROCEEDINGS

On October 9, 2023 and October 27, 2023, respectively, two putative class actions on behalf of purchasers of our the Company's securities who purchased or otherwise acquired their securities between November 16, 2022 and May 30, 2023, inclusive (the "Class Period"), were commenced against us the Company and certain of our the Company's former officers in the United States District Court for the Eastern District of North Carolina. The plaintiffs allege that the defendants made certain false and materially misleading statements during the alleged Class Period in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. These cases are still were consolidated on February 9, 2024 and the court-appointed lead plaintiff filed a consolidated complaint on April 22, 2024. The consolidated complaint proposes a Class Period of November 16, 2022 to November 15, 2023 and alleges that defendants made false and misleading statements in preliminary stages connection with (a) the Company's 2023 guidance and we expect that they will be consolidated. We (b) certain accounting issues previously disclosed by the Company. The defendants' response to the consolidated complaint is due on June 21, 2024. The Company strongly dispute disputes the allegations of the complaints and intend intends to defend the case vigorously.

On January 17, 2024, February 20, 2024 and February 26, 2024, derivative shareholder complaints were commenced against the Company's directors and certain former officers alleging derivative liability for the allegations made in the securities class action complaints noted above. The court consolidated these actions and appointed co-lead counsel on April 9, 2024. The defendants' response to the complaints is due on June 10, 2024.

In the normal course of business, the Company identified a potential discrepancy in trade compliance pertaining to customs transactions. The Company conducted a thorough review of transactions and identified an immaterial amount owed of less than \$100,000 during the five-year lookback period.

ITEM 1A. RISK FACTORS

We are exposed to risks associated with our potential divestitures, which may impact our ability to fully realize the anticipated benefits of those transactions.

We recently announced our intention to divest our Worldpac business and Carquest Canada business in separate sales processes as part of our strategic review. There can be no assurance that we will be able to complete these transactions. Divestitures are complex transactions involving inherent risks, including the potential for distractions of management from the core remaining business of the Company and the occurrence of events that may impact our ability to fully realize the anticipated benefits of the divestitures. We have not yet set a timetable for the sale processes, but transactions of this nature carry risks associated to variation from expectations with respect to expense, timing and post-closing claims for liability. If any of these risks materialize, the benefits of such divestitures may not be fully realized, if at all, which could adversely affect our business, financial condition, results of operations and cash flows.

Please refer to "[Item 1A. Risk Factors](#)" found in our 2022 the 2023 Form 10-K filed for the year ended December 31, 2022 December 30, 2023 for other risks identified that, if they were to occur, could materially adversely affect our the Company's business, financial condition, results of operations, cash flows and future prospects, which could in turn materially affect the price of our the Company's common stock.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth the information with respect to repurchases of **our** the Company's common stock for the quarter ended **October 7, 2023** April 20, 2024:

	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
July 16, 2023 to August 12, 2023	50	\$ 73.05	—	\$ 947,338,896
August 13, 2023 to September 9, 2023	6,272	\$ 67.77	—	\$ 947,338,896
September 10, 2023 to October 7, 2023	6	\$ 57.60	—	\$ 947,338,896
Total	6,328	\$ 67.80	—	—

	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
January 1, 2024 to January 26, 2024	—	\$ —	—	\$ 947,339
January 29, 2024 to February 24, 2024	2,681	\$ 61.20	—	\$ 947,339
February 26, 2024 to March 25, 2024	45,420	\$ 71.07	—	\$ 947,339
March 26, 2024 to April 22, 2024	354	\$ 85.21	—	\$ 947,339
Total	48,455	\$ 70.63	—	—

(1) The aggregate cost of repurchasing shares in connection with the net settlement of shares issued as a result of the vesting of restricted stock units was **\$0.4** **\$3.4** million, or an average price of **\$67.80** **\$70.63** per share, during the **twelve weeks ended October 7, 2023**, **first quarter of 2024**.

ITEM 5. OTHER INFORMATION

During the **twelve weeks ended October 7, 2023**, **first quarter of 2024**, no "Rule 10b5-1 or non-Rule 10b5-1 trading arrangements" were adopted or terminated by the Company's officers or directors and no "non-Rule 10b5-1 trading arrangements" were adopted or terminated by the Company's officers or directors during the **twelve weeks ended October 7, 2023**, as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Restated Certificate of Incorporation of Advance Auto Parts, Inc., effective May 24, 2017.	10-Q	3.1	8/14/2018
3.2	Amended and Restated Bylaws of Advance Auto Parts, Inc., effective August 8, 2023.	8-K	3.2	8/14/2023
10.1	Employment Agreement, dated August 21, 2023, between Advance Auto Parts, Inc. and Shane M. O'Kelly.	8-K	10.1	8/23/2023
10.2	Form of Time-Based Restricted Stock Unit Award Agreement entered into with Shane M. O'Kelly.	8-K	10.1	8/23/2023
10.3	Form of Nonqualified Stock Option Award Agreement entered into with Shane M. O'Kelly.	8-K	10.1	8/23/2023
10.4	Amendment No. 2 to the Credit Agreement Dated as of August 21, 2023.	10-Q	10.1	8/23/2023
10.5	Amendment No. 3 to the Credit Agreement Dated as of November 20, 2023.	*	*	*

22.1	List of the Issuer and its Guarantor Subsidiaries.	10-Q	22.1	8/23/2023
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32.1**	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.			
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.			
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.			
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.			
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
104.1*	Cover Page Interactive Data file (Embedded within Inline XBRL Documents and Included in Exhibit 101).			

* Filed herewith

** Furnished herewith

Exhibit No.	Exhibit Description	EXHIBIT INDEX			Filed Herewith
		Form	Exhibit	Filing Date	
3.1	Restated Certificate of Incorporation of Advance Auto Parts, Inc., effective May 24, 2017.	10-Q	3.1	8/14/2018	
3.2	Amended and Restated Bylaws of Advance Auto Parts, Inc., effective August 8, 2023.	10-Q	3.2	8/18/2020	
10.1	Amendment No.4 to the Credit Agreement Dated as of February 26, 2024.	8-K	10.1	2/28/2024	
10.2	Advance Auto Parts, Inc. Cooperation Agreement.	8-K	10.1	3/12/2024	
10.3	Form of 2024 Advance Auto Parts, Inc. Performance-Based Restricted Stock Unit Award Agreement.				X
10.4	Form of 2024 Advance Auto Parts, Inc. Time-Based Restricted Stock Unit Award Agreement.				X
10.5	Form of 2024 Advance Auto Parts, Inc. Time-Based Nonqualified Option Award Agreement.				X
22.1	List of the Issuer and its Guarantor Subsidiaries.				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 and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				X
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				X
104.1	Cover Page Interactive Data file (Embedded within the Inline XBRL Documents and Included in Exhibit).				X

SIGNATURE

Pursuant to the requirements 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.

ADVANCE AUTO PARTS, INC.

Date: May 29, 2024

/s/ Ryan P. Grimsland

Ryan P. Grimsland

Executive Vice President, Chief Financial Officer

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Exhibit 10.3

Advance Auto Parts, Inc.

2024 Performance-Based Restricted Stock Unit Award Agreement

This certifies that Advance Auto Parts, Inc. (the "Company") has granted to <Participant Name> (the "Participant") this award of Performance-Based Restricted Stock Units (this "Award") and the Participant acknowledges and agrees that this Award and the opportunity to vest in the Performance-Based Restricted Stock Units (the "PSUs") is sufficient consideration for the restrictive covenants set forth in this Performance-Based Restricted Stock Unit Award Agreement (this "Agreement"). This Award represents the right to receive a like number of shares ("Shares") of Advance Auto Parts, Inc. Common Stock, \$0.0001 par value per share (the "Common Stock"), as indicated in the terms outlined below, subject to certain restrictions and on the terms and conditions contained in this Agreement and the Advance Auto Parts, Inc. 2023 Omnibus Incentive Compensation Plan (the "Plan"). In the event of any conflict between the terms of the Plan and this Agreement, the terms of the Plan shall govern. Any terms not defined herein shall have the meaning set forth in the Plan.

1. Grant of PSUs: As specified below, on the Award Date, the following Award of PSUs (at target level) has been granted to the Participant:
2. Vesting: Subject to the remaining provisions of this Agreement:
3. Termination of Service: If, prior to the Performance Vesting Date, the Participant's employment or other association with the Company and its affiliates ends for any reason, the Participant's rights to unvested PSUs shall be immediately and irrevocably forfeited and the unvested Shares canceled and neither the Company nor any affiliate shall have any further obligations to the Participant under this Agreement. The foregoing notwithstanding, the following exceptions to the forfeiture of unvested PSUs apply:
Retirement: If termination of employment or other affiliation is on account of Retirement (as defined below), then the Participant's PSUs will vest on the Performance Vesting Date on a pro-rata basis for the number of full months worked during the applicable Performance Period and based on the actual level of achievement of the performance criteria outlined in this Agreement. "Retirement" is defined as termination of employment with the Company following attainment of the following minimum age and tenure requirements:
 - a. Retirement: If termination of employment or other affiliation is on account of Retirement (as defined below), then the Participant's PSUs will vest on the Performance Vesting Date on a pro-rata basis for the number of full months worked during the applicable Performance Period and based on the actual level of achievement of the performance criteria outlined in this Agreement. "Retirement" is defined as termination of employment with the Company following attainment of the following minimum age and tenure requirements:
 1. Age: 55 years of age; AND

2. **Tenure:** 10 years of service, provided further that in the event the Participant came to be employed by the Company in conjunction with or as a result of a merger with or acquisition by the Company and received any service credit as a result of previous employment, the last three consecutive years of service must occur following the effective date of such merger or acquisition.

If, after termination of Participant's employment or other association with the Company on account of Retirement and prior to the third anniversary of the Award Date, Participant is employed in any capacity by Amazon Auto, AutoZone, Inc., O'Reilly Automotive, Inc. Genuine Parts Company and/or NAPA Auto Parts, or any aftermarket automotive parts distributor owned or operated by Icahn Automotive Group, LLC (including, but not limited to, Pep Boys and Auto Plus), any PSUs that have not vested as of the date of such employment shall be immediately and irrevocably forfeited.

b. **Disability:** If termination of employment or other association with the Company is on account of Participant's Disability, then the Participant's PSUs will vest on the Performance Vesting Date on a pro-rata basis for the number of full months worked during the applicable Performance Period and based on the actual level of achievement of the performance criteria set forth in this Agreement. For purposes of this Agreement, "Disability" is defined as having become disabled within

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meaning of Section 22 (e)(3) of the Code or, if applicable, as defined in your Employment Agreement or Loyalty Agreement with the Company in effect as of the Award Date.

c. **Death:** If termination of employment or other association with the Company is on account of the Participant's death, then PSUs will vest on the Performance Vesting Date on a pro-rata basis for the number of full months worked during the applicable Performance Period and based on the actual level of achievement of the performance criteria set forth in this Agreement.

d. **Termination by the Company other than for Due Cause or Resignation for Good Reason:**

i. **For SVPs:** If Participant's employment or other association with the Company is involuntarily terminated prior to the Performance Vesting Date by the Company other than for "Due Cause," as that term is defined in Participant's Loyalty Agreement, the PSUs will vest on the Performance Vesting Date on a pro-rata basis for the number of full months worked during the applicable Performance Period and in accordance with the performance criteria set forth in this Agreement.

ii. **For CEO/EVPs:** If Participant's employment or other association with the Company is involuntarily terminated by the Company other than for "Due Cause" or by Participant for "Good Reason", as those terms are defined in Participant's Employment Agreement, prior to the Performance Vesting Date, the PSUs will vest on the Performance Vesting Date on a pro-rata basis for the number of full months worked during the applicable Performance Period and in accordance with the performance criteria set forth in this Agreement.

4. **Change of Control:** Upon a Change of Control, the Company will determine the number of PSUs that are earned based on the actual level of achievement of the performance criteria outlined in this Agreement through the Change of Control date and any portion of the PSUs not earned will be forfeited. Following this determination, the earned PSUs will vest based on the Participant's continued service with the Company through the original Performance Vesting Date in the event the Company's corporate successor assumes, converts or replaces the Award. Any portion of the Participant's earned PSUs (as determined pursuant to this Section 4) that have not yet vested will vest immediately upon:

a. the Change of Control date in the event the Company's successor or its affiliate does not assume, convert, or replace the Award; or

b. the termination of the Participant's employment or other association with the Company or its successor in the event the Award continues or the Company's successor assumes, converts or replaces the Award, and the Participant's employment or other association with the Company or its successor is terminated by the Company without "Due Cause," as that term is defined in the Participant's Loyalty Agreement, within 24 months of the Change of Control, or, if applicable, by the Company without "Due Cause" or by the Participant for "Good Reason" as those terms are defined in the Participant's Employment Agreement, within 24 months following the Change of Control date.

5. **Non-Transferability of PSUs and DSUs:** In the case of the DSUs described in Section 2 of this Award, until Shares are issued after the mandatory holding period has ended pursuant to this Agreement, the PSUs or DSUs may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered, and no attempt to

transfer unvested PSUs or DSUs for which the mandatory holding period has not ended, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the Shares. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber PSUs or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the PSUs shall be forfeited by the transferee and all of the transferee's rights to such PSUs shall immediately terminate without any payment or consideration by the Company. The Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise rights to receive any property distributable with respect to DSUs upon the Participant's death.

6. No Rights as a Stockholder; Dividend Equivalents: The Participant shall have no rights of a stockholder with respect to the Shares of Common Stock underlying the PSUs unless and until the date on which the Shares of Common Stock are issued in accordance with Section 7 of this Agreement. Solely with respect to PSUs that vest, you will be entitled to receive Dividend Equivalents to the extent that dividends are declared and paid on the Common Stock of the Company during the Performance Period. These Dividend Equivalents will

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be paid in cash as soon as practicable following the determination of the number of PSUs that vest, and in no case later than the end of the calendar year in which this determination is made by the Committee or, if later, the 15th day of the third month following the date of this determination. In addition, with respect to PSUs that are converted to DSUs as set forth in Section 2 of this Agreement, during the holding period you will be entitled to receive Dividend Equivalents to the extent that dividends are declared and paid on the Common Stock of the Company during such period. The Company shall pay currently (and in no case later than the end of the calendar year in which the dividend was paid to the holders of the Common Stock or, if later, the 15th day of the third month following the date the dividend is paid to holders of Common Stock), in cash, an amount equal to the Dividend Equivalents with respect to Participant's DSUs. Any Dividend Equivalent described in this paragraph shall be paid, if at all, without interest or other earnings. Except as may be provided under Section 5 of the Plan, the Company will make no adjustment for dividends (ordinary or extraordinary and whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the Performance Vesting Date of a PSU.

7. Issuing Shares: Upon the expiration of the holding period for DSUs pursuant to Section 2 of this Agreement and payment of the Applicable Taxes pursuant to Section 11 below, the Company shall cause the Shares of Common Stock to be issued in book-entry form, registered in the Participant's name. Payment shall be made within thirty days of the expiration of the holding period for DSUs pursuant to Section 2, but not later than March 15, 2027.

8. Notices: Except as otherwise provided herein, all notices, requests, demands and other communications under this Award shall be in writing, and if by telecopy, shall be deemed to have been validly served, given or delivered when sent, or if by personal delivery or messenger or courier service, shall be deemed to have been validly served, given or delivered upon actual delivery (but in no event may notice be given by deposit in the United States mail), at the following addresses, telephone and facsimile numbers (or such other address(es), telephone and facsimile numbers a party may designate for itself by like notice):

- a. If to the Company: Advance Auto Parts, Inc. located at 5008 Airport Road, Roanoke, Virginia, 24012, Attention: General Counsel or by telephone at (540) 561-1173 or telecopy at (540) 561-1448; and
- b. If to you, then to your home address on record at Advance Auto Parts or your business address at Advance Auto Parts.

