

**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 July 29, 2023

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: **001-12951**

THE BUCKLE, INC.

(Exact name of Registrant as specified in its charter)

Nebraska

(State or other jurisdiction of incorporation or organization)

47-0366193

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

2407 West 24th Street, Kearney, Nebraska 68845-4915

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(308) 236-8491**

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

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value	BKE	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for a 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 Act). Yes No

The number of shares outstanding of the Registrant's Common Stock, \$0.01 par value, as of September 1, 2023, was 50,445,926.

THE BUCKLE, INC.

FORM 10-Q
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THE BUCKLE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands Except Share and Per Share Amounts)
(Unaudited)

	July 29, 2023	January 28, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 275,583	\$ 252,077
Short-term investments	23,714	20,997
Receivables	9,675	12,648
Inventory	136,074	125,134
Prepaid expenses and other assets	10,181	12,480
Total current assets	455,227	423,336
PROPERTY AND EQUIPMENT	475,997	466,321
Less accumulated depreciation and amortization	(356,737)	(353,919)
	119,260	112,402
OPERATING LEASE RIGHT-OF-USE ASSETS	251,978	271,421
LONG-TERM INVESTMENTS	23,616	20,624
OTHER ASSETS	11,466	9,796
Total assets	\$ 861,547	\$ 837,579
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 54,261	\$ 44,835
Accrued employee compensation	22,357	55,490
Accrued store operating expenses	26,533	19,754
Gift certificates redeemable	12,960	16,777
Current portion of operating lease liabilities	80,664	89,187
Total current liabilities	196,775	226,043
DEFERRED COMPENSATION	23,616	20,624
NON-CURRENT OPERATING LEASE LIABILITIES	204,620	214,598
Total liabilities	425,011	461,265
COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Common stock, authorized 100,000,000 shares of \$0.01 par value; 50,445,926 and 50,092,616 shares issued and outstanding at July 29, 2023 and January 28, 2023 respectively	504	501
Additional paid-in capital	185,921	178,964
Retained earnings	250,111	196,849
Total stockholders' equity	436,536	376,314
Total liabilities and stockholders' equity	\$ 861,547	\$ 837,579

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands Except Per Share Amounts)
(Unaudited)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
SALES, Net of returns and allowances	\$ 292,428	\$ 301,976	\$ 575,262	\$ 611,040
COST OF SALES (Including buying, distribution, and occupancy costs)	154,016	156,607	303,593	313,511
Gross profit	138,412	145,369	271,669	297,529
OPERATING EXPENSES:				
Selling	68,737	67,982	134,839	135,228
General and administrative	12,914	11,674	26,339	23,529
	81,651	79,656	161,178	158,757
INCOME FROM OPERATIONS	56,761	65,713	110,491	138,772
OTHER INCOME, Net	3,693	703	6,832	828
INCOME BEFORE INCOME TAXES	60,454	66,416	117,323	139,600
INCOME TAX EXPENSE	14,814	16,272	28,747	34,202
NET INCOME	\$ 45,640	\$ 50,144	\$ 88,576	\$ 105,398
EARNINGS PER SHARE:				
Basic	\$ 0.92	\$ 1.02	\$ 1.79	\$ 2.14
Diluted	\$ 0.92	\$ 1.01	\$ 1.78	\$ 2.13
Basic weighted average shares	49,513	49,214	49,513	49,214
Diluted weighted average shares	49,875	49,535	49,868	49,531

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in Thousands Except Share and Per Share Amounts)
(Unaudited)