9. Restrictive Covenants. Except as may be prohibited by law, all Participants agree as follows:

- a. **Non-Competition.** Participant acknowledges and agrees that the Company is engaged in a highly competitive business, and that by virtue of Participant's position and responsibilities as an employee or consultant of the Company and Participant's access to Confidential Information, engaging in a business that is directly competitive with the Company will cause it great and irreparable harm. Accordingly, Participant agrees and covenants that during the Restricted Period, Participant shall not, on his/her own behalf or on another's behalf, (a) accept employment by or provide services for Amazon Auto, AutoZone Inc., O'Reilly Automotive, Inc., Genuine Parts Company, NAPA Auto Parts, Fisher Auto Parts or Parts Depot, Inc. and/or any aftermarket automotive parts distributor owned or operated by Icahn Automotive Group, LLC (including, but not limited to, Pep Boys and Auto Plus) (any of the foregoing, a "Restricted Company") in any capacity, role or position with substantially the same or similar duties as Participant performed during Participant's employment, service, or association with the Company; (b) provide services, including consulting or contractor services, for or on behalf of a Restricted Company which are the same or substantially similar as the duties Participant performed during Participant's last two (2) years of employment, service, or association with the Company; or (c) otherwise provide services, including consulting or contractor services, which are the same as, substantially similar to, or an adequate substitute for the duties Participant performed during Participant's employment with the Company or which would involve services or prospective services

provided by or researched by the Company about which Participant acquired Confidential Information, which would be directly competitive with the Company. Participant understands that the business of the Company and Participant's responsibilities on behalf of the Company have been nationwide and companywide in scope. Accordingly, Participant agrees that this restriction will apply in those areas within

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the United States, including the United States' territories and possessions (including, but not limited to, Puerto Rico and the U.S. Virgin Islands), as well as Canada, including its provinces, territories and possessions, within which the Participant was assigned or with respect to which Participant had responsibility during the last two (2) years of Participant's employment with the Company.

b. **Non-Interference.** Participant further agrees and covenants that during the Restricted Period, Participant shall not, without the prior written consent of the Company, directly or through others, either on behalf of Participant or any other person or entity, interfere with the Company.

For purposes of this Agreement, "Interfere" shall mean (a) to solicit, entice, persuade, induce, influence or attempt to influence, directly or through others, suppliers or prospective suppliers, employees, agents or independent contractors of the Company to restrict, reduce, sever or otherwise alter their relationship with the Company for purposes that are competitive with the Company; or (b) to hire on the Participant's own behalf or on behalf of any other person or entity, directly or through others, any current or former employee or independent contractor of the Company. For purposes of this Agreement, this provision shall only apply to those suppliers or prospective suppliers, employees, agents or independent contractors of the Company with whom Participant had material contact during the last two (2) years of Participant's employment with the Company or about whom Participant had access to Confidential Information during the last two (2) years of Participant's employment with the Company.

For purposes of this Agreement, "Interfere" shall also mean (a) to solicit, entice, persuade, induce, influence or attempt to influence, directly or through others, customers or prospective customers of the Company to restrict, reduce, sever or otherwise alter their relationship with the Company for purposes that are competitive with the Company; or (b) whether as a direct solicitor or provider of such services, or in a management or supervisory capacity over others who solicit or provide such services, to solicit or provide services that fall within the definition of Restricted Activities as defined below to any customer of the Company. For purposes of this Agreement, this provision shall apply only to those customers or prospective customers with whom Participant had material contact during the last two (2) years of Participant's employment with the Company or about whom Participant had access to Confidential Information during the last two (2) years of Participant's employment with the Company.

For purposes of this Agreement, "Restricted Activities" shall mean (1) the retail, commercial and/or wholesale sale, rental, and/or distribution of parts, accessories, supplies, equipment and/or maintenance items for automobiles, light and heavy duty trucks (both commercial and noncommercial), off-road equipment, buses, recreational vehicles, and/or agricultural equipment, and/or (2) the provision of any automotive-related service (including, but not limited to, shop management, inventory control, and/or vehicle repair software or marketing) to auto repair shops, garages, and/or specialty-service providers (e.g. any business that specializes in automotive oil changes, tires, mufflers, brakes, transmission, and/or body work).

c. **Remedies.** Participant agrees that any breach by Participant of the covenants contained in this Section 9 will result in irreparable injury to Company, for which money damages could not adequately compensate the Company. Therefore, the Company shall have the right (in addition to any other rights and remedies which it may have at law or in equity) to seek to enforce this Section 9 and any of its provisions by injunction, specific performance, or other equitable relief, without bond and without prejudice to any other rights and remedies that the Company may have for a breach, or threatened breach, of the covenants set forth in this Section 9. Participant agrees that in any action in which the Company seeks injunction, specific performance, or other equitable relief, Participant will not assert or contend that any of the provisions of this Section 9 are unreasonable or otherwise unenforceable.

In addition, if Participant breaches any of the covenants in this Section 9, Participant shall return to the Company any Shares of Common Stock received by Participant or Participant's personal representative that vested on or after any such violation and pay to the Company in cash the amount of any proceeds received by Participant or Participant's

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personal representative from the disposition or transfer of any such stock, and Participant's unvested PSUs and DSUs shall be immediately and irrevocably forfeited.

d. **Definitions.** For purposes of this Section 9, the following terms are defined as follows:

- i. "Confidential Information" means any proprietary information prepared or maintained in any format, including personnel information or data of the Company, technical data, trade secrets or know-how in which the Company or its Affiliates or related entities have an interest, including, but not limited to, business records, contracts, research, product or service plans, products, services, customer lists and customers (including, but not limited to, vendors to the Company or its Affiliates and related entities on whom Participant called, with whom Participant dealt or with whom Participant became acquainted during the term of Participant's employment, service, or other association with the Company), pricing data, costs, markets, expansion plans, summaries, marketing and other business strategies, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration or marketing, financial or other business information obtained by Participant or disclosed to Participant by the Company or its Affiliates or related entities or any other person or entity during the term of Participant's employment, service, or other association with the Company or its Affiliates, either directly or through others, electronically, in writing, orally, by drawings, by observation of services, systems or other aspects of the business of the Company or its Affiliates or related entities or otherwise. Confidential Information does not include information that: (A) was available to the public prior to the time of disclosure; or (B) becomes available to the public through no act or omission of Participant. Participant acknowledges that the Confidential Information has been developed by the Company at significant expense and effort.
- ii. For purpose of this Section 9, the definition of "Company" shall be limited to (a) Advance Stores Company, Incorporated and its subsidiaries; and (b) those related/affiliated companies: (i) for which Participant performed services during the last two (2) years of Participant's employment with the Company; (ii) on behalf of which Participant had significant business-related contact or dealings during the last two (2) years of Participant's employment with the Company, (iii) about which Participant had access to Confidential Information or Trade Secrets during the last two (2) years of Participant's employment with the Company.
- iii. "Restricted Period" shall mean the period of Participant's employment, service, or other association with the Company and one (1) year period following termination thereof; provided, however, that the Restricted Period shall be tolled and shall not expire during any period in which Participant is in violation of this Section 9, and therefore the Restricted Period shall be extended for a period equal to the duration of Participant's violation hereof so that the Company receives the Non-Competition and Non-Interference period to which Participant agreed herein.

9. **Confidentiality:** Due to the confidential information contained in this Agreement, including long-term performance measures, the Participant agrees not to disclose the terms of this Agreement to anyone other than the members of the Participant's immediate family, Participant's legal counsel, Participant's accountant(s) and/or tax advisor(s) and/or Participant's financial advisor(s), or as otherwise provided in Section 9 of this Agreement. Should the details of this Agreement be shared with the aforementioned, it shall be on a confidential basis.

10. **Tax Matters:**

- a. The Company makes no representation or warranty as to the tax treatment of your receipt or vesting of the PSUs or upon your sale or other disposition of the Shares received upon vesting of your PSUs. You should rely on your own tax advisors for such advice. In order to comply with all applicable tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable income taxes, employment taxes, social insurance, social security, national insurance

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contribution, payroll taxes, contributions, levies, payment on account obligations or other amounts required to be collected, withheld or accounted for with respect to this Award (the "Applicable Taxes"), which are your sole and absolute responsibility, are withheld or collected from you at the time of vesting. The Company will

inform you of alternative methods to settle any Applicable Taxes due prior to the first vesting date of your Award.

b. For the purposes of determining when Shares otherwise issuable on account of your termination of employment or other association with Company will be issued, "termination of employment" or words of similar import, as used in this Agreement, shall mean the date as of which the Company and you reasonably anticipate that no further services will be performed by you, and shall be construed as the date that you first incur a "separation from service" for purposes of Code Section 409A on or following termination of employment or other association with the Company. Furthermore, if you are a "specified employee" of a public company as determined pursuant to Code Section 409A as of your separation from service with the Company, any Shares otherwise issuable on account of your separation from service which constitute deferred compensation within the meaning of Code Section 409A and which are otherwise payable during the first six months following your separation from service shall be issued to you on the earlier of (1) the date of your death and (2) the first business day of the seventh calendar month immediately following the month in which your separation from service occurs, to the extent such delay would be required to comply with Code Section 409A.

11. Clawback: The Participant acknowledges and agrees that this Award is subject to any applicable Clawback Policy.

a. To the extent permitted by applicable law, including without limitation Code Section 409A, this Award is subject to offset in the event that the Participant has an outstanding clawback, recoupment or forfeiture obligation to the Company under the terms of an applicable Clawback Policy. In the event of a clawback, recoupment or forfeiture event under an applicable Clawback Policy, the amount required to be clawed back, recouped or forfeited pursuant to such policy, shall be deemed not to have been earned under the terms of the Plan, and the Company is entitled to recover from the Participant the amount specified under the Clawback Policy to be clawed back, recouped, or forfeited (which amount, as applicable, shall be deemed an advance that remained subject to the Participant satisfying all eligibility conditions for earning this Award).

b. If the Board of Directors or the Committee, as applicable, determines that clawback is required or appropriate under an applicable Clawback Policy, in addition to the recoupment methods available under the terms of an applicable Clawback Policy, to the extent permitted by applicable law, the Company shall, as determined by the Committee in its sole discretion, take any of the following actions: (i) seek repayment from the Participant of any amounts or awards distributed under the Plan for so long as such amount or awards are subject to the terms of such Clawback Policy; (ii) reduce (subject to applicable law and the terms and conditions of the Plan or any other applicable plan, program, policy or arrangement) the amount that would otherwise be awarded or payable to the Participant under the Award, the Plan or any other compensatory plan, program, or arrangement maintained by the Company; (iii) withhold payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices; or (iv) by any combination of the foregoing. Any determination regarding the Participant's conduct, and repayment or reduction under this provision, shall be within the sole discretion of the Committee and shall be final and binding on the Participant and the Company. The Participant, in consideration of the grant of the Award, and by the Participant's execution of this Agreement, acknowledges the Participant's understanding of this provision and hereby agrees to make and allow an immediate and complete repayment or reduction in accordance with this provision in the event of a call for repayment or other action by the Company or Committee to effect its terms with respect to the Participant, the Award and/or any other compensation described in this Agreement.

c. This Award is not considered earned, and the eligibility requirements with respect to this Award is not considered met, until all requirements of the Plan, this Agreement, and any Clawback Policy are met.

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12. Miscellaneous:

a. This Award is made under the provisions of the Plan and shall be interpreted in a manner consistent with it. To the extent that any provision in this Agreement is inconsistent with the Plan, the provisions of the Plan shall control. The interpretation of the Committee (or the Committee's successor) of any provision of the Plan, this Agreement, or the Award, and any determination with respect thereto or hereto by the Committee, shall be binding on all parties. Notwithstanding anything herein to the contrary, this Agreement is intended to be interpreted and operated so that the payment of the benefits set forth herein shall either be exempt from the requirements of Code Section 409A or shall comply with the requirements of such provision; provided, however, that in no event shall the Company be liable to the Participant for or with respect to any taxes, penalties or interest which may be imposed upon the Participant pursuant to Code Section 409A. To the extent that any

Award granted by the Company is subject to Code Section 409A, such Award shall be subject to the terms and conditions that comply with the requirements of Code Section 409A to avoid adverse tax consequences under Code Section 409A.

- b. Nothing contained in this Agreement shall confer, intend to confer or imply any rights to an employment relationship or rights to a continued employment relationship with the Company or any Affiliate in your favor or limit the ability of the Company or an Affiliate, as the case may be, to terminate, with or without Cause, in its sole and absolute discretion, your employment relationship with the Company or such Affiliate, subject to the terms of any written employment agreement to which you are a party.
- c. None of the Plan, this Agreement, or the Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and you or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to the Award, such right shall be no greater than the right of any unsecured creditor of the Company or any Affiliate.
- d. The Company shall not be required to deliver any shares of Common Stock until the requirements of any federal or state securities laws, rules or regulations or other laws or rules (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.
- e. An original record of this Agreement and all the terms hereof, executed by the Company, is held on file by the Company. To the extent there is any conflict between the terms contained in this Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company shall control.
- f. If any provision in this Agreement is determined to be invalid, void or unenforceable by the decision of any court of competent jurisdiction, which determination is not appealed or appealable for any reason whatsoever, the provision in question shall not be deemed to affect or impair the validity or enforceability of any other provision of this Agreement and such invalid or unenforceable provision or portion thereof shall be severed from the remainder of this Agreement.
- g. This Agreement is intended to be consistent with your Employment Agreement or Loyalty Agreement with the Company, if applicable, in effect on the Award Date first written above. To the extent that any provision of this Agreement is inconsistent with the terms of such agreement with the Company in effect as of the Award Date, the provisions of this Agreement shall control with respect to this Award.
- h. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf) or by any other electronic means intended to preserve the original appearance of a document, will have the same effect as physical delivery of a paper document bearing an original signature.
- i. Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions thereof and accepts the PSUs subject to all of the terms and conditions of the Plan and this Agreement. The Participant acknowledges that there

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may be adverse tax consequences upon the vesting of PSUs, settlement of DSUs, or disposition of the underlying Shares and the Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

- j. Notwithstanding anything to the contrary herein, participants residing and/or working outside of the United States shall be subject to the Additional Terms and Conditions for Non-U.S. Participants attached hereto as Addendum A and to any Country-Specific Terms and Conditions attached hereto as Addendum B. If the Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which the Participant is currently residing or working or if the Participant relocates to one of the countries included in the Country-Specific Terms and Conditions after the grant of the Award, the special terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Additional Terms and Conditions for Non-U.S. Participants and the Country-Specific Terms and Conditions constitute part of this Agreement and are incorporated herein by reference.

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In Witness Whereof, this Award has been executed by the Company as of the date first above written.

ADVANCE AUTO PARTS, INC.

By: _____

Kristen Soler

Executive Vice President, Chief Human Resources Officer

Accepted and agreed, including specifically but without limitation as to the treatment of this Award in accordance with the terms of the Plan and this Award notwithstanding any terms of an Employment Agreement / Loyalty Agreement between the Company and the undersigned to the contrary:

By: _____
Electronic Signature Acceptance Date

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Exhibit 1: Performance Vesting Criteria for Performance-Based RSUs

1. Relative Total Shareholder Return: 3 Year Relative Achievement

Achievement	Results	ADVANCE AUTO PARTS, INC. Payout
Threshold	35 th Percentile vs. peers	35% of Target Shares to Vest
Date: November 21, 2023 Target	55 th Percentile vs. peers	/s/ Anthony A. Iskander 100% of Target Shares to Vest
Maximum	80 th Percentile vs. peers	Anthony A. Iskander Interim Chief Financial Officer, Senior Vice President, Finance and Treasurer 200% of Target Shares to Vest

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Exhibit 10.5. Results between specified points will be determined using straight line interpolation

- No payout will be due if 3 year results fall below 35th percentile
- If TSR results are negative for the 3 year period, vesting is capped at 100%
- Shares will require a 1 year post-vesting holding period

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AMENDMENT NO. 3 TO THE
CREDIT AGREEMENT

Dated as of November 20, 2023

AMENDMENT NO. 3 ADDENDUM A TO THE CREDIT AGREEMENT (this "Amendment") among ADVANCE AUTO PARTS, INC., a Delaware corporation (the "Borrower"), ADVANCE STORES COMPANY, INCORPORATED, a Virginia corporation (the "Company"), the LENDERS party hereto, and BANK OF AMERICA, N.A., as Administrative Agent.

PRELIMINARY STATEMENTS:

(1) The Borrower, the Company, the Lenders and the Administrative Agent have entered into a Credit Agreement dated as of November 9, 2021 (as amended by Amendment No. 1 dated as of February 27, 2023 and Amendment No. 2 dated as of August 21, 2023, the "Credit Agreement"). Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Credit Agreement.

ADDITIONAL TERMS AND CONDITIONS FOR NON-U.S. PARTICIPANTS

(2) The Borrower has requested certain amendments to the Credit Agreement, and the parties hereto agree to such amendments as set forth in, and in accordance with the

This Addendum A includes additional terms and conditions of, this Amendment (the Credit that govern the Award granted to the Participant if the Participant works or resides outside the United States.

Capitalized terms used but not defined herein are defined in the Plan or the Agreement as so amended, and have the "Amended Credit Agreement" meanings set forth therein.

SECTION 1. Amendment to Credit Agreement. Vesting As for purposes of the date first above written but subject to the satisfaction of the Agreement and notwithstanding Section 11(b) of the conditions precedent set forth in Section 2 below, the Required Lenders Participant's employment or other association with the Company and the Borrower hereby agree its Affiliates shall be deemed to amend Section 6.09 of the Credit Agreement in full to read as follows:

SECTION 6.09. Consolidated Coverage Ratio. The Borrower will not permit the Consolidated Coverage Ratio to be less than (a) 1.75 to 1.00 for each period of four fiscal quarters ending on October 7, 2023 through and including the period of four fiscal quarters ending on October 5, 2024, (b) 2.0 to 1.00 for each period of four fiscal quarters ending on December 28, 2024 through and including the period of four fiscal quarters ending on October 4, 2025 and (c) 2.25 to 1.00 for each period of four fiscal quarters ending after October 4, 2025.

SECTION 2. Conditions of Effectiveness of Section 1. Section 1 of this Amendment shall become effective, as of the date first above written, terminate on the date on which each the Participant ceases to be actively employed by the Company or any of its Affiliates, which shall not be extended by any notice period, whether mandated or implied under local law during which the following conditions precedent Participant is not actually employed (e.g., garden leave or similar leave) or during or for which the Participant receives pay in lieu of notice or severance pay. The Company shall have been satisfied the sole discretion to determine when the Participant's employment or waived:

(a) The Administrative Agent shall have received counterparts of this Amendment executed by the Borrower, other association with the Company and its Affiliates terminates for purposes of the Required Lenders; and Agreement without reference to any other agreement, written or oral, including the Participant's contract of employment, if applicable.

(b) 2. **No Acquired Right.** The Participant acknowledges and agrees that:

a. The Borrower Plan is established voluntarily by the Company, the grant of awards under the Plan is made at the discretion of the Committee and the Plan may be modified, amended, suspended or terminated by the Company at any time. All decisions with respect to future awards, if any, will be at the sole discretion of the Committee.

- b. The Award (and any similar awards the Company may in the future grant to the Participant, even if such awards are made repeatedly or regularly, and regardless of their amount) and the Shares acquired under the Plan (i) are wholly discretionary and occasional, are not a term or condition of employment and do not form part of a contract of employment, or any other working arrangement, between the Participant and the Company or any Affiliate; (ii) do not create any contractual entitlement to receive future awards or benefits in lieu thereof and are not intended to replace any pension rights or compensation, as applicable; and (iii) do not form part of normal or expected salary or remuneration for purposes of determining pension payments or any other purposes, including without limitation termination indemnities, severance, resignation, payment in lieu of notice, redundancy, end of service payments, bonuses, long-term service awards, pension or retirement benefits, welfare benefits or similar payments, if applicable, except as otherwise required by the applicable law of any governmental entity to whose jurisdiction the award is subject.
- c. The Award and the Shares acquired under the Plan are not intended to replace any pension rights or compensation.
- d. The Participant is voluntarily participating in the Plan.
- e. In the event that the Participant is an employee and the Participant's employer is not the Company, the grant of the Award and any similar awards the Company may grant in the future to the Participant will not be interpreted to form an employment contract or relationship with the Company and, furthermore, the grant of the Award and any similar awards the Company may grant in the future to the Participant will not be interpreted to form an employment contract with the Participant's employer or any Affiliate.
- f. The future value of the underlying Shares is unknown and cannot be predicted with certainty. Neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award or the Shares.
- g. The Participant shall have paid all accrued and invoiced fees and expenses no rights, claim or entitlement to compensation or damages as a result of the Administrative Agent Participant's cessation of employment or other association for any reason whatsoever, whether or not later found to be invalid or in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Participant's ceasing to have rights under the Award as a result of such cessation or loss or diminution in value of the Award or any of the Shares issuable under the Award as a result of such cessation, and the Lenders associated with this Amendment (including an Participant irrevocably releases the Participant's employer, the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If,

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amendment fee equal to 0.03% of notwithstanding the Commitment of each Lender that executes this Amendment and the accrued and invoiced fees and expenses of Shearman & Sterling LLP, counsel to the Administrative Agent.

SECTION 3. Representations and Warranties of the Borrower. The Borrower represents and warrants as of the date hereof as follows:

(a) no Default exists; and

(b) the representations and warranties contained in Article III of the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date (other than foregoing, any such representation and warranty that right or claim is already qualified found by materiality or "Material Adverse Effect" in a court of competent jurisdiction to have arisen, then, by signing the text thereof, in which case such representation and warranty shall be true and correct in all respects), and except that for purposes of this Amendment, Agreement, the representations and warranties contained in subsections (a) and (c) of Section 3.04 of the Credit Agreement Participant shall be deemed to refer have irrevocably waived the Participant's entitlement to pursue such rights or claim.

3. Data Protection (Jurisdictions other than European Union/European Economic Area/United Kingdom).

- a. In order to facilitate the Participant's participation in the Plan and the administration of the Award, it will be necessary for contractual and legal purposes for the Company (or its Affiliates or payroll administrators) to collect, hold and process certain personal information and sensitive personal information about the Participant (including, without limitation, the Participant's name, home address, telephone number, date of birth, nationality, social insurance or other identification number and job title and

details of the Award and other awards granted, cancelled, exercised, vested, unvested or outstanding and Shares held by the Participant). The Participant consents explicitly, willingly, and unambiguously to the most recent statements furnished pursuant to subsections (a) Company (or its Affiliates or payroll administrators) collecting, holding and (b), respectively, of Section 5.01 of processing the Credit Agreement.

SECTION 4. Reference to Participant's personal data and Effect on transferring this data (in electronic or other form) by and among, as applicable, the Loan Documents. (a) On and after Participant's employer, the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

(a) The Credit Agreement and the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(b) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under the Credit Agreement or any other Loan Document, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document.

(c) This Amendment is subject to the provisions of Section 9.02 of the Credit Agreement and shall be deemed to constitute a Loan Document.

SECTION 5. Costs and Expenses. The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Administrative Agent Company and its Affiliates including and other third parties (collectively, the reasonable fees, charges "Data Recipients") insofar as is reasonably necessary to implement, administer and disbursements of counsel manage the Plan and the Award. The Participant authorizes the Data Recipients to receive, possess, use, retain and transfer the data for the Administrative Agent, purposes of implementing, administering and managing the Plan and the Award. The Participant understands that the data may be transferred to a broker or third party as may be selected by the Company in the future which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the Data Recipients may be located in the United States or elsewhere, and that the recipient's country may have a lower standard of data privacy laws and protections than the Participant's country.

b. The Data Recipients will treat the Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Plan and the Award and will take reasonable measures to keep the Participant's personal data private, confidential, accurate and current. The Participant understands that the data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan.

c. The Participant understands that the Participant may, at any time, make a request to view the Participant's personal data, require any necessary corrections to it or withdraw the consents herein in writing by contacting the Company and that these rights are subject to legal restrictions but acknowledges that without the use of such data it may not be practicable for the Company to administer the Participant's involvement in the Plan in a timely fashion or at all and this may be detrimental to the Participant and may result in the possible exclusion of the Participant from continued participation with respect to the Award or any future awards under the Plan.

4. Foreign Asset/Account Reporting Requirements; Exchange Controls. Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the PSUs, the acquisition, holding and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the preparation Plan. The Participant may be required to report such assets, accounts, account balances and administration values, and/or related transactions to the applicable authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of this Amendment his or her participation in accordance with the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that the Participant is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that the terms of Participant should consult the Participant's personal tax and legal advisors, as applicable, on these matters.

5. Withholding; Responsibility for Taxes. This provision supplements Section 9.03 11 of the Credit Agreement.

SECTION 6. The Participant authorizes the Company and/or the Affiliate employing or retaining the Participant, or their respective agents, at their discretion, to satisfy the obligations with respect to all Applicable Taxes by withholding from any wages or other cash compensation paid to the Participant by the Company and/or Affiliate. The Participant acknowledges that regardless of any action the Company (or any Affiliate employing or retaining the Participant) takes with respect to any or all Applicable Taxes, the ultimate liability for all Applicable Taxes legally due by the Participant is and remains the Participant's responsibility and that the Company (and its Affiliates) (i) make no representations or undertakings regarding the treatment of any Applicable Taxes in Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each connection with any aspect of which shall constitute an original, but all the Award, including the grant, vesting or settlement of which when taken together shall constitute a single contract. the PSUs, and the subsequent sale of any Shares acquired at settlement;

SECTION 7. Governing Law. This Amendment shall be construed in accordance with and governed by (ii) do not commit to structure the law terms of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as grant or any aspect of the day Award to reduce or eliminate the Participant's liability for Applicable Taxes. Further, if the Participant is subject to taxation in more than one jurisdiction between the Award Date and year first above written.

ADVANCE AUTO PARTS, INC.,

by

/s/ Anthony A. Iskander

Name: Anthony A. Iskander

Title: Interim Chief Financial Officer,

Senior Vice President,

Finance and Treasurer

ADVANCE STORES COMPANY,
INCORPORATED,

by

/s/ Anthony A. Iskander

Name: Anthony A. Iskander

Title: Interim Chief Financial Officer,

Senior Vice President,

Finance and Treasurer

BANK OF AMERICA, N.A., as Administrative
Agent,

by

/s/ Angela Berry

Name: Angela Berry

Title: Assistant Vice President

the date of any relevant taxable or tax withholding

event, as applicable, the Participant acknowledges that the Company and/or the Participant's employer (or former employer, as applicable) may be required to withhold or account for Applicable Taxes (if any) in more than one

jurisdiction.

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ADDENDUM B TO THE AGREEMENT

COUNTRY-SPECIFIC TERMS AND CONDITIONS

These Country-Specific Terms and Conditions include additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides or works in one of the countries listed below. Capitalized terms used but not defined in these Country-Specific Terms and Conditions are defined in the Plan or the Agreement and have the meanings set forth therein.

Canada

Award Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of the Award does not provide Participant any right to receive a cash payment and the Award may be settled only in Shares. For greater certainty, notwithstanding Section 6 of the Agreement, the Participant shall not be entitled to, or credited with, a Dividend Equivalent paid or payable in cash.

Termination. Notwithstanding anything else in the Plan or the Agreement (including Addendum A), for purposes of the Agreement, the Participant's employment or other association with the Company and its Affiliates shall be deemed to end on the date on which the Participant ceases to be actively employed by the Company and its Affiliates, which term "actively employed" shall include any minimum period for which the Participant is deemed to be actively employed for purposes of applicable employment standards legislation, and shall exclude any other period of non-working notice of termination or any notice period, whether mandated or implied under local law during which the Participant is not actually employed (e.g., garden leave or similar leave) or during or for which the Participant receives pay in lieu of notice or severance pay. The Company shall have the sole discretion to determine when the Participant is no longer actively employed for purposes of the Agreement without reference to any other agreement, written or oral, including the Participant's contract of employment, if applicable.

Non-Competition for Non-Executive Ontario Employees. For any Participant's whose employment by the Company and its Affiliates is governed by Ontario law, save and except any Participant who is an executive (as defined in section 67.2(5) of the *Ontario Employment Standards Act, 2000*), the "Restricted Period" is the period of time in which the Participant is an employee of the Employer.

Non-Solicitation. Section 9(b) of the Agreement is replaced as follows:

Participant further agrees and covenants that during the Restricted Period, Participant shall not, without the prior written consent of the Company, directly or indirectly (a) solicit, recruit or attempt to persuade any person to terminate such person's employment, service, or other association with the Company or any Affiliate, whether or not such person is a full-time employee or service provider and whether or not such employment, service, or other association is pursuant to a written agreement or is at-will, or (b) solicit, contact or attempt to persuade any current or prospective customer of the Company or any Affiliate, as of or during the one (1) year period prior to Participant's termination of employment or other association and with whom the Participant had contact with on behalf of the Company or any Affiliate or had Confidential Information in respect of, to alter such customer's or prospective customer's relationship with the Company or any Affiliate.

Definition of "Due Cause" for Ontario Employees. For any Participant whose employment with the Company and its Affiliates is governed by Ontario law, "Due Cause" shall, notwithstanding anything else in the Plan or the Participant's Loyalty Agreement or Employment Agreement, mean conduct that constitutes willful misconduct, disobedience or willful neglect of duty that is not trivial and has not been condoned by the Participant's employer.

Definition of "Due Cause" for Québec Employees. Notwithstanding anything else in the Plan or the Agreement or the Participant's Loyalty Agreement or Employment Agreement, for the purposes of this Agreement, for any Participant whose employment with the Company and its Affiliates is governed by Québec laws, "Due Cause" shall include, without limitation: (i) any dishonest act such as theft, fraud, embezzlement or misappropriation of funds in connection with the Company and its Affiliates or its directors, shareholders, clients, suppliers, sub-contractors, consultants or employees or any attempt to commit such a dishonest act; (ii) any breach of the Participant's duty of loyalty, any conflict of interest or behavior that adversely affects the legitimate interests of the Company and its Affiliates; (iii) non-compliance with the requirements or legitimate expectations of the Company and its Affiliates, including as a result of voluntary or involuntary underperformance or incompetence; (iv) a breach of the conditions of this Agreement; (v) the refusal to follow the reasonable guidelines or instructions of the Company and its Affiliates; (vi) a material breach of DB1/ 138221727.3

SIGNATURE PAGE any policy, rule or procedure of the Company and its Affiliates; (vii) any other serious reason within the meaning of Article 2094 of the Civil code of Québec.

Consent to amend the Credit Agreement as provided **Definition of "Disability".** Notwithstanding anything else in the forgoing **Amendment**: Plan or the Agreement, for purposes of the Agreement, "Disability" shall mean, subject to compliance with applicable human rights legislation, having become disabled within the meaning of Section 22 (e)(3) of the Code or, if applicable, as defined in your Employment Agreement or Loyalty Agreement with the Company in effect as of the Award Date.

Name **No Acquired Right.** Section 2(g) of **Lender: BANK OF AMERICA, N.A.**

by /s/ Robert D. Davis III

Name: Robert D. Davis III

Title: Vice President

[Signature Page to Advance Auto Parts Amendment No. 3] Addendum A is replaced as follows:

The Participant shall have no rights, claim or entitlement to compensation or damages as a result of the Participant's cessation of employment or other association for any reason whatsoever, whether or not later found to be invalid or in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Participant's ceasing to have rights under the Award as a result of such cessation or loss or diminution in value of the Award or any of the Shares issuable under the Award as a result of such cessation, and, subject to applicable employment standards legislation, the Participant irrevocably releases the Participant's employer, the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing the Agreement, the Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue such rights or claim.

Securities Law Information. For the purposes of compliance with National Instrument 45-106 Prospectus Exemptions (and in Québec, Regulation 45-106 respecting Prospectus exemptions, collectively, "45-106"), the prospectus requirement does not apply to a distribution by an issuer in a security of its own issue with an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, provided participation in the distribution is voluntary. Shares acquired under the Plan are subject to certain restrictions on resale imposed by Canadian provincial and territorial securities laws, as applicable. Notwithstanding any other provision of the Plan to the contrary, any transfer or resale of any shares acquired by the Participant pursuant to the Plan must be in accordance with the resale rules under applicable Canadian provincial and territorial securities laws, including (a) Ontario Securities Commission Rule 72-503 *Distributions Outside Canada* ("72-503"), if the Participant is a resident of the Province of Ontario; (b) National Instrument 45-102 *Resale of Securities* (and in Québec, Regulation 45-102 respecting Resale of securities, collectively "45-102"), if the Participant is a resident in the Provinces of British Columbia, New Brunswick, Nova Scotia, Québec, Prince Edward Island and Newfoundland; and (c) Alberta Securities Commission Rule 72-501 *Distributions to Purchasers Outside Alberta* ("72-501"), if the Participant is a resident of the Province of Alberta. In Ontario, the prospectus requirement does not apply to the first trade of shares issued in connection with the purchase rights, provided the conditions set forth in section 2.8 of 72-503 are satisfied. In British Columbia, New Brunswick, Nova Scotia, Québec, Prince Edward Island and Newfoundland, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the conditions set forth in section 2.14 of 45-102 are satisfied. In Alberta, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the conditions set forth in Section 10 of 72-501 are satisfied. In Manitoba, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the trade is not a "control distribution" as defined in section 1.1 of 45-102. The Shares acquired under the Plan may not be transferred or sold in Canada or to a Canadian resident other than in accordance with applicable provincial or territorial securities laws. The Participant is advised to consult his or her legal advisor prior to any resale of Shares.

Data Protection. Section 3 of Addendum A is replaced with paragraphs (a)-(c) below.