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
FISCAL 2023					
BALANCE, April 30, 2023	50,456,196	\$ 505	\$ 182,544	\$ 222,125	\$ 405,174
Net income	—	—	—	45,640	45,640
Dividends paid on common stock, (\$0.35 per share)	—	—	—	(17,654)	(17,654)
Issuance of non-vested stock, net of forfeitures	(10,270)	(1)	1	—	—
Amortization of non-vested stock grants, net of forfeitures	—	—	3,376	—	3,376
BALANCE, July 29, 2023	50,445,926	\$ 504	\$ 185,921	\$ 250,111	\$ 436,536
FISCAL 2022					
BALANCE, January 29, 2023	50,092,616	\$ 501	\$ 178,964	\$ 196,849	\$ 376,314
Net income	—	—	—	88,576	88,576
Dividends paid on common stock, (\$0.70 per share)	—	—	—	(35,314)	(35,314)
Issuance of non-vested stock, net of forfeitures	353,310	3	(3)	—	—
Amortization of non-vested stock grants, net of forfeitures	—	—	6,960	—	6,960
BALANCE, July 29, 2022	50,445,926	\$ 504	\$ 185,921	\$ 250,111	\$ 436,536
FISCAL 2022					
BALANCE, May 1, 2022	50,094,851	\$ 501	\$ 170,272	\$ 182,820	\$ 353,593
Net income	—	—	—	50,144	50,144
Dividends paid on common stock, (\$0.35 per share)	—	—	—	(17,533)	(17,533)
Issuance of non-vested stock, net of forfeitures	(100)	—	—	—	—
Amortization of non-vested stock grants, net of forfeitures	—	—	2,774	—	2,774
BALANCE, July 30, 2022	50,094,751	\$ 501	\$ 173,046	\$ 215,431	\$ 388,978
FISCAL 2022					
BALANCE, January 30, 2022	49,728,651	\$ 497	\$ 167,328	\$ 145,099	\$ 312,924
Net income	—	—	—	105,398	105,398
Dividends paid on common stock, (\$0.70 per share)	—	—	—	(35,066)	(35,066)
Issuance of non-vested stock, net of forfeitures	366,100	4	(4)	—	—
Amortization of non-vested stock grants, net of forfeitures	—	—	5,722	—	5,722
BALANCE, July 30, 2022	50,094,751	\$ 501	\$ 173,046	\$ 215,431	\$ 388,978

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

(Unaudited)

	Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 88,576	\$ 105,398
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	9,910	9,181
Amortization of non-vested stock grants, net of forfeitures	6,960	5,722
Deferred income taxes	(1,670)	(1,373)
Other	482	274
Changes in operating assets and liabilities:		
Receivables	751	1,638
Inventory	(10,940)	(26,403)
Prepaid expenses and other assets	2,299	683
Accounts payable	10,044	2,622
Accrued employee compensation	(33,133)	(32,546)
Accrued store operating expenses	7,186	10,260
Gift certificates redeemable	(3,817)	(4,059)
Income taxes payable	2,222	(4,095)
Other assets and liabilities	2,628	2,190
Net cash flows from operating activities	81,498	69,492
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(17,868)	(14,920)
Purchases of investments	(25,270)	(17,670)
Proceeds from sales/maturities of investments	20,460	10,925
Net cash flows from investing activities	(22,678)	(21,665)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	(35,314)	(35,066)
Net cash flows from financing activities	(35,314)	(35,066)
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,506	12,761
CASH AND CASH EQUIVALENTS, Beginning of period	252,077	253,970
CASH AND CASH EQUIVALENTS, End of period	\$ 275,583	\$ 266,731

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THIRTEEN AND TWENTY-SIX WEEKS ENDED JULY 29, 2023 AND JULY 30, 2022
(Dollar Amounts in Thousands Except Share and Per Share Amounts)
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments necessary for the fair presentation of the results of operations for the interim periods have been included. All such adjustments are of a normal recurring nature. Because of the seasonal nature of the business, results for interim periods are not necessarily indicative of a full year's operations. The accounting policies followed by the Company and additional footnotes are reflected in the consolidated financial statements for the fiscal year ended January 28, 2023, included in The Buckle, Inc.'s 2022 Form 10-K. The condensed consolidated balance sheet as of January 28, 2023 is derived from audited financial statements.

For purposes of this report, unless the context otherwise requires, all references herein to the "Company," "Buckle," "we," "us," or similar terms refer to The Buckle, Inc. and its subsidiary.