- a. In order to facilitate the Participant's participation in the Plan and the administration of the Award, it will be necessary for contractual and legal purposes for the Company (or its Affiliates or payroll administrators) to collect, hold and process certain personal data and sensitive personal information about the Participant (including, without limitation, the Participant's name, home address, telephone number, date of birth, nationality, social insurance or other identification number and job title and details of the Award and other awards granted, cancelled, exercised, vested, unvested or outstanding and Shares held by the Participant). The Participant consents explicitly, willingly, and unambiguously to the Company (or its Affiliates or payroll administrators) collecting, holding and processing the Participant's personal data and transferring this data (in electronic or other form, to the extent necessary) by and among, as applicable, the Participant's employer, the Company and its Affiliates and any third party service provider assisting in the implementation, administration and management of the Plan, including legal, finance and accounting, stock plan administrators, information technology and human resources or similar consultants and advisors ("Third Party

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SIGNATURE PAGE Service Providers") (collectively, the "Data Recipients") insofar as is reasonably necessary to implement, administer and manage the Plan and the Award. The Participant authorizes the Data Recipients to receive, possess, use, retain and transfer the data for the purposes of implementing, administering and managing the Plan and the Award. The Participant understands that the data may be transferred to a broker or Third Party Service Provider as may be selected by the Company in the future which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the Data Recipients may be located in the United States or elsewhere, and that the recipient's country may have a lower standard of data privacy laws and protections than the Participant's country. In connection therewith, it is possible that personal data may be disclosed to governments, courts or law enforcement or regulatory agencies in that other country in accordance with the laws of that country.

Consentb. The Data Recipients will treat the Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Plan and the Award and will take reasonable measures to amend keep the Credit Participant's personal data private, confidential, accurate and current. The Participant understands that the data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. Internal access to data is strictly limited to those employees who have a need to know such data in the performance of their duties.

c. Subject to limitations under applicable law, the Participant understands that the Participant may, at any time, make a request to view the Participant's personal data, require any necessary corrections to it or withdraw the consents herein in writing by contacting the Company and that these rights are subject to legal restrictions but acknowledges that without the use of such data it may not be practicable for the Company to administer the Participant's involvement in the Plan in a timely fashion or at all and this may be detrimental to the Participant and may result in the possible exclusion of the Participant from continued participation with respect to the Award or any future awards under the Plan.

Additional Provisions Applicable to Participants Resident in Quebec.

Language Consent. The parties acknowledge that it is their express wish that this Agreement, as provided well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention.

Data Protection. The following provision supplements the Data Privacy section above in this Addendum B:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information, including Data, from all personnel, professional or not, involved in the forgoing Amendment: administration and operation of the Plan. The Participant further authorizes the Company and its Subsidiaries and the Committee, to disclose and discuss the Plan with their advisors, which may involve the disclosure of Data, to the extent necessary for the administration and operation of the Plan. The Participant further authorizes the Company and any Subsidiary to record such information and to keep such information in the Participant's employee file.

Name India

Exchange Control Notification

Proceeds from the sale of Lender: JPMORGAN CHASE BANK, N.A. Shares must be remitted to India during a designated period in accordance with applicable exchange control and other requirements. The Participant should consult the Participant's advisor with respect to such requirements.

Taiwan

Securities Law Information

The Shares are not and will not be registered in Taiwan and therefore the Shares may not be offered to the public in Taiwan. Nothing in this document should be construed as the making of a public offer of securities in Taiwan.

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Exhibit 10.4

Advance Auto Parts, Inc.

2024 Time-Based Restricted Stock Unit Award Agreement

This certifies that Advance Auto Parts, Inc. (the "Company") has granted to <Participant Name> (the "Participant") this award of Restricted Stock Units (this "Award") and the Participant acknowledges and agrees that this Award and the opportunity to vest in the Restricted Stock Units ("RSUs") is sufficient consideration for the restrictive covenants set forth in this Time-Based Restricted Stock Unit Award Agreement (this "Agreement"). This Award represents the right to receive a like number of shares ("Shares") of Advance Auto Parts, Inc. Common Stock, \$0.0001 par value per share (the "Common Stock"), as indicated in the terms outlined below, subject to certain restrictions and on the terms and conditions contained in this Agreement and the Advance Auto Parts, Inc. 2023 Omnibus Incentive Compensation Plan (the "Plan"). In the event of any conflict between the terms of the Plan and this Agreement, the terms of the Plan shall govern. Any terms not defined herein shall have the meaning set forth in the Plan.

1. Grant of RSUs: The following Award has hereby been granted to the Participant:

Award Date	Number of RSUs Granted
by Award Date	/s/ Eduardo Lopez Peiro

Name: Eduardo Lopez Peiro

Title: Vice President Number of
RSUs Granted

[Signature Page] Vesting Schedule: Subject to Advance Auto Parts Amendment No. 3] the remaining provisions of this Award, the time-based RSUs shall vest in approximately equal one-third installments on each of the first three anniversaries of the Award Date, commencing on the first anniversary of the Award Date and becoming fully vested on the third anniversary of the Award Date if the Participant remains continuously employed by the Company until each respective vesting date.

Vesting Date / # of shares vested

3. Termination of Service: If, prior to vesting of the time-based RSUs pursuant to this Agreement, the Participant's employment or other association with the Company and its Affiliates ends for any reason, the Participant's rights to unvested time-based RSUs shall be immediately and automatically forfeited and unvested shares canceled and neither the Company nor any Affiliate shall have any further obligations to the Participant under this Agreement. The foregoing notwithstanding, the following exceptions to the forfeiture of unvested RSUs apply:

- a. Disability: If termination of employment or other association is on account of Participant's Disability, then any unvested time-based RSUs will vest immediately as of the date of Participant's termination on account of Disability. For the purposes of this Agreement, Disability is defined as the Participant having become disabled within the meaning of Section 22 (e)(3) of the Code or, if applicable, as defined in your Employment Agreement or Loyalty Agreement with the Company in effect as of the Award Date.
- b. Death: If termination of employment or other association is on the account of the Participant's death, then any unvested time-based RSUs will vest immediately as of the date of Participant's death.

4. Change of Control: Upon a Change of Control, any then remaining unvested time-based RSUs granted pursuant to this Award will vest immediately upon:

- a. the Change of Control date in the event that the Company's successor or its affiliate does not assume, convert, or replace the Award; or
- b. the termination of the Participant's employment or other association with the Company or its successor in the event the Award continues or the Company's successor assumes, converts or replaces the Award and Participant's employment or other association with the Company or its successor is terminated without Cause (as defined in the applicable Employment Agreement or Loyalty Agreement), as determined by the Committee or its applicable successor, within 24 months following the Change of Control date.

5. Non-Transferability of RSUs: Until Shares are issued with respect to the RSUs that vest pursuant to this Agreement, the RSUs may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed

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SIGNATURE PAGE of or encumbered, and no attempt to transfer unvested RSUs, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the Shares. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber unvested RSUs or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the unvested RSUs shall be forfeited by the transferee and all of the transferee's rights to such RSUs shall immediately terminate without any payment or consideration by the Company. The Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to receive any property distributable with respect to RSUs upon the Participant's death.

Consent 6. No Rights as a Stockholder; Dividend Equivalents: The Participant shall have no rights of a stockholder with respect to ~~amend~~ Shares of Common Stock underlying the ~~Credit~~ RSUs unless and until the date on which the Shares of Common Stock are issued in accordance with Section 7 of this Agreement. Solely with

respect to RSUs that vest, you will be entitled to receive Dividend Equivalents to the extent that dividends are declared and paid on the Common Stock of the Company during the period from the Award Date until the RSUs vest. An amount equal to the Dividend Equivalents with respect to Participant's vested time-based RSUs will be paid in cash when Shares of Common Stock are issued in accordance with Section 7 of this Agreement, and in no case later than the end of the calendar year in which the time-based RSUs become vested or, if later the 15th day of the third month following such vesting date. Any such Dividend Equivalents shall be paid, if at all, without interest or other earnings. Except as may be provided under Section 5 of the Plan, the Company will make no adjustment for dividends (ordinary or extraordinary and whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the Vesting Date of a time-based RSU.

7. **Issuing Shares:** Upon any of the time-based RSUs vesting pursuant to this Agreement and payment of the Applicable Taxes pursuant to Section 11 below, the Company shall cause the Shares of Common Stock to be promptly issued in book-entry form, registered in the Participant's name, no later than March 15 of the calendar year following the calendar year in which such vesting occurs. For the avoidance of doubt, to the extent Participant does not vest in any RSUs, all interest in such RSUs shall be forfeited and the Participant shall have no right or interest in such forfeited RSUs.

8. **Notices:** Except as otherwise provided herein, all notices, requests, demands and other communications under this Award shall be in writing, and if by telecopy, shall be deemed to have been validly served, given or delivered when sent, or if by personal delivery or messenger or courier service, shall be deemed to have been validly served, given or delivered upon actual delivery (but in no event may notice be given by deposit in the United States mail), at the following addresses, telephone and facsimile numbers (or such other address(es), telephone and facsimile numbers a party may designate for itself by like notice):

- a. If to the Company: Advance Auto Parts, Inc. located at 5008 Airport Road, Roanoke, Virginia, 24012, Attention: General Counsel or by telephone at (540) 561-1173 or telecopy at (540) 561-1448; and
- b. If to you, the Participant, to your home address on record at Advance Auto Parts or your business address at Advance Auto Parts.

9. **Restrictive Covenants.** Except as may be prohibited by law, all Participants agree as follows:

- a. **Non-Competition.** Participant acknowledges and agrees that the Company is engaged in a highly competitive business, and that by virtue of Participant's position and responsibilities as an employee or consultant of the Company and Participant's access to Confidential Information, engaging in a business that is directly competitive with the Company will cause it great and irreparable harm. Accordingly, Participant agrees and covenants that during the Restricted Period, Participant shall not, on his/her own behalf or on another's behalf, (a) accept employment by or provide services for Amazon Auto, AutoZone Inc., O'Reilly Automotive, Inc., Genuine Parts Company, NAPA Auto Parts, Fisher Auto Parts or Parts Depot, Inc. and/or any aftermarket automotive parts distributor owned or operated by Icahn Automotive Group, LLC (including, but not limited to, Pep Boys and Auto Plus) (any of the foregoing, a "Restricted Company") in any capacity, role or position with substantially the same or similar duties as Participant performed during Participant's employment, service, or association with the Company; (b) provide services, including consulting or contractor services, for or on behalf of a Restricted Company which are the same or substantially similar as the duties Participant performed during Participant's last two (2) years of employment, service, or association with the Company; or (c) otherwise provide services, including consulting or contractor services, which are the same as, substantially similar to, or an adequate substitute for the duties Participant performed during Participant's employment with the Company or which would involve services or prospective services provided by or researched by the Company about which Participant acquired Confidential Information, which would be directly competitive with the Company.

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Participant understands that the business of the Company and Participant's responsibilities on behalf of the Company have been nationwide and companywide in scope. Accordingly, Participant agrees that this restriction will apply in those areas within the United States, including the United States' territories and possessions (including, but not limited to, Puerto Rico and the U.S. Virgin Islands), as well as Canada, including its provinces, territories and possessions, within which the Participant was assigned or with respect to which Participant had responsibility during the last two (2) years of Participant's employment with the Company.

- b. **Non-Interference.** Participant further agrees and covenants that during the Restricted Period, Participant shall not, without the prior written consent of the Company, directly or through others, either on behalf of Participant or any other person or entity, interfere with the Company.

For purposes of this Agreement, "Interfere" shall mean (a) to solicit, entice, persuade, induce, influence or attempt to influence, directly or through others, suppliers or prospective suppliers, employees, agents or independent contractors of the Company to restrict, reduce, sever or otherwise alter their relationship with the Company for purposes that are competitive with the Company; or (b) to hire on the Participant's own behalf or on behalf of any other person or entity, directly or through others, any current or former employee or independent contractor of the Company. For purposes of this Agreement, this provision shall only apply to those suppliers or prospective suppliers, employees, agents or independent contractors of the Company with whom Participant had material contact during the last two (2) years of Participant's employment with the Company or about whom Participant had access to Confidential Information during the last two (2) years of Participant's employment with the Company.

For purposes of this Agreement, "Interfere" shall also mean (a) to solicit, entice, persuade, induce, influence or attempt to influence, directly or through others, customers or prospective customers of the Company to restrict, reduce, sever or otherwise alter their relationship with the Company for purposes that are competitive with the Company; or (b) whether as a direct solicitor or provider of such services, or in a management or supervisory capacity over others who solicit or provide such services, to solicit or provide services that fall within the definition of Restricted Activities as defined below to any customer of the Company. For purposes of this Agreement, this provision shall apply only to those customers or prospective customers with whom Participant had material contact during the last two (2) years of Participant's employment with the Company or about whom Participant had access to Confidential Information during the last two (2) years of Participant's employment with the Company.

For purposes of this Agreement, "Restricted Activities" shall mean (1) the retail, commercial and/or wholesale sale, rental, and/or distribution of parts, accessories, supplies, equipment and/or maintenance items for automobiles, light and heavy duty trucks (both commercial and noncommercial), off-road equipment, buses, recreational vehicles, and/or agricultural equipment, and/or (2) the provision of any automotive-related service (including, but not limited to, shop management, inventory control, and/or vehicle repair software or marketing) to auto repair shops, garages, and/or specialty-service providers (e.g. any business that specializes in automotive oil changes, tires, mufflers, brakes, transmission, and/or body work).

c. **Remedies.** Participant agrees that any breach by Participant of the covenants contained in this Section 9 will result in irreparable injury to Company, for which money damages could not adequately compensate the Company. Therefore, the Company shall have the right (in addition to any other rights and remedies which it may have at law or in equity) to seek to enforce this Section 9 and any of its provisions by injunction, specific performance, or other equitable relief, without bond and without prejudice to any other rights and remedies that the Company may have for a breach, or threatened breach, of the covenants set forth in this Section 9. Participant agrees that in any action in which the Company seeks injunction, specific performance, or other equitable relief, Participant will not assert or contend that any of the provisions of this Section 9 are unreasonable or otherwise unenforceable.

In addition, if Participant breaches any of the covenants in this Section 9, Participant shall return to the Company any Shares of Common Stock received by Participant or Participant's personal representative that vested on or after any such violation and pay to the Company in cash the amount of any proceeds received by Participant or Participant's personal representative from the disposition or transfer of any such stock, and Participant's unvested RSUs shall be immediately and irrevocably forfeited.

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d. **Definitions.** For purposes of this Section 9, the following terms are defined as follows:

- i. "Confidential Information" means any proprietary information prepared or maintained in any format, including personnel information or data of the Company, technical data, trade secrets or know-how in which the Company or its Affiliates or related entities have an interest, including, but not limited to, business records, contracts, research, product or service plans, products, services, customer lists and customers (including, but not limited to, vendors to the Company or its Affiliates and related entities on whom Participant called, with whom Participant dealt or with whom Participant became acquainted during the term of Participant's employment, service, or other association with the Company), pricing data, costs, markets, expansion plans, summaries, marketing and other business strategies, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration or marketing, financial or other business information obtained by Participant or disclosed to Participant by the Company or its Affiliates or related entities or any other person or entity during the term of Participant's employment, service, or other association with the Company or its Affiliates, either directly or through others, electronically, in writing, orally, by drawings, by observation of services, systems or other aspects of the business of the Company or its Affiliates or related entities or otherwise. Confidential Information does not include information that: (A) was available to the public prior to the time of disclosure; or (B) becomes available to the public through no act or omission of Participant. Participant acknowledges that the Confidential Information has been developed by the Company at significant expense and effort.
- ii. For purpose of this Section 9, the definition of "Company" shall be limited to (a) Advance Stores Company, Incorporated and its subsidiaries; and (b) those related/affiliated companies: (i) for which Participant performed services during the last two (2) years of Participant's employment with the

Company; (ii) on behalf of which Participant had significant business-related contact or dealings during the last two (2) years of Participant's employment with the Company, (iii) about which Participant had access to Confidential Information or Trade Secrets during the last two (2) years of Participant's employment with the Company.

iii. "Restricted Period" shall mean the period of Participant's employment, service, or other association with the Company and one (1) year period following termination thereof; provided, however, that the Restricted Period shall be tolled and shall not expire during any period in which Participant is in violation of this Section 9, and therefore the Restricted Period shall be extended for a period equal to the duration of Participant's violation hereof so that the Company receives the Non-Competition and Non-Interference period to which Participant agreed herein.

10. Confidentiality: The Participant agrees not to disclose the terms of this Agreement to anyone other than the members of the Participant's immediate family, Participant's legal counsel, Participant's accountant(s) and/or tax advisor(s) and/or Participant's financial advisor(s), or as otherwise provided in Section 9 of this Agreement. Should the details of this Agreement be shared with the aforementioned, it shall be on a confidential basis.

11. Tax Matters:

- a. The Company makes no representation or warranty as to the tax treatment of your receipt or vesting of the time-based RSUs or upon your sale or other disposition of the Shares received upon vesting of your time-based RSUs. You should rely on your own tax advisors for such advice. In order to comply with all applicable tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable income taxes, employment taxes, social insurance, social security, national insurance contribution, payroll taxes, contributions, levies, payment on account obligations or other amounts required to be collected, withheld or accounted for with respect to this Award (the "Applicable Taxes"), which are your sole and absolute responsibility, are withheld or collected from you at the time of vesting. The Company will inform you of alternative methods to settle any Applicable Taxes due prior to the first vesting date of your Award.
- b. For the purposes of determining when Shares otherwise issuable on account of your termination of employment or other association with Company will be issued, "termination of employment" or words of similar import, as used in this Agreement, shall mean the date as of which the Company and you reasonably anticipate that no further services will be performed by you, and shall be construed as the date that you first incur a "separation from service" for purposes of Code Section 409A on or following termination of employment or other association with the Company.

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Furthermore, if you are a "specified employee" of a public company as determined pursuant to Code Section 409A as of your separation from service with the Company, any Shares otherwise issuable on account of your separation from service which constitute deferred compensation within the meaning of Code Section 409A and which are otherwise payable during the first six months following your separation from service shall be issued to you on the earlier of (1) the date of your death and (2) the first business day of the seventh calendar month immediately following the month in which your separation from service occurs, to the extent such delay would be required to comply with Code Section 409A.

12. Clawback: The Participant acknowledges and agrees that this Award is subject to any applicable Clawback Policy.

- a. To the extent permitted by applicable law, including without limitation Code Section 409A, this Award is subject to offset in the event that the Participant has an outstanding clawback, recoupment or forfeiture obligation to the Company under the terms of an applicable Clawback Policy. In the event of a clawback, recoupment or forfeiture event under an applicable Clawback Policy, the amount required to be clawed back, recouped or forfeited pursuant to such policy, shall be deemed not to have been earned under the terms of the Plan, and the Company is entitled to recover from the Participant the amount specified under the Clawback Policy to be clawed back, recouped, or forfeited (which amount, as applicable, shall be deemed an advance that remained subject to the Participant satisfying all eligibility conditions for earning this Award).
- b. If the Board of Directors or the Committee, as applicable, determines that clawback is required or appropriate under an applicable Clawback Policy, in addition to the recoupment methods available under the terms of an applicable Clawback Policy, to the extent permitted by applicable law, the Company shall, as determined by the Committee in its sole discretion, take any of the following actions: (i) seek repayment from the Participant of any amounts or awards distributed under the Plan for so long as such amount or awards are subject to the terms of such Clawback Policy; (ii) reduce (subject to applicable law and the terms and conditions of the Plan or any other applicable plan, program, policy or arrangement) the amount that would otherwise be awarded or payable to the Participant under the Award, the Plan or any other compensatory plan, program, or arrangement maintained by the Company; (iii) withhold

payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices; or (iv) by any combination of the foregoing. Any determination regarding the Participant's conduct, and repayment or reduction under this provision, shall be within the sole discretion of the Committee and shall be final and binding on the Participant and the Company. The Participant, in consideration of the grant of the Award, and by the Participant's execution of this Agreement, acknowledges the Participant's understanding of this provision and hereby agrees to make and allow an immediate and complete repayment or reduction in accordance with this provision in the event of a call for repayment or other action by the Company or Committee to effect its terms with respect to the Participant, the Award and/or any other compensation described in this Agreement.

- c. This Award is not considered earned, and the eligibility requirements with respect to this Award is not considered met, until all requirements of the Plan, this Agreement, and any Clawback Policy are met.

13. Miscellaneous:

- a. This Award is made under the provisions of the Plan and shall be interpreted in a manner consistent with it. To the extent that any provision in this Agreement is inconsistent with the Plan, the provisions of the Plan shall control. The interpretation of the Committee (or the Committee's successor) of any provision of the Plan, this Agreement, or the Award, and any determination with respect thereto or hereto by the Committee, shall be binding on all parties. Notwithstanding anything herein to the contrary, this Agreement is intended to be interpreted and operated so that the payment of the benefits set forth herein shall either be exempt from the requirements of Code Section 409A or shall comply with the requirements of such provision; provided, however, that in no event shall the Company be liable to the Participant for or with respect to any taxes, penalties or interest which may be imposed upon the Participant pursuant to Code Section 409A. To the extent that any Award granted by the Company is subject to Code Section 409A, such Award shall be subject to the terms and conditions that comply with the requirements of Code Section 409A to avoid adverse tax consequences under Code Section 409A.

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- b. Nothing contained in this Agreement shall confer, intend to confer or imply any rights to an employment relationship or rights to a continued employment relationship with the Company or any Affiliate in your favor or limit the ability of the Company or an Affiliate, as the case may be, to terminate, with or without Cause, in its sole and absolute discretion, your employment relationship with the Company or such Affiliate, subject to the terms of any written Employment Agreement or Loyalty Agreement to which you are a party.
- c. None of the Plan, this Agreement, or the Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and you or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to the Award, such right shall be no greater than the right of any unsecured creditor of the Company or any Affiliate.
- d. The Company shall not be required to deliver any shares of Common Stock until the requirements of any federal or state securities laws, rules or regulations or other laws or rules (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.
- e. An original record of this Agreement and all the terms hereof, executed by the Company, is held on file by the Company. To the extent there is any conflict between the terms contained in this Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company shall control.
- f. If any provision in this Agreement is determined to be invalid, void or unenforceable by the decision of any court of competent jurisdiction, which determination is not appealed or appealable for any reason whatsoever, the provision in question shall not be deemed to affect or impair the validity or enforceability of any other provision of this Agreement and such invalid or unenforceable provision or portion thereof shall be severed from the remainder of this Agreement.
- g. This Award is intended to be consistent with your Employment Agreement or Loyalty Agreement with the Company, if applicable, in effect as of the Award Date first specified above. To the extent that any provision of this Agreement is inconsistent with the terms of such other agreement between you and the Company in effect as of the Award Date, the provisions of this Agreement shall control with respect to the Award.

h. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf) or by any other electronic means intended to preserve the original appearance of a document, will have the same effect as physical delivery of a paper document bearing an original signature.

i. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions thereof, and accepts the RSUs subject to all of the terms and conditions of the Plan and this Agreement. The Participant acknowledges that there may be adverse tax consequences upon the vesting and settlement of RSUs or disposition of the underlying Shares and the Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

j. Notwithstanding anything to the contrary herein, participants residing and/or working outside of the United States shall be subject to the Additional Terms and Conditions for Non-U.S. Participants attached hereto as Addendum A and to any Country-Specific Terms and Conditions attached hereto as Addendum B. If the Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which the Participant is currently residing or working or if the Participant relocates to one of the countries included in the Country-Specific Terms and Conditions after the grant of the Award, the special terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Additional Terms and Conditions for Non-U.S. Participants and the Country-Specific Terms and Conditions constitute part of this Agreement and are incorporated herein by reference.

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In Witness Whereof, this Award has been executed by the Company as of the date first above written.

ADVANCE AUTO PARTS, INC.

By: _____
Kristen Soler
Executive Vice President, Chief Human Resources Officer

Accepted and agreed, including specifically but without limitation as to the treatment of this Award in accordance with the terms of the Plan and this Award notwithstanding any terms of an Employment/ Loyalty Agreement between the Company and the undersigned to the contrary.

By:
Electronic Signature Acceptance Date

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ADDENDUM A TO THE AGREEMENT

ADDITIONAL TERMS AND CONDITIONS FOR NON-U.S. PARTICIPANTS

This Addendum A includes additional terms and conditions that govern the Award granted to the Participant if the Participant works or resides outside the United States.

Capitalized terms used but not defined herein are defined in the Plan or the Agreement and have the meanings set forth therein.

1. **Vesting.** For purposes of the Agreement and notwithstanding Section 11(b) of the Agreement, the Participant's employment or other association with the Company and its Affiliates shall be deemed to terminate on the date on which the Participant ceases to be actively employed by the Company or any of its Affiliates, which shall not be extended by any notice period, whether mandated or implied under local law during which the Participant is not actually employed (e.g., garden leave or similar leave) or during or for which the Participant receives pay in lieu of notice or severance pay. The Company shall have the sole discretion to determine when the Participant's employment or other association with the Company and its Affiliates terminates for purposes of the Agreement without reference to any other agreement, written or oral, including the Participant's contract of employment, if applicable.
2. **No Acquired Right.** The Participant acknowledges and agrees that:
 - a. The Plan is established voluntarily by the Company, the grant of awards under the Plan is made at the discretion of the Committee and the Plan may be modified, amended, suspended or terminated by the Company at any time. All decisions with respect to future awards, if any, will be at the sole discretion of the Committee.
 - b. The Award (and any similar awards the Company may in the future grant to the Participant, even if such awards are made repeatedly or regularly, and regardless of their amount) and the Shares acquired under the Plan (i) are wholly discretionary and occasional, are not a term or condition of employment and do not form part of a contract of employment, or any other working arrangement, between the Participant and the Company or any Affiliate; (ii) do not create any contractual entitlement to receive future awards or benefits in lieu thereof and are not intended to replace any pension rights or compensation, as applicable; and (iii) do not form part of normal or expected salary or remuneration for purposes of determining pension payments or any other purposes, including without limitation termination indemnities, severance, resignation, payment in lieu of notice, redundancy, end of service payments, bonuses, long-term service awards, pension or retirement benefits, welfare benefits or similar payments, if applicable, except as otherwise required by the applicable law of any governmental entity to whose jurisdiction the award is subject.
 - c. The Award and the Shares acquired under the Plan are not intended to replace any pension rights or compensation.
 - d. The Participant is voluntarily participating in the Plan.
 - e. In the event that the Participant is an employee and the Participant's employer is not the Company, the grant of the Award and any similar awards the Company may grant in the future to the Participant will not be interpreted to form an employment contract or relationship with the Company and, furthermore, the grant of the Award and any similar awards the Company may grant in the future to the Participant will not be interpreted to form an employment contract with the Participant's employer or any Affiliate.
 - f. The future value of the underlying Shares is unknown and cannot be predicted with certainty. Neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award or the Shares.
 - g. The Participant shall have no rights, claim or entitlement to compensation or damages as a result of the Participant's cessation of employment or other association for any reason whatsoever, whether or not later found to be invalid or in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Participant's ceasing to have rights under the Award as a result of such cessation or loss or diminution in value of the Award or any of the Shares issuable under the Award as a result of such cessation, and the Participant irrevocably releases the Participant's employer, the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing the Agreement, the Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue such rights or claim.

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3. Data Protection (Jurisdictions other than European Union/European Economic Area/United Kingdom).

- a. In order to facilitate the Participant's participation in the Plan and the administration of the Award, it will be necessary for contractual and legal purposes for the Company (or its Affiliates or payroll administrators) to collect, hold and process certain personal information and sensitive personal information about the Participant (including, without limitation, the Participant's name, home address, telephone number, date of birth, nationality, social insurance or other identification number and job title and details of the Award and other awards granted, cancelled, exercised, vested, unvested or outstanding and Shares held by the Participant). The Participant consents explicitly, willingly, and unambiguously to the Company (or its Affiliates or payroll administrators) collecting, holding and processing the Participant's personal data and transferring this data (in electronic or other form) by and among, as applicable, the Participant's employer, the Company and its Affiliates and other third parties (collectively, the "Data Recipients") insofar as is reasonably necessary to implement, administer and manage the Plan and the Award. The Participant authorizes the Data Recipients to receive, possess, use, retain and transfer the data for the purposes of implementing, administering and managing the Plan and the Award. The Participant understands that the data may be transferred to a broker or third party as may be selected by the Company in the future which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the Data Recipients may be located in the United States or elsewhere, and that the recipient's country may have a lower standard of data privacy laws and protections than the Participant's country.
- b. The Data Recipients will treat the Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Plan and the Award and will take reasonable measures to keep the Participant's personal data private, confidential, accurate and current. The Participant understands that the data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan.
- c. The Participant understands that the Participant may, at any time, make a request to view the Participant's personal data, require any necessary corrections to it or withdraw the consents herein in writing by contacting the Company and that these rights are subject to legal restrictions but acknowledges that without the use of such data it may not be practicable for the Company to administer the Participant's involvement in the Plan in a timely fashion or at all and this may be detrimental to the Participant and may result in the possible exclusion of the Participant from continued participation with respect to the Award or any future awards under the Plan.

4. Foreign Asset/Account Reporting Requirements; Exchange Controls. Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the RSUs, the acquisition, holding and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that the Participant is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that the Participant should consult the Participant's personal tax and legal advisors, as applicable, on these matters.

5. Withholding; Responsibility for Taxes. This provision supplements Section 11 of the Agreement.

The Participant authorizes the Company and/or the Affiliate employing or retaining the Participant, or their respective agents, at their discretion, to satisfy the obligations with respect to all Applicable Taxes by withholding from any wages or other cash compensation paid to the Participant by the Company and/or Affiliate. The Participant acknowledges that regardless of any action the Company (or any Affiliate employing or retaining the Participant) takes with respect to any or all Applicable Taxes, the ultimate liability for all Applicable Taxes legally due by the Participant is and remains the Participant's responsibility and that the Company (and its Affiliates) (i) make no representations or undertakings regarding the treatment of any Applicable Taxes in connection with any aspect of the Award, including the grant, vesting or settlement of the RSUs, and the subsequent sale of any Shares acquired at settlement; and (ii) do not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Applicable Taxes. Further, if the Participant is subject to taxation in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company and/or the

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Participant's employer (or former employer, as applicable) may be required to withhold or account for Applicable Taxes (if any) in more than one jurisdiction.

ADDENDUM B TO THE AGREEMENT

COUNTRY-SPECIFIC TERMS AND CONDITIONS

These Country-Specific Terms and Conditions include additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides or works in one of the countries listed below. Capitalized terms used but not defined in these Country-Specific Terms and Conditions are defined in the Plan or the Agreement and have the meanings set forth therein.

Canada

Award Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of the Award does not provide Participant any right to receive a cash payment and the Award may be settled only in Shares. For greater certainty, notwithstanding Section 6 of the Agreement, the Participant shall not be entitled to, or credited with, a Dividend Equivalent paid or payable in cash.

Termination. Notwithstanding anything else in the Plan or the Agreement (including Addendum A), for purposes of the Agreement, the Participant's employment or other association with the Company and its Affiliates shall be deemed to end on the date on which the Participant ceases to be actively employed by the Company and its Affiliates, which term "actively employed" shall include any minimum period for which the Participant is deemed to be actively employed for purposes of applicable employment standards legislation, and shall exclude any other period of non-working notice of termination or any notice period, whether mandated or implied under local law during which the Participant is not actually employed (e.g., garden leave or similar leave) or during or for which the Participant receives pay in lieu of notice or severance pay. The Company shall have the sole discretion to determine when the Participant is no longer actively employed for purposes of the Agreement without reference to any other agreement, written or oral, including the Participant's contract of employment, if applicable.

Non-Competition for Non-Executive Ontario Employees. For any Participant whose employment by the Company and its Affiliates is governed by Ontario law, save and except any Participant who is an executive (as defined in section 67.2(5) of the *Ontario Employment Standards Act, 2000*), the "Restricted Period" is the period of time in which the Participant is an employee of the Employer.

Non-Solicitation. Section 9(b) of the Agreement is replaced as follows:

Participant further agrees and covenants that during the Restricted Period, Participant shall not, without the prior written consent of the Company, directly or indirectly (a) solicit, recruit or attempt to persuade any person to terminate such person's employment, service, or other association with the Company or any Affiliate, whether or not such person is a full-time employee or service provider and whether or not such employment, service, or other association is pursuant to a written agreement or is at-will, or (b) solicit, contact or attempt to persuade any current or prospective customer of the Company or any Affiliate, as of or during the one (1) year period prior to Participant's termination of employment or other association and with whom the Participant had contact with on behalf of the Company or any Affiliate or had Confidential Information in respect of, to alter such customer's or prospective customer's relationship with the Company or any Affiliate.

Definition of "Cause" for Ontario Employees. For any Participant whose employment with the Company and its Affiliates is governed by Ontario law, "Cause" shall, notwithstanding anything else in the Plan or the Participant's Loyalty Agreement or Employment Agreement, mean conduct that constitutes willful misconduct, disobedience or willful neglect of duty that is not trivial and has not been condoned by the Participant's employer.