The Company follows generally accepted accounting principles ("GAAP") established by the Financial Accounting Standards Board ("FASB"). References to GAAP in these notes are to the FASB *Accounting Standards Codification* ("ASC").

2. Revenues

The Company is a retailer of medium to better priced casual apparel, footwear, and accessories for fashion conscious young men and women. The Company operates its business as one reportable segment. The Company sells its merchandise through its retail stores and e-Commerce platform. The Company had 440 stores located in 42 states throughout the United States as of July 29, 2023 and 441 stores in 42 states as of July 30, 2022. During the twenty-six week period ended July 29, 2023, the Company opened 2 new stores, substantially remodeled 10 stores, and closed 3 stores, which includes no new stores, 6 substantially remodeled stores, and no closed stores for the second quarter. During the twenty-six week period ended July 30, 2022, the Company opened 2 new stores, substantially remodeled 13 stores, and closed 1 store, which includes 2 new stores, 7 substantially remodeled stores, and no closed stores for the second quarter.

For the thirteen week periods ended July 29, 2023 and July 30, 2022, online revenues accounted for 14.9% and 15.3%, respectively, of the Company's net sales. For the twenty-six week periods ended July 29, 2023 and July 30, 2022, online revenues accounted for 16.5% and 16.5%, respectively. No sales to an individual customer or country, other than the United States, accounted for more than 10% of net sales.

The following is information regarding the Company's major product lines, stated as a percentage of the Company's net sales:

Merchandise Group	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Denims	33.0 %	31.9 %	37.3 %	36.0 %
Tops (including sweaters)	30.1	30.6	28.6	29.2
Accessories	11.7	11.0	11.2	9.9
Sportswear/Fashions	12.8	13.9	10.3	10.6
Footwear	7.5	8.3	7.8	10.2
Casual bottoms	1.1	0.9	1.2	0.9
Outerwear	0.4	0.3	0.7	0.5
Youth	3.4	3.1	2.9	2.7
Total	100.0 %	100.0 %	100.0 %	100.0 %

Effective July 1, 2022, the Company entered into a five year agreement (the "Agreement") with Bread Financial and Comenity Bank (collectively the "Bank"), to provide guests with private label credit cards ("PLCC"). Each PLCC bears the Buckle brand logo and can only be used at the Company's retail locations and eCommerce platform. The Bank is the sole owner of the accounts issued under the PLCC program and bears full risk associated with guest non-payment.

As part of the Agreement, the Company receives a percentage of PLCC sales from the Bank, along with other incentive payments upon the achievement of certain performance targets. All amounts received from the Bank under the Agreement are recorded in net sales in the condensed consolidated statements of income.

3. Earnings Per Share

Basic earnings per share data are based on the weighted average outstanding common shares during the period. Diluted earnings per share data are based on the weighted average outstanding common shares and the effect of all dilutive potential common shares.

	Thirteen Weeks Ended July 29, 2023			Thirteen Weeks Ended July 30, 2022		
	Net Income	Weighted Average Shares (a)	Per Share Amount	Net Income	Weighted Average Shares (a)	Per Share Amount
Basic EPS	\$ 45,640	49,513	\$ 0.92	\$ 50,144	49,214	\$ 1.02
Effect of Dilutive Securities:						
Non-vested shares	—	362	—	—	321	(0.01)
Diluted EPS	\$ 45,640	49,875	\$ 0.92	\$ 50,144	49,535	\$ 1.01
	Twenty-Six Weeks Ended July 29, 2023			Twenty-Six Weeks Ended July 30, 2022		
	Net Income	Weighted Average Shares (a)	Per Share Amount	Net Income	Weighted Average Shares (a)	Per Share Amount
Basic EPS	\$ 88,576	49,513	\$ 1.79	\$ 105,398	49,214	\$ 2.14
Effect of Dilutive Securities:						
Non-vested shares	—	355	(0.01)	—	317	(0.01)
Diluted EPS	\$ 88,576	49,868	\$ 1.78	\$ 105,398	49,531	\$ 2.13

(a) Shares in thousands.