Definition of "Cause" for Québec Employees. Notwithstanding anything else in the Plan or the Agreement or the Participant's Loyalty Agreement or Employment Agreement, for the purposes of this Agreement, for any Participant whose employment with the Company and its Affiliates is governed by Québec laws, "Cause" shall include, without limitation: (i) any dishonest act such as theft, fraud, embezzlement or misappropriation of funds in connection with the Company and its Affiliates or its directors, shareholders, clients, suppliers, sub-contractors, consultants or employees or any attempt to commit such a dishonest act; (ii) any breach of the Participant's duty of loyalty, any conflict of interest or behavior that adversely affects the legitimate interests of the Company and its Affiliates; (iii) non-compliance with the requirements or legitimate expectations of the Company and its Affiliates, including as a result of voluntary or involuntary underperformance or incompetence; (iv) a breach of the conditions of this Agreement; (v) the refusal to follow the reasonable guidelines or instructions of the Company and its Affiliates; (vi) a material breach of any policy, rule or procedure of the Company and its Affiliates; (vii) any other serious reason within the meaning of Article 2094 of the Civil code of Québec.

Definition of "Disability". Notwithstanding anything else in the Plan or the Agreement, for purposes of the Agreement, "Disability" shall mean, subject to compliance with applicable human rights legislation, having become disabled within the meaning of Section 22 (e)(3) of the Code or, if applicable, as defined in your Employment Agreement or Loyalty Agreement with the Company in effect as of the Award Date.

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No Acquired Right. Section 2(g) of Addendum A is replaced as follows:

The Participant shall have no rights, claim or entitlement to compensation or damages as a result of the Participant's cessation of employment or other association for any reason whatsoever, whether or not later found to be invalid or in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Participant's ceasing to have rights under the Award as a result of such cessation or loss or diminution in value of the Award or any of the Shares issuable under the Award as a result of such cessation, and, subject to applicable employment standards legislation, the Participant irrevocably releases the Participant's employer, the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing the Agreement, the Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue such rights or claim.

Securities Law Information. For the purposes of compliance with National Instrument 45-106 Prospectus Exemptions (and in Québec, Regulation 45-106 respecting Prospectus exemptions, collectively, "45-106"), the prospectus requirement does not apply to a distribution by an issuer in a security of its own issue with an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, provided participation in the distribution is voluntary. Shares acquired under the Plan are subject to certain restrictions on resale imposed by Canadian provincial and territorial securities laws, as applicable. Notwithstanding any other provision of the Plan to the contrary, any transfer or resale of any shares acquired by the Participant pursuant to the Plan must be in accordance with the resale rules under applicable Canadian provincial and territorial securities laws, including (a) Ontario Securities Commission Rule 72-503 *Distributions Outside Canada* ("72-503"), if the Participant is a resident of the Province of Ontario; (b) National Instrument 45-102 *Resale of Securities* (and in Québec, Regulation 45-102 respecting Resale of securities, collectively "45-102"), if the Participant is a resident in the Provinces of British Columbia, New Brunswick, Nova Scotia, Québec, Prince Edward Island or Newfoundland; and (c) Alberta Securities Commission Rule 72-501 *Distributions to Purchasers Outside Alberta* ("72-501"), if the Participant is a resident of the Province of Alberta. In Ontario, the prospectus requirement does not apply to the first trade of shares issued in connection with the purchase rights, provided the conditions set forth in section 2.8 of 72-503 are satisfied. In British Columbia, New Brunswick, Nova Scotia, Québec, Prince Edward Island and Newfoundland, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the conditions set forth in section 2.14 of 45-102 are satisfied. In Alberta, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the conditions set forth in Section 10 of 72-501 are satisfied. In Manitoba, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the trade is not a "control distribution" as defined in section 1.1 of 45-102. The Shares acquired under the Plan may not be transferred or sold in Canada or to a Canadian resident other than in accordance with applicable provincial or territorial securities laws. The Participant is advised to consult his or her legal advisor prior to any resale of Shares.

Data Protection. Section 3 of Addendum A is replaced with paragraphs (a)-(c) below.

- a. In order to facilitate the Participant's participation in the Plan and the administration of the Award, it will be necessary for contractual and legal purposes for the Company (or its Affiliates or payroll administrators) to collect, hold and process certain personal data and sensitive personal information about the Participant (including, without limitation, the Participant's name, home address, telephone number, date of birth, nationality, social insurance or other identification number and job title and details of the Award and other awards granted, cancelled, exercised, vested, unvested or outstanding and Shares held by the Participant). The Participant consents explicitly, willingly, and unambiguously to the Company (or its Affiliates or payroll administrators) collecting, holding and processing the Participant's personal data and transferring this data (in electronic or other form, to the extent necessary) by and among, as applicable, the Participant's employer, the Company and its Affiliates and any third party service provider assisting in the implementation, administration and management of the Plan, including legal, finance and accounting, stock plan administrators, information technology and human resources or similar consultants and advisors ("Third Party Service Providers") (collectively, the "Data Recipients") insofar as is reasonably necessary to implement, administer and manage the Plan and the Award. The Participant authorizes the Data Recipients to receive, possess, use, retain and transfer the data for the purposes of implementing, administering and managing the Plan and the Award. The Participant understands that the data may be transferred to a broker or Third Party Service Provider as may be selected by the Company in the future which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the Data Recipients may be located in the United States or elsewhere, and that the recipient's country may have a lower standard of data privacy laws and

protections than the Participant's country. In connection therewith, it is possible that personal data may be disclosed to governments, courts or law enforcement or regulatory agencies in that other country in accordance with the laws of that country.

b. The Data Recipients will treat the Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Plan and the

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Award and will take reasonable measures to keep the Participant's personal data private, confidential, accurate and current. The Participant understands that the data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. Internal access to data is strictly limited to those employees who have a need to know such data in the performance of their duties.

c. Subject to limitations under applicable law, the Participant understands that the Participant may, at any time, make a request to view the Participant's personal data, require any necessary corrections to it or withdraw the consents herein in writing by contacting the Company and that these rights are subject to legal restrictions but acknowledges that without the use of such data it may not be practicable for the Company to administer the Participant's involvement in the Plan in a timely fashion or at all and this may be detrimental to the Participant and may result in the possible exclusion of the Participant from continued participation with respect to the Award or any future awards under the Plan.

Additional Provisions Applicable to Participants Resident in Quebec.

Language Consent. The parties acknowledge that it is their express wish that this Agreement, as provided well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention.

Data Protection. The following provision supplements the Data Privacy section above in this Addendum B:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information, including Data, from all personnel, professional or not, involved in the forgoing Amendment: administration and operation of the Plan. The Participant further authorizes the Company and its Subsidiaries and the Committee, to disclose and discuss the Plan with their advisors, which may involve the disclosure of Data, to the extent necessary for the administration and operation of the Plan. The Participant further authorizes the Company and any Subsidiary to record such information and to keep such information in the Participant's employee file.

Name India

Exchange Control Notification

Proceeds from the sale of **Lender: TRUIST BANK** Shares must be remitted to India during a designated period in accordance with applicable exchange control and other requirements. The Participant should consult the Participant's advisor with respect to such requirements.

Taiwan

Securities Law Information

The Shares are not and will not be registered in Taiwan and therefore the Shares may not be offered to the public in Taiwan. Nothing in this document should be construed as the making of a public offer of securities in Taiwan.

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Advance Auto Parts, Inc.

2024 Time-Based Nonqualified Option Award Agreement

This certifies that Advance Auto Parts, Inc. (the "Company") has granted to <Participant Name> (the "Participant") this award of a Nonqualified Option (this "Award") and the Participant acknowledges and agrees that this Award and the opportunity to vest in the Nonqualified Stock Option (the "Option") is sufficient consideration for the restrictive covenants set forth in this Time-Based Nonqualified Option Award Agreement (this "Agreement"). This Award represents the right to purchase a number of shares ("Shares") of Advance Auto Parts, Inc. Common Stock, \$0.0001 par value per share (the "Common Stock"), as indicated in the terms outlined below, subject to certain restrictions and on the terms and conditions contained in this Agreement and the Advance Auto Parts, Inc. 2023 Omnibus Incentive Compensation Plan (the "Plan"). In the event of any conflict between the terms of the Plan and this Agreement, the terms of the Plan shall govern. Any terms not defined herein shall have the meaning set forth in the Plan.

1. Grant of Option: An Option to purchase the following number of Shares has hereby been granted to the Participant:

by Award Date	/s/ Alysa Trakas Number of Shares Purchasable	Exercise Price
Award Date	Name: Alysa Trakas	
Number of Shares Purchasable	Title: Director Exercise Price	

[Signature Page2. Vesting Schedule: Subject to Advance Auto Parts Amendment No. 3] the remaining provisions of this Award, the Option shall vest and become exercisable in approximately equal one-third portions on each of the first three anniversaries of the Award Date, commencing on the first anniversary of the Award Date and becoming fully vested on the third anniversary of the Award Date if the Participant remains continuously employed by the Company until each respective vesting date:

Vesting Date / # of shares vested

3. Termination for Due Cause: Notwithstanding anything else in this Agreement, if the Participant engages in conduct that constitutes Due Cause at any time during the Participant's employment or other association or thereafter, the Option shall immediately terminate, and the Participant shall immediately and irrevocably:
 - a. forfeit the portion of the Option not yet exercised; and
 - b. forfeit all Shares delivered, or otherwise subject to delivery, upon exercise of the Option on or after the Participant first engages conduct that constitutes Due Cause as determined in the Committee's sole discretion, upon refund by the Company of the Exercise Price to the extent paid.
4. Disability: If termination of employment, service or other association is on account of Participant's Disability, then any unvested Options will vest immediately as of the date of Participant's termination on account of Disability. For the purposes of this Agreement, Disability is defined as the Participant having become disabled within the meaning of Section 22 (e)(3) of the Code.
5. Death: If termination of employment, service or other association is on account of the Participant's death, then any unvested Option will vest immediately as of the date of Participant's death.
6. Change of Control: Upon a Change of Control, any then the unvested portion of the Option will vest and become exercisable immediately:
 - a. on the Change of Control date in the event the Company's successor or its affiliate does not assume, convert, or replace the Award; or
 - b. upon the termination of the Participant's employment or other association with the Company or with its successor in the event the Award continues or the Company's successor assumes, converts or replaces the Award and Participant's employment or other association with the Company or its successor is terminated without Due Cause, as determined by the Committee or its applicable successor, within 24 months following the Change of Control date.

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7. Term of Option.

Consent. The Option shall have a term of ten (10) years from the Award Date and shall terminate at the expiration of that period, unless it is terminated at an earlier date pursuant to amend the Credit provisions of this Agreement or the Plan.

b. The Option shall automatically terminate upon the happening of the first of the following events:

- i. The expiration of the one-year period after the Participant's employment or other association with the Company is terminated on account of death or Disability. For the purposes of this Agreement, Disability is defined as the Participant having become disabled within the meaning of Section 22(e)(3) of the Internal Revenue Code of 1986, as amended.
- ii. The expiration of the 90-day period after the Participant's employment or other association with the Company is terminated for any reason other than for Due Cause, death, or Disability.
- iii. The date on which the Participant's employment or other association with the Company is terminated for Due Cause.

c. Notwithstanding the foregoing, in no event may the Option be exercised after the date that is immediately before the tenth (10th) anniversary of the Award Date. Any portion of the Option that is not exercisable at the time the Participant's employment or other association with the Company is terminated shall immediately terminate.

8. Exercise Procedures and Restrictions.

- a. Subject to the provisions of Sections 2 through 5 above, the Participant may exercise part or all of the exercisable Option by giving the Company written notice, in the manner provided in this Agreement, of intent to exercise, specifying the number of Shares as to which the Option is to be exercised and the method of payment. Payment of the Exercise Price shall be made in accordance with procedures established by the Committee from time to time based on the type of payment being made but, in any event, prior to issuance of the Shares. The Participant shall pay the Exercise Price (i) in cash or check payable to the order of the Company, (ii) by delivery (either actually or by attestation) to the Company of Shares having a Fair Market Value equal to the Exercise Price, (iii) by surrender of the Option as to all or part of the shares of Shares for which the Option is then exercisable in exchange for Shares having an aggregate Fair Market Value equal to the difference between (1) the aggregate Fair Market Value of the surrendered portion of the Option, and (2) the aggregate exercise price under the Option for the surrendered portion of the Option, (iv) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, or (v) by such other method as the Committee may approve.
- b. Only the Participant (or the Participant's legal representative during a period of the Participant's Disability) may exercise the Option during the Participant's lifetime. After the Participant's death, the Option shall be exercisable (subject to the limitations specified in the Plan) solely by the legal representatives of the Participant, or by the person who acquires the right to exercise the Option by will or by the laws of descent and distribution, to the extent that the Option is exercisable pursuant to this Agreement.
- c. The obligation of the Company to deliver Shares upon exercise of the Option shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Committee, including such actions as Company/Committee counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. The Company may require that the Participant (or other person exercising the Shares after the Participant's death or Disability) represent that the Participant is purchasing Shares for the Participant's own account and not with a view to or for sale in connection with any distribution of the Shares, or such other representation as the Committee deems appropriate.

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d. All obligations of the Company under this Agreement shall be subject to the rights of the Company to withhold amounts required to be withheld for any applicable income taxes, employment taxes, social insurance, social security, national insurance contribution, payroll taxes, contributions, levies, payment on account obligations or other amounts required to be collected, withheld or accounted for with respect to this Award (the "Applicable Taxes"). Subject to Committee approval, the Participant may elect to satisfy any Applicable Tax obligation of the Employer with respect to the Option by having Shares withheld up to an amount that does not exceed the minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities (or such other rate approved by the Committee that does not result in adverse accounting consequences).

9. **Non-Transferability of Option:** The Award (including the Option hereunder) shall not be transferable and may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. In the event of any attempt by the Participant to sell, transfer, pledge, assign, or otherwise alienate or hypothecate of the Option or any right hereunder, except as provided for in this Agreement, or in the event of the levy or any attachment, execution or similar process upon the rights or interests hereby conferred, the Company may terminate the Option by notice to the Participant, and the Option and all rights hereunder shall thereupon become null and void. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and Affiliates. This Agreement may be assigned by the Company without the Participant's consent.

10. **Notices:** Except as otherwise provided herein, all notices, requests, demands and other communications under this Award shall be in writing, and if by telecopy, shall be deemed to have been validly served, given or delivered when sent, or if by personal delivery or messenger or courier service, shall be deemed to have been validly served, given or delivered upon actual delivery (but in no event may notice be given by deposit in the United States mail), at the following addresses, telephone and facsimile numbers (or such other address(es), telephone and facsimile numbers a party may designate for itself by like notice):

11. **Restrictive Covenants.** Except as may be prohibited by law, all Participants agree as follows:

a. **Non-Competition.** Participant acknowledges and agrees that the Company is engaged in a highly competitive business, and that by virtue of Participant's position and responsibilities as an employee or consultant of the Company and Participant's access to Confidential Information, engaging in a business that is directly competitive with the Company will cause it great and irreparable harm. Accordingly, Participant agrees and covenants that during the Restricted Period, Participant shall not, on his/her own behalf or on another's behalf, (a) accept employment by or provide services for Amazon Auto, AutoZone Inc., O'Reilly Automotive, Inc., Genuine Parts Company, NAPA Auto Parts, Fisher Auto Parts or Parts Depot, Inc. and/or any aftermarket automotive parts distributor owned or operated by Icahn Automotive Group, LLC (including, but not limited to, Pep Boys and Auto Plus) (any of the foregoing, a "Restricted Company") in any capacity, role or position with substantially the same or similar duties as Participant performed during Participant's employment, service, or association with the Company; (b) provide services, including consulting or contractor services, for or on behalf of a Restricted Company which are the same or substantially similar as the duties Participant performed during Participant's last two (2) years of employment, service, or association with the Company; or (c) otherwise provide services, including consulting or contractor services, which are the same as, substantially similar to, or an adequate substitute for the duties Participant performed during Participant's employment with the Company or which would involve services or prospective services provided by or researched by the Company about which Participant acquired Confidential Information, which would be directly competitive with the Company. Participant understands that the business of the Company and Participant's responsibilities on behalf of the Company have been nationwide and companywide in scope. Accordingly, Participant agrees that this restriction will apply in those areas within the United States, including the United States' territories and possessions (including, but not limited to, Puerto Rico and the U.S. Virgin Islands), as well as Canada, including its

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provinces, territories and possessions, within which the Participant was assigned or with respect to which Participant had responsibility during the last two (2) years of Participant's employment with the Company.

b. Non-Interference. Participant further agrees and covenants that during the Restricted Period, Participant shall not, without the prior written consent of the Company, directly or through others, either on behalf of Participant or any other person or entity, interfere with the Company. For purposes of this Agreement, "Interfere" shall mean (a) to solicit, entice, persuade, induce, influence or attempt to influence, directly or through others, suppliers or prospective suppliers, employees, agents or independent contractors of the Company to restrict, reduce, sever or otherwise alter their relationship with the Company for purposes that are competitive with the Company; or (b) to hire on the Participant's own behalf or on behalf of any other person or entity, directly or through others, any current or former employee or independent contractor of the Company. For purposes of this Agreement, this provision shall only apply to those suppliers or prospective suppliers, employees, agents or independent contractors of the Company with whom Participant had material contact during the last two (2) years of Participant's employment with the Company or about whom Participant had access to Confidential Information during the last two (2) years of Participant's employment with the Company.