4. Investments

The following is a summary of investments as of July 29, 2023:

	Amortized Cost or Par Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-than- Temporary Impairment	Estimated Fair Value
Held-to-Maturity Securities:					
State and municipal bonds	\$ 23,714	\$ 4	\$ (12)	\$ —	\$ 23,706
Trading Securities:					
Mutual funds	\$ 22,964	\$ 652	\$ —	\$ —	\$ 23,616

The following is a summary of investments as of January 28, 2023:

	Amortized Cost or Par Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-than- Temporary Impairment	Estimated Fair Value
Held-to-Maturity Securities:					
State and municipal bonds	\$ 20,997	\$ 10	\$ (15)	\$ —	\$ 20,992
Trading Securities:					
Mutual funds	\$ 20,871	\$ —	\$ (247)	\$ —	\$ 20,624

The amortized cost and fair value of debt securities by contractual maturity as of July 29, 2023 is as follows:

	Amortized Cost	Fair Value
Held-to-Maturity Securities		
Less than 1 year	\$ 23,714	\$ 23,706
1 - 5 years	—	—
Total	\$ 23,714	\$ 23,706

As of July 29, 2023 and January 28, 2023, all of the Company's investments in held-to-maturity securities are classified in short-term investments. Trading securities are held in a Rabbi Trust, intended to fund the Company's deferred compensation plan, and are classified in long-term investments.

5. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities. Short-term and long-term investments with active markets or known redemption values are reported at fair value utilizing Level 1 inputs.
- Level 2 – Observable market-based inputs (either directly or indirectly) such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or inputs that are corroborated by market data.
- Level 3 – Unobservable inputs that are not corroborated by market data and are projections, estimates, or interpretations that are supported by little or no market activity and are significant to the fair value of the assets.

As of July 29, 2023 and January 28, 2023, the Company held certain assets that are required to be measured at fair value on a recurring basis including its investments in trading securities.

The Company's financial assets measured at fair value on a recurring basis are as follows:

	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
July 29, 2023				
Trading securities (including mutual funds)	\$ 23,616	\$ —	\$ —	\$ 23,616

	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
January 28, 2023				
Trading securities (including mutual funds)	\$ 20,624	\$ —	\$ —	\$ 20,624

Securities included in Level 1 represent securities which have publicly traded quoted prices.

The carrying value of cash equivalents approximates fair value due to the low level of risk these assets present and their relatively liquid nature, particularly given their short maturities. The Company also holds certain financial instruments that are not carried at fair value on the condensed consolidated balance sheets, including held-to-maturity securities. Held-to-maturity securities consist primarily of state and municipal bonds. The fair values of these debt securities are based on quoted market prices and yields for the same or similar securities, which the Company determined to be Level 2 inputs. As of July 29, 2023, the fair value of held-to-maturity securities was \$23,706 compared to the carrying amount of \$23,714. As of January 28, 2023, the fair value of held-to-maturity securities was \$20,992 compared to the carrying amount of \$20,997.

The carrying values of receivables, accounts payable, accrued expenses, and other current liabilities approximates fair value because of their short-term nature. From time to time, the Company measures certain assets at fair value on a non-recurring basis, specifically long-lived assets evaluated for impairment. These are typically store specific assets, which are reviewed for impairment when circumstances indicate impairment may exist due to the questionable recoverability of the carrying values of long-lived assets. If expected future cash flows related to a store's assets are less than their carrying value, an impairment loss would be recognized for the difference between the carrying value and the estimated fair value of the store's assets. The fair value of the store's assets is estimated utilizing an income-based approach based on the expected cash flows over the remaining life of the store's lease. The amount of impairment related to long-lived assets was immaterial for all periods presented.

6. Leases

The Company's lease portfolio is primarily comprised of leases for retail store locations. The Company also leases certain equipment and corporate office space. Store leases for new stores typically have an initial term of 10 years, with options to renew for an additional 1 to 5 years. The exercise of lease renewal options is at the Company's sole discretion and is included in the lease term for calculations of its right-of-use assets and liabilities when it is reasonably certain that the Company plans to renew these leases. Certain store lease agreements include rental payments based on a percentage of retail sales over contractual levels and others include rental payments adjusted periodically for inflation. Lease agreements do not contain any residual value guarantees, material restrictive covenants, or options to purchase the leased property.

The Company records its lease liabilities at the present value of the lease payments not yet paid, discounted at the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term. As the Company's leases do not provide an implicit interest rate, the Company obtains an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

The Company has elected to apply the practical expedient to account for lease components (e.g. fixed payments for rent, insurance, and real estate taxes) and non-lease components (e.g. fixed payments for common area maintenance) together as a single component for all underlying asset classes. Additionally, the Company elected as an accounting policy to exclude short-term leases from the recognition requirements.

Lease expense is included in cost of sales in the condensed consolidated statements of income. The components of total lease cost are as follows:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Operating lease cost	\$ 24,473	\$ 23,363	\$ 48,798	\$ 46,638
Variable lease cost ^(a)	3,871	4,687	10,268	10,961
Total lease cost	\$ 28,344	\$ 28,050	\$ 59,066	\$ 57,599

^(a) Includes variable payments related to both lease and non-lease components, such as contingent rent payments based on performance and payments related to taxes, insurance, and maintenance costs. Also includes payments related to short-term leases with periods of less than twelve months.

Supplemental cash flow information related to leases is as follows:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$ 25,285	\$ 24,225	\$ 50,499	\$ 48,431
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	\$ 9,480	\$ 13,341	\$ 35,263	\$ 27,257

The Company uses its incremental borrowing rate as the discount rate to determine the present value of lease payments. As of July 29, 2023, the weighted-average remaining lease term was 5.1 years and the weighted-average discount rate was 5.0%.

The table below reconciles undiscounted future lease payments (e.g. fixed payments for rent, insurance, real estate taxes, and common area maintenance) for each of the next five fiscal years and the total of the remaining years to the operating lease liabilities recorded on the condensed consolidated balance sheet as of July 29, 2023:

Fiscal Year	Operating Leases ^(a)
2023 (remaining)	\$ 51,642
2024	82,023
2025	57,432
2026	43,507
2027	28,665
Thereafter	64,841
Total lease payments	328,110
Less: Imputed interest	42,826
Total operating lease liability	\$ 285,284

^(a) Operating lease payments exclude \$55,832 of legally binding minimum lease payments for leases signed, but not yet commenced.

7. Supplemental Cash Flow Information

The Company had non-cash investing activities during the twenty-six week periods ended July 29, 2023 and July 30, 2022 of \$ 618 and (\$464), respectively. The non-cash investing activity relates to the change in the balance of unpaid purchases of property, plant, and equipment included in accounts payable as of the end of the period. The liability for unpaid purchases of property, plant, and equipment included in accounts payable was \$1,836 and \$2,454 as of July 29, 2023 and January 28, 2023, respectively. Amounts reported as unpaid purchases are recorded as cash outflows from investing activities for purchases of property, plant, and equipment in the condensed consolidated statement of cash flows in the period they are paid.

Additional cash flow information for the Company includes cash paid for income taxes during the twenty-six week periods ended July 29, 2023 and July 30, 2022 of \$28,196 and 39,670, respectively.

8. Stock-Based Compensation

The Company has several stock option plans which allow for granting of stock options to employees, executives, and directors. The Company has not granted any stock options since fiscal 2008 and there are currently no stock options outstanding. The Company also has restricted stock plans that allow for the granting of non-vested shares of common stock to employees and executives and a restricted stock plan that allows for the granting of non-vested shares of common stock to non-employee directors. As of July 29, 2023, 3,042,561 shares were available for grant under the Company's various restricted stock plans, of which 3,000,000 shares were available for grant to executive officers. The 3,000,000 shares available for grant to employees and executive officers represents the entirety of the shares authorized for issuance under the Company's 2023 Employee Restricted Stock Plan, which was approved by stockholders at the Company's 2023 annual meeting to replace the Company's 2005 Restricted Stock Plan, as the Company has not yet granted any shares under the new plan.