For purposes of this Agreement, "Interfere" shall also mean (a) to solicit, entice, persuade, induce, influence or attempt to influence, directly or through others, customers or prospective customers of the Company to restrict, reduce, sever or otherwise alter their relationship with the Company for purposes that are competitive with the Company; or (b) whether as a direct solicitor or provider of such services, or in a management or supervisory capacity over others who solicit or provide such services, to solicit or provide services that fall within the definition of Restricted Activities as defined below to any customer of the Company. For purposes of this Agreement, this provision shall apply only to those customers or prospective customers with whom Participant had material contact during the last two (2) years of Participant's employment with the Company or about whom Participant had access to Confidential Information during the last two (2) years of Participant's employment with the Company.

For purposes of this Agreement, "Restricted Activities" shall mean (1) the retail, commercial and/or wholesale sale, rental, and/or distribution of parts, accessories, supplies, equipment and/or maintenance items for automobiles, light and heavy duty trucks (both commercial and noncommercial), off-road equipment, buses, recreational vehicles, and/or agricultural equipment, and/or (2) the provision of any automotive-related service (including, but not limited to, shop management, inventory control, and/or vehicle repair software or marketing) to auto repair shops, garages, and/or specialty-service providers (e.g. any business that specializes in automotive oil changes, tires, mufflers, brakes, transmission, and/or body work).

c. Remedies. Participant agrees that any breach by Participant of the covenants contained in this Section 9 will result in irreparable injury to Company, for which money damages could not adequately compensate the Company. Therefore, the Company shall have the right (in addition to any other rights and remedies which it may have at law or in equity) to seek to enforce this Section 9 and any of its provisions by injunction, specific performance, or other equitable relief, without bond and without prejudice to any other rights and remedies that the Company may have for a breach, or threatened breach, of the covenants set forth in this Section 9. Participant agrees that in any action in which the Company seeks injunction, specific performance, or other equitable relief, Participant will not assert or contend that any of the provisions of this Section 9 are unreasonable or otherwise unenforceable.

In addition, if Participant breaches any of the covenants in this Section 9, Participant shall return to the Company any portion of shares of Common Stock received by Participant or Participant's personal representative that vested on or after any such violation and pay to the Company in cash the amount of any proceeds received by Participant or Participant's personal representative from the disposition or transfer of any such stock, and

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Participant's unvested Options or portion of Options shall be immediately and irrevocably forfeited.

d. Definitions. For purposes of this Section 9, the following terms are defined as follows:

i. "Confidential Information" means any proprietary information prepared or maintained in any format, including personnel information or data of the Company, technical data, trade secrets or know-how in which the Company or its Affiliates or related entities have an interest, including, but not limited to, business records, contracts, research, product or service plans, products, services, customer lists and customers (including, but not limited to, vendors to the Company or its Affiliates and related entities on whom Participant called, with whom Participant dealt or with whom Participant became acquainted during the term of

Participant's employment, service, or other association with the Company), pricing data, costs, markets, expansion plans, summaries, marketing and other business strategies, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration or marketing, financial or other business information obtained by Participant or disclosed to Participant by the Company or its Affiliates or related entities or any other person or entity during the term of Participant's employment, service, or other association with the Company or its Affiliates, either directly or through others, electronically, in writing, orally, by drawings, by observation of services, systems or other aspects of the business of the Company or its Affiliates or related entities or otherwise. Confidential Information does not include information that: (A) was available to the public prior to the time of disclosure; or (B) becomes available to the public through no act or omission of Participant. Participant acknowledges that the Confidential Information has been developed by the Company at significant expense and effort.

- ii. For purpose of this Section 9, the definition of "Company" shall be limited to (a) Advance Stores Company, Incorporated and its subsidiaries; and (b) those related/affiliated companies: (i) for which Participant performed services during the last two (2) years of Participant's employment with the Company; (ii) on behalf of which Participant had significant business-related contact or dealings during the last two (2) years of Participant's employment with the Company, (iii) about which Participant had access to Confidential Information or Trade Secrets during the last two (2) years of Participant's employment with the Company.
- iii. "Restricted Period" shall mean the period of Participant's employment, service, or other association with the Company and one (1) year period following termination thereof; provided, however, that the Restricted Period shall be tolled and shall not expire during any period in which Participant is in violation of this Section 9, and therefore the Restricted Period shall be extended for a period equal to the duration of Participant's violation hereof so that the Company receives the Non-Competition and Non-Interference period to which Participant agreed herein.

12. Confidentiality: The Participant agrees not to disclose the terms of this Agreement to anyone other than the members of the Participant's immediate family, Participant's legal counsel, Participant's accountant(s) and/or tax advisor(s) and/or Participant's financial advisor(s), or as otherwise provided in Section 9 of this Agreement. Should the details of this Agreement be shared with the aforementioned, it shall be on a confidential basis.

13. Tax Matters: The Company makes no representation or warranty as to the exercise of the Option or upon your receipt or sale or other disposition of the Shares purchased under the Option. You should rely on your own tax advisors for such advice. In order to comply with all applicable tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all Applicable Taxes, which are your sole and absolute responsibility, are withheld or collected from you at the time of the applicable tax event. The Company will inform you of alternative methods to settle any Applicable Taxes due.

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14. Clawback: The Participant acknowledges and agrees that this Award is subject to any applicable Clawback Policy.

- a. To the extent permitted by applicable law, including without limitation Code Section 409A, this Award is subject to offset in the event that the Participant has an outstanding clawback, recoupment or forfeiture obligation to the Company under the terms of an applicable Clawback Policy. In the event of a clawback, recoupment or forfeiture event under an applicable Clawback Policy, the amount required to be clawed back, recouped or forfeited pursuant to such policy, shall be deemed not to have been earned under the terms of the Plan, and the Company is entitled to recover from the Participant the amount specified under the Clawback Policy to be clawed back, recouped, or forfeited (which amount, as applicable, shall be deemed an advance that remained subject to the Participant satisfying all eligibility conditions for earning this Award).
- b. If the Board of Directors or the Committee, as applicable, determines that clawback is required or appropriate under an applicable Clawback Policy, in addition to the recoupment methods available under the terms of an applicable Clawback Policy, to the extent permitted by applicable law, the Company shall, as determined by the Committee in its sole discretion, take any of the following actions: (i) seek repayment from the Participant of any amounts or awards distributed under the Plan for so long as such amount or awards are subject to the terms of such Clawback Policy; (ii) reduce (subject to applicable law and the terms and conditions of the Plan or any other applicable plan, program, policy or arrangement) the amount that would otherwise be awarded or payable to the Participant under the Award, the Plan or any other compensatory plan, program, or

arrangement maintained by the Company; (iii) withhold payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices; or (iv) by any combination of the foregoing. Any determination regarding the Participant's conduct, and repayment or reduction under this provision, shall be within the sole discretion of the Committee and shall be final and binding on the Participant and the Company. The Participant, in consideration of the grant of the Award, and by the Participant's execution of this Agreement, acknowledges the Participant's understanding of this provision and hereby agrees to make and allow an immediate and complete repayment or reduction in accordance with this provision in the event of a call for repayment or other action by the Company or Committee to effect its terms with respect to the Participant, the Award and/or any other compensation described in this Agreement.

- c. This Award is not considered earned, and the eligibility requirements with respect to this Award is not considered met, until all requirements of the Plan, this Agreement, and any Clawback Policy are met.

15. Miscellaneous:

- a. This Award is made under the provisions of the Plan and shall be interpreted in a manner consistent with it. To the extent that any provision in this Agreement is inconsistent with the Plan, the provisions of the Plan shall control. The interpretation of the Committee (or the Committee's successor) of any provision of the Plan, this Agreement, or the Award, and any determination with respect thereto or hereto by the Committee, shall be binding on all parties.
- b. Nothing contained in this Agreement shall confer, intend to confer or imply any rights to an employment relationship or rights to a continued employment relationship with the Company or any Affiliate in your favor or limit the ability of the Company or an Affiliate, as the case may be, to terminate, with or without Due Cause, in its sole and absolute discretion, your employment relationship with the Company or such Affiliate, subject to the terms of any written Employment Agreement or Loyalty Agreement to which you are a party.
- c. None of the Plan, this Agreement, or the Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and You or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to the Award, such right shall be no greater than the right of any unsecured creditor of the Company or any Affiliate.

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- d. An original record of this Agreement and all the terms hereof, executed by the Company, is held on file by the Company. To the extent there is any conflict between the terms contained in this Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company shall control.
- e. If any provision in this Agreement is determined to be invalid, void or unenforceable by the decision of any court of competent jurisdiction, which determination is not appealed or appealable for any reason whatsoever, the provision in question shall not be deemed to affect or impair the validity or enforceability of any other provision of this Agreement and such invalid or unenforceable provision or portion thereof shall be severed from the remainder of this Agreement.
- f. This Agreement is intended to be consistent with your Employment Agreement or Loyalty Agreement with the Company, if applicable, in effect on the Award Date first written above. To the extent that any provision of this Agreement is inconsistent with the terms of such agreement with the Company in effect as of the Award Date, the provisions of this Agreement shall control with respect to this Award.
- g. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document

format (.pdf) or by any other electronic means intended to preserve the original appearance of a document, will have the same effect as physical delivery of a paper document bearing an original signature.

- h. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions thereof, and accepts the Option subject to all of the terms and conditions of the Plan and this Agreement. The Participant acknowledges that there may be adverse tax consequences upon the exercise of the Option or disposition of Shares acquired upon exercise of the Option and the Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition.
- i. Notwithstanding anything to the contrary herein, participants residing and/or working outside of the United States shall be subject to the Additional Terms and Conditions for Non-U.S. Participants attached hereto as Addendum A and to any Country-Specific Terms and Conditions attached hereto as Addendum B. If the Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which the Participant is currently residing or working or if the Participant relocates to one of the countries included in the Country-Specific Terms and Conditions after the grant of the Award, the special terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Additional Terms and Conditions for Non-U.S. Participants and the Country-Specific Terms and Conditions constitute part of this Agreement and are incorporated herein by reference.

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In Witness Whereof, this Award has been executed by the Company as of the date first above written.

ADVANCE AUTO PARTS, INC.

By: _____

Kristen Soler

Executive Vice President, Chief Human Resources Officer

Accepted and agreed, including specifically but without limitation as to the treatment of this Award in accordance with the terms of the Plan and this Agreement notwithstanding any terms of an Employment Agreement / Loyalty Agreement between the Company and the undersigned to the contrary:

By:

Electronic Signature Acceptance Date

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ADDENDUM A TO THE AGREEMENT

ADDITIONAL TERMS AND CONDITIONS FOR NON-U.S. PARTICIPANTS

This Addendum A includes additional terms and conditions that govern the Award granted to the Participant if the Participant works or resides outside the United States.

Capitalized terms used but not defined herein are defined in the Plan or the Agreement and have the meanings set forth therein.

1. **Vesting.** For purposes of the Agreement, the Participant's employment or other association with the Company and its Affiliates shall be deemed to terminate on the date on which the Participant ceases to be actively employed by the Company or any of its Affiliates, which shall not be extended by any notice period, whether mandated or implied under local law during which the Participant is not actually employed (e.g., garden leave or similar leave) or during or for which the Participant receives pay in lieu of notice or severance pay. The Company shall have the sole discretion to determine when the Participant's employment or other association with the Company and its Affiliates terminates for purposes of the Agreement without reference to any other agreement, written or oral, including the Participant's contract of employment, if applicable.
2. **No Acquired Right.** The Participant acknowledges and agrees that:
 - a. The Plan is established voluntarily by the Company, the grant of awards under the Plan is made at the discretion of the Committee and the Plan may be modified, amended, suspended or terminated by the Company at any time. All decisions with respect to future awards, if any, will be at the sole discretion of the Committee.
 - b. The Award (and any similar awards the Company may in the future grant to the Participant, even if such awards are made repeatedly or regularly, and regardless of their amount) and the Shares acquired under the Plan (i) are wholly discretionary and occasional, are not a term or condition of employment and do not form part of a contract of employment, or any other working arrangement, between the Participant and the Company or any Affiliate; (ii) do not create any contractual entitlement to receive future awards or benefits in lieu thereof and are not intended to replace any pension rights or compensation, as applicable; and (iii) do not form part of normal or expected salary or remuneration for purposes of determining pension payments or any other purposes, including without limitation termination indemnities, severance, resignation, payment in lieu of notice, redundancy, end of service payments, bonuses, long-term service awards, pension or retirement benefits, welfare benefits or similar payments, if applicable, except as otherwise required by the applicable law of any governmental entity to whose jurisdiction the award is subject.
 - c. The Award and the Shares acquired under the Plan are not intended to replace any pension rights or compensation.
 - d. The Participant is voluntarily participating in the Plan.
 - e. In the event that the Participant is an employee and the Participant's employer is not the Company, the grant of the Award and any similar awards the Company may grant in the future to the Participant will not be interpreted to form an employment contract or relationship with the Company and, furthermore, the grant of the Award and any similar awards the Company may grant in the future to the Participant will not be interpreted to form an employment contract with the Participant's employer or any Affiliate.
 - f. The future value of the underlying Shares is unknown and cannot be predicted with certainty. If the Shares do not increase in value, the Option will have no value. If the Participant exercises the Option and acquires Shares, the value of the acquired Shares may increase or decrease, including below the purchase price of the Shares. Neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award or the Shares.
 - g. The Participant shall have no rights, claim or entitlement to compensation or damages as a result of the Participant's cessation of employment or other association for any reason whatsoever, whether

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or not later found to be invalid or in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Participant's ceasing to have rights under the Award as a result of such cessation or loss or diminution in value of the Award or any of the Shares purchased through the exercise of the Option as a result of such cessation, and the Participant irrevocably releases the Participant's employer, the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing the Agreement, the Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue such rights or claim.

3. **Data Protection (Jurisdictions other than European Union/European Economic Area/United Kingdom).**

- a. In order to facilitate the Participant's participation in the Plan and the administration of the Award, it will be necessary for contractual and legal purposes for the Company (or its Affiliates or payroll administrators) to collect, hold and process certain personal information and sensitive personal information about the Participant (including, without limitation, the Participant's name, home address, telephone number, date of birth, nationality, social insurance or other identification number and job title and details of the Award and other awards granted, cancelled, exercised, vested, unvested or outstanding and Shares held by the Participant). The Participant consents explicitly, willingly, and unambiguously to the Company (or its Affiliates or payroll administrators) collecting, holding and processing the Participant's personal data and transferring this data (in electronic or other form) by and among, as applicable, the Participant's employer, the Company and its Affiliates and other third parties (collectively, the "Data Recipients") insofar as is reasonably necessary to implement, administer and manage the Plan and the Award. The Participant authorizes the Data Recipients to receive, possess, use, retain and transfer the data for the purposes of implementing, administering and managing the Plan and the Award. The Participant understands that the data may be transferred to a broker or third party as may be selected by the Company in the future which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the Data Recipients may be located in the United States or elsewhere, and that the recipient's country may have a lower standard of data privacy laws and protections than the Participant's country.
- b. The Data Recipients will treat the Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Plan and the Award and will take reasonable measures to keep the Participant's personal data private, confidential, accurate and current. The Participant understands that the data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan.
- c. The Participant understands that the Participant may, at any time, make a request to view the Participant's personal data, require any necessary corrections to it or withdraw the consents herein in writing by contacting the Company and that these rights are subject to legal restrictions but acknowledges that without the use of such data it may not be practicable for the Company to administer the Participant's involvement in the Plan in a timely fashion or at all and this may be detrimental to the Participant and may result in the possible exclusion of the Participant from continued participation with respect to the Award or any future awards under the Plan.

4. **Foreign Asset/Account Reporting Requirements; Exchange Controls.** Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting or exercise of the Option, the acquisition, holding and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that the Participant is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that the Participant should consult the Participant's personal tax and legal advisors, as applicable, on these matters.

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5. **Withholding; Responsibility for Taxes.** This provision supplements Section 11 of the Agreement.