Compensation expense was recognized during fiscal 2023 and fiscal 2022 for equity-based grants, based on the grant date fair value of the awards. The fair value of grants of non-vested common stock awards is the stock price on the date of grant.

Information regarding the impact of compensation expense related to grants of non-vested shares of common stock is as follows:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Stock-based compensation expense, before tax	\$ 3,376	\$ 2,774	\$ 6,960	\$ 5,722
Stock-based compensation expense, after tax	\$ 2,549	\$ 2,094	\$ 5,255	\$ 4,320

Non-vested shares of common stock granted during the twenty-six week periods ended July 29, 2023 and July 30, 2022 were granted pursuant to the Company's 2005 Restricted Stock Plan and the Company's 2008 Director Restricted Stock Plan. Shares granted under the 2005 Plan are typically "performance based" and vest over a period of four years, only upon certification by the Compensation Committee of the Board of Directors that the Company has achieved its pre-established performance targets for the fiscal year. Certain shares granted under the 2005 Plan, however, are "non-performance based" and vest over a period of four years without being subject to the achievement of performance targets. Shares granted under the 2008 Director Plan vest 25% on the date of grant and then in equal portions on each of the first three anniversaries of the date of grant.

A summary of the Company's stock-based compensation activity related to grants of non-vested shares of common stock for the twenty-six week period ended July 29, 2023 is as follows:

	Shares	Weighted Average Grant Date Fair Value
Non-Vested - beginning of year	657,494	\$ 35.58
Granted	375,250	43.35
Forfeited	(21,940)	37.09
Vested	(77,643)	36.43
Non-Vested - end of quarter	933,161	\$ 38.60

As of July 29, 2023, there was \$18,568 of unrecognized compensation expense related to grants of non-vested shares. It is expected that this expense will be recognized over a weighted average period of approximately 2.1 years. The total fair value of shares vested during the twenty-six week periods ended July 29, 2023 and July 30, 2022 was \$2,892 and \$2,810, respectively.

9. Recently Issued Accounting Pronouncements

The Company has considered all recent accounting pronouncements and concluded that there are no recent accounting pronouncements that may have a material impact on the Company's consolidated financial statements, based on current information.

THE BUCKLE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto of the Company included in this Form 10-Q. All references herein to the "Company," "Buckle," "we," "us," or similar terms refer to The Buckle, Inc. and its subsidiary. The following is management's discussion and analysis of certain significant factors which have affected the Company's financial condition and results of operations during the periods included in the accompanying condensed consolidated financial statements.

EXECUTIVE OVERVIEW

Company management considers the following items to be key performance indicators in evaluating Company performance.

Comparable Store Sales – Stores are deemed to be comparable stores if they were open in the prior year on the first day of the fiscal period being presented. Stores which have been remodeled, expanded, and/or relocated, but would otherwise be included as comparable stores, are not excluded from the comparable store sales calculation. Online sales are included in comparable store sales. Management considers comparable store sales to be an important indicator of current Company performance, helping leverage certain fixed costs when results are positive. Negative comparable store sales results could reduce net sales and have a negative impact on operating leverage, thus reducing net earnings.

Net Merchandise Margins – Management evaluates the components of merchandise margin including initial markup and the amount of markdowns during a period. Any inability to obtain acceptable levels of initial markups or any significant increase in the Company's use of markdowns could have an adverse effect on the Company's gross margin and results of operations.

Operating Margin – Operating margin is a good indicator for management of the Company's success. Operating margin can be positively or negatively affected by comparable store sales, merchandise margins, occupancy costs, and the Company's ability to control operating costs.

Cash Flow and Liquidity (working capital) – Management reviews current cash and short-term investments along with cash flow from operating, investing, and financing activities to determine the Company's short-term cash needs for operations and expansion. The Company believes that existing cash, short-term investments, and cash flow from operations will be sufficient to fund current and long-term anticipated capital expenditures and working capital requirements for the next several years.

RESULTS OF OPERATIONS

The following table sets forth certain financial data expressed as a percentage of net sales and the percentage change in the dollar amount of such items compared to the prior period:

	Percentage of Net Sales For Thirteen Weeks Ended		Percentage Increase/(Decrease)	Percentage of Net Sales For Twenty-Six Weeks Ended		Percentage Increase/(Decrease)
	July 29, 2023	July 30, 2022		July 29, 2023	July 30, 2022	
	Net sales	100.0 %		100.0 %	(3.2) %	
Cost of sales (including buying, distribution, and occupancy costs)	52.7 %	51.8 %	(1.7) %	52.8 %	51.3 %	(3.2) %
Gross profit	47.3 %	48.2 %	(4.8) %	47.2 %	48.7 %	(8.7) %
Selling expenses	23.5 %	22.5 %	1.1 %	23.4 %	22.1 %	(0.3) %
General and administrative expenses	4.4 %	3.9 %	10.6 %	4.6 %	3.9 %	11.9 %
Income from operations	19.4 %	21.8 %	(13.6) %	19.2 %	22.7 %	(20.4) %
Other income, net	1.3 %	0.2 %	425.4 %	1.2 %	0.1 %	725.0 %
Income before income taxes	20.7 %	22.0 %	(9.0) %	20.4 %	22.8 %	(16.0) %
Income tax expense	5.1 %	5.4 %	(9.0) %	5.0 %	5.6 %	(16.0) %
Net income	15.6 %	16.6 %	(9.0) %	15.4 %	17.2 %	(16.0) %

Net sales decreased from \$302.0 million in the second quarter of fiscal 2022 to \$292.4 million in the second quarter of fiscal 2023, a 3.2% decrease. Comparable store net sales for the thirteen week quarter ended July 29, 2023 decreased 3.3% from comparable store net sales for the prior year thirteen week period ended July 30, 2022. The reduction in total sales for the period was the result of a 3.5% decrease in the number of transactions and a 1.8% decrease in the average number of units sold per transaction, which were partially offset by a 2.2% increase in the average unit retail. Online sales for the quarter decreased 5.6% to \$43.6 million for the thirteen week period ended July 29, 2023 compared to \$46.2 million for the thirteen week period ended July 30, 2022.

Net sales decreased from \$611.0 million for the first two quarters of fiscal 2022 to \$575.3 million for the first two quarters of fiscal 2023, a 5.9% decrease. Comparable store net sales for the twenty-six week period ended July 29, 2023 decreased 6.3% from comparable store net sales for the prior year twenty-six week period ended July 30, 2022. The reduction in total sales for the year-to-date period was the result of a 6.8% decrease in the number of transactions, which was partially offset by a 0.7% increase in the average unit retail and a 0.2% increase in the average number of units sold per transaction. Online sales for the year-to-date period decreased 5.6% to \$94.9 million for the twenty-six week period ended July 29, 2023 compared to \$100.6 million for the twenty-six week period ended July 30, 2022.

The Company's average retail price per piece of merchandise sold increased \$0.99, or 2.2%, during the second quarter of fiscal 2023 compared to the second quarter of fiscal 2022. This \$0.99 increase was primarily attributable to the following changes (with their corresponding effect on the overall average price per piece): a 7.6% increase in average accessory price points (\$0.37), a 2.3% increase in average denim price points (\$0.34), a 9.4% increase in average footwear price points (\$0.29), a 2.5% increase in average knit shirt price points (\$0.26), and an increase in average price points for certain other merchandise categories (\$0.21); which were offset by a shift in the merchandise mix (-\$0.48). These changes are primarily a reflection