The Participant authorizes the Company and/or the affiliate employing or retaining the Participant, or their respective agents, at their discretion, to satisfy the obligations with respect to all Applicable Taxes by withholding from any wages or other cash compensation paid to the Participant by the Company and/or affiliate. The Participant acknowledges that regardless of any action the Company (or any Affiliate employing or retaining the Participant) takes with respect to any or all Applicable Taxes, the ultimate liability for all Applicable Taxes legally due by the Participant is and remains the Participant's responsibility and that the Company (and its Affiliates) (i) make no representations or undertakings regarding the treatment of any Applicable Taxes in connection with any aspect of the Award, including the grant, vesting or issuance of Shares upon exercise of the Option, and the subsequent sale of any such Shares; and (ii) do not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Applicable Taxes. Further, if the Participant is subject to taxation in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company and/or the Participant's employer (or former employer, as applicable) may be required to withhold or account for Applicable Taxes (if any) in more than one jurisdiction.

ADDENDUM B TO THE AGREEMENT

COUNTRY-SPECIFIC TERMS AND CONDITIONS

These Country-Specific Terms and Conditions include additional terms and conditions that govern the Award granted to the Participant under the Plan if the Participant resides or works in one of the countries listed below. Capitalized terms used but not defined in these Country-Specific Terms and Conditions are defined in the Plan or the Agreement and have the meanings set forth therein.

Canada

Award Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of the Award does not provide Participant any right to receive a cash payment and the Award may be settled only in Shares.

Exercise of Option. Notwithstanding Section 6(a) of the Agreement nor any other provision in the Agreement or Plan, the Participant may not pay the Exercise Price by delivery of Shares or by surrender of the Option. For greater certainty, the Participant may not pay the Exercise Price by utilizing the methods described in subparagraph (ii) or (iv) of Section 7.1(g) of the Plan or subparagraph (ii) or (iii) of Section 6(a) of the Agreement.

Withholding. The Participant may not elect to satisfy any Applicable Tax obligation of the Employer with respect to the Option by having Shares withheld pursuant to Section 15 of the Plan or Section 6(d) of the Agreement.

Termination. Notwithstanding anything else in the Plan or the Agreement (including Addendum A), for purposes of the Agreement, the Participant's employment or other association with the Company and its Affiliates shall be deemed to end on the date on which the Participant ceases to be actively employed by the Company and its Affiliates, which term "actively employed" shall include any minimum period for which the Participant is deemed to be actively employed for purposes of applicable employment standards legislation, and shall exclude any other period of non-working notice of termination or any notice period, whether mandated or implied under local law during which the Participant is not actually employed (e.g., garden leave or similar leave) or during or for which the Participant receives pay in lieu of notice or severance pay. The Company shall have the sole discretion to determine when the Participant is no longer actively employed for purposes of the Agreement without reference to any other agreement, written or oral, including the Participant's contract of employment, if applicable.

Non-Competition for Non-Executive Ontario Employees. For any Participant whose employment by the Company and its Affiliates is governed by Ontario law, save and except any Participant who is an executive (as defined in section 67.2(5) of the Ontario *Employment Standards Act, 2000*), the "Restricted Period" is the period of time in which the Participant is an employee of the Employer.

Non-Solicitation. Section 9(b) of the Agreement is replaced as follows:

Participant further agrees and covenants that during the Restricted Period, Participant shall not, without the prior written consent of the Company, directly or indirectly (a) solicit, recruit or attempt to persuade any person to terminate such person's employment, service, or other association with the Company or any Affiliate, whether or not such person is a full-time employee or service provider and whether or not such employment, service, or other association is pursuant to a written agreement or is at-will, or (b) solicit, contact or attempt to persuade any current or prospective customer of the Company or any Affiliate, as of or during the one (1) year period prior to Participant's termination of employment or other association and with whom the Participant had contact with on behalf of the Company or any Affiliate or had Confidential Information in respect of, to alter such customer's or prospective customer's relationship with the Company or any Affiliate.

Definition of "Due Cause" for Ontario Employees. For any Participant whose employment with the Company and its Affiliates is governed by Ontario law, "Due Cause" shall, notwithstanding anything else in the Plan or the Participant's Loyalty Agreement or Employment Agreement, mean conduct that constitutes willful misconduct, disobedience or willful neglect of duty that is not trivial and has not been condoned by the Participant's employer.

Definition of "Due Cause" for Québec Employees. Notwithstanding anything else in the Plan or the Agreement or the Participant's Loyalty Agreement or Employment Agreement, for the purposes of this Agreement, for any Participant whose employment with the Company and its Affiliates is governed by Québec laws, "Due Cause" shall include, without limitation: (i) any dishonest act such as theft, fraud, embezzlement or misappropriation of funds in connection with the Company

and its Affiliates or its directors, shareholders, clients, suppliers, sub-contractors, consultants or employees or any attempt to commit such a dishonest act; (ii) any breach of the Participant's duty of loyalty, any conflict of interest or behavior that adversely affects the legitimate interests of the Company and its Affiliates; (iii) non-compliance with the requirements or legitimate expectations of the Company and its Affiliates, including as a result of voluntary or involuntary underperformance or incompetence; (iv) a breach of the conditions of this Agreement; (v) the

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refusal to follow the reasonable guidelines or instructions of the Company and its Affiliates; (vi) a material breach of any policy, rule or procedure of the Company and its Affiliates; (vii) any other serious reason within the meaning of Article 2094 of the Civil code of Québec.

Definition of "Disability". Notwithstanding anything else in the Plan or the Agreement, for purposes of the Agreement, "Disability" shall mean, subject to compliance with applicable human rights legislation, having become disabled within the meaning of Section 22 (e)(3) of the Code or, if applicable, as defined in your Employment Agreement or Loyalty Agreement with the Company in effect as of the Award Date.

No Acquired Right. Section 2(g) of Addendum A is replaced as follows:

The Participant shall have no rights, claim or entitlement to compensation or damages as a result of the Participant's cessation of employment or other association for any reason whatsoever, whether or not later found to be invalid or in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Participant's ceasing to have rights under the Award as a result of such cessation or loss or diminution in value of the Award or any of the Shares issuable under the Award as a result of such cessation, and, subject to applicable employment standards legislation, the Participant irrevocably releases the Participant's employer, the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing the Agreement, the Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue such rights or claim.

Securities Law Information. For the purposes of compliance with National Instrument 45-106 Prospectus Exemptions (and in Québec, Regulation 45-106 respecting Prospectus exemptions, collectively, "45-106"), the prospectus requirement does not apply to a distribution by an issuer in a security of its own issue with an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, provided participation in the distribution is voluntary. Shares acquired under the Plan are subject to certain restrictions on resale imposed by Canadian provincial and territorial securities laws, as applicable. Notwithstanding any other provision of the Plan to the contrary, any transfer or resale of any shares acquired by the Participant pursuant to the Plan must be in accordance with the resale rules under applicable Canadian provincial and territorial securities laws, including (a) Ontario Securities Commission Rule 72-503 *Distributions Outside Canada* ("72-503"), if the Participant is a resident of the Province of Ontario; (b) National Instrument 45-102 *Resale of Securities* (and in Québec, Regulation 45-102 respecting Resale of securities, collectively "45-102"), if the Participant is a resident in the Provinces of British Columbia, New Brunswick, Nova Scotia, Québec, Prince Edward Island or Newfoundland; and (c) Alberta Securities Commission Rule 72-501 *Distributions to Purchasers Outside Alberta* ("72-501"), if the Participant is a resident of the Province of Alberta. In Ontario, the prospectus requirement does not apply to the first trade of shares issued in connection with the purchase rights, provided the conditions set forth in section 2.8 of 72-503 are satisfied. In British Columbia, New Brunswick, Nova Scotia, Québec, Prince Edward Island and Newfoundland, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the conditions set forth in section 2.14 of 45-102 are satisfied. In Alberta, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the conditions set forth in Section 10 of 72-501 are satisfied. In Manitoba, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award, provided the trade is not a "control distribution" as defined in section 1.1 of 45-102. The Shares acquired under the Plan may not be transferred or sold in Canada or to a Canadian resident other than in accordance with applicable provincial or territorial securities laws. The Participant is advised to consult his or her legal advisor prior to any resale of Shares.

Data Protection. Section 3 of Addendum A is replaced with paragraphs (a)-(c) below.

- a. In order to facilitate the Participant's participation in the Plan and the administration of the Award, it will be necessary for contractual and legal purposes for the Company (or its Affiliates or payroll administrators) to collect, hold and process certain personal data and sensitive personal information about the Participant (including, without limitation, the Participant's name, home address, telephone number, date of birth, nationality, social insurance or other identification number and job title and details of the Award and other awards granted, cancelled, exercised, vested, unvested or outstanding and Shares held by the Participant). The Participant consents explicitly, willingly, and unambiguously to the Company (or its Affiliates or payroll administrators) collecting, holding and processing the Participant's personal data and transferring this data (in electronic or other form, to the extent necessary) by and among, as applicable, the Participant's employer, the Company and its Affiliates and any third party

service provider assisting in the implementation, administration and management of the Plan, including legal, finance and accounting, stock plan administrators, information technology and human resources or similar consultants and advisors ("Third Party Service Providers") (collectively, the "Data Recipients") insofar as is reasonably necessary to implement, administer and manage the Plan and the Award. The Participant authorizes

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the Data Recipients to receive, possess, use, retain and transfer the data for the purposes of implementing, administering and managing the Plan and the Award. The Participant understands that the data may be transferred to a broker or Third Party Service Provider as may be selected by the Company in the future which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the Data Recipients may be located in the United States or elsewhere, and that the recipient's country may have a lower standard of data privacy laws and protections than the Participant's country. In connection therewith, it is possible that personal data may be disclosed to governments, courts or law enforcement or regulatory agencies in that other country in accordance with the laws of that country.

- b. The Data Recipients will treat the Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Plan and the Award and will take reasonable measures to keep the Participant's personal data private, confidential, accurate and current. The Participant understands that the data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. Internal access to data is strictly limited to those employees who have a need to know such data in the performance of their duties.
- c. Subject to limitations under applicable law, the Participant understands that the Participant may, at any time, make a request to view the Participant's personal data, require any necessary corrections to it or withdraw the consents herein in writing by contacting the Company and that these rights are subject to legal restrictions but acknowledges that without the use of such data it may not be practicable for the Company to administer the Participant's involvement in the Plan in a timely fashion or at all and this may be detrimental to the Participant and may result in the possible exclusion of the Participant from continued participation with respect to the Award or any future awards under the Plan.

Additional Provisions Applicable to Participants Resident in Quebec.

Language Consent. The parties acknowledge that it is their express wish that this Agreement, as provided well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention.

Data Protection. The following provision supplements the Data Privacy section above in this Addendum B:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, including Participant data, professional or not, involved in the forgoing Amendment; administration and operation of the Plan. The Participant further authorizes the Company and its Subsidiaries and the Committee, to disclose and discuss the Plan with their advisors, which may involve the disclosure of Participant data, to the extent necessary for the administration and operation of the Plan. The Participant further authorizes the Company and any Subsidiary to record such information and to keep such information in the Participant's employee file.

Name India

Exchange Control Notification

Proceeds from the sale of **Lender: U.S. BANK NATIONAL ASSOCIATION:** Shares must be remitted to India during a designated period in accordance with applicable exchange control and other requirements. The Participant should consult the Participant's advisor with respect to such requirements.

Taiwan

Securities Law Information

The Shares are not and will not be registered in Taiwan and therefore the Shares may not be offered to the public in Taiwan. Nothing in this document should be construed as the making of a public offer of securities in Taiwan.

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List of the Issuer and its Guarantor Subsidiaries

As of April 20, 2024, the following subsidiaries of Advance Auto Parts, Inc. (the "Issuer") guarantee the 5.90% senior unsecured notes due March 9, 2026 (the "2026 Notes"), 1.75% senior unsecured notes due October 1, 2027 (the "2027 Notes"), 5.95% senior unsecured notes due March 9, 2028 (the "2028 Notes"), the 3.90% senior unsecured notes due April 15, 2030 (the "2030 Notes"), 3.50% senior unsecured notes due March 15, 2032 (the "2032 Notes") each issued by the Issuer:

by Entity	Is/ Conan Schleicher Jurisdiction of Incorporation or Organization	2026 Notes	2027 Notes	2028 Notes	2030 Notes	2032 Notes
Advance Auto Parts, Inc.	Delaware	Issuer	Issuer	Issuer	Issuer	Issuer

Name: Conan Schleicher

Title: Senior Vice
President

[Signature Page to Advance Auto Parts Amendment No. 3]

SIGNATURE PAGE

Consent to amend the Credit Agreement as provided in the forgoing Amendment:

Name of Lender: WELLS FARGO BANK, N.A.

Name: Ryan Tegeler

Title: Vice President

[Signature Page to Advance Auto Parts Amendment No. 3]

SIGNATURE PAGE

Consent to amend the Credit Agreement as provided in the forgoing Amendment:

Name of Lender: FIFTH THIRD BANK, NATIONAL ASSOCIATION

Advance Stores Company, Incorporated	Virginia	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor
---	----------	-----------	-----------	-----------	-----------	-----------

Title:

Associate,
Officer

[Signature Page to Advance Auto Parts Amendment No. 3]

SIGNATURE PAGE

Consent to amend the Credit Agreement as provided in the forgoing Amendment:

Name of Lender: PNC BANK, NATIONAL ASSOCIATION

Name: Stephanie Gray

Title: Vice President

[Signature Page to Advance Auto Parts Amendment No. 3]

SIGNATURE PAGE

Consent to amend the Credit Agreement as provided in the forgoing Amendment:

Name of Lender: CITIBANK, N.A.

Name: Thomas Vajda

Title: Vice President

[Signature Page to Advance Auto Parts Amendment No. 3]

SIGNATURE PAGE

Consent to amend the Credit Agreement as provided in the forgoing Amendment:

Name of Lender: CITIZENS BANK, N.A.

Name: Walter Pickell

Title: Managing Director

[Signature Page to Advance Auto Parts Amendment No. 3]

SIGNATURE PAGE

Consent to amend the Credit Agreement as provided in the forgoing Amendment:

Name of Lender: KEYBANK NATIONAL ASSOCIATION

Name: Marianne T. Meil

Title: Sr. Vice President

[Signature Page to Advance Auto Parts Amendment No. 3]

SIGNATURE PAGE

Consent to amend the Credit Agreement as provided in the forgoing Amendment:

Name of Lender: TD BANK, N.A., as a Lender

Name: Bernadette Collins

Title: Senior Vice President

[Signature Page to Advance Auto Parts Amendment No. 3]

SIGNATURE PAGE

Consent to amend the Credit Agreement as provided in the forgoing Amendment:

Name of Lender: SUMITOMO MITSUI BANKING CORPORATION

[Signature Page to Advance Auto Parts Amendment No. 3]

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Shane M. O'Kelly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Advance Auto Parts, 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 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 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: November 21, 2023 May 29, 2024

/s/ Shane M. O'Kelly

Shane M. O'Kelly

President and Chief Executive Officer and Director

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, **Anthony A. Iskander**, **Ryan P. Grimsland**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Advance Auto Parts, 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 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 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: **November 21, 2023** **May 29, 2024**

/s/ **Anthony A. Iskander** **Ryan P. Grimsland**

Anthony A. Iskander **Ryan P. Grimsland**

Interim Executive Vice President, Chief Financial Officer

Senior Vice President, Finance and Treasurer

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Shane M. O'Kelly, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350, that, to my knowledge, the Quarterly Report on Form 10-Q of Advance Auto Parts, Inc. for the quarterly period ended **October 7, 2023** **April 20, 2024** (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and that the information contained in such Report fairly presents in all material respects the financial condition and results of operations of the Company. The foregoing certification is being furnished to the Securities and Exchange Commission as part of the accompanying Report.

Date: **November 21,**

2023 **May 29, 2024**

/s/ Shane M. O'Kelly

Shane M. O'Kelly

President and Chief Executive Officer and Director

I, **Anthony A. Iskander**, **Ryan P. Grimsland**, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350, that, to my knowledge, the Quarterly Report on Form 10-Q of Advance Auto Parts, Inc. for the quarterly period ended **October 7, 2023** **April 20, 2024** (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and that the information contained in such Report fairly presents in all material respects the financial condition and results of operations of the Company. The foregoing certification is being furnished to the Securities and Exchange Commission as part of the accompanying Report.

Date: **November 21,**

2023 **May 29, 2024**

/s/ **Anthony A. Iskander** **Ryan P. Grimsland**

Anthony A. Iskander **Ryan P. Grimsland**

Interim Executive Vice President, **Chief Financial Officer**, **Senior Vice President, Finance and Treasurer**

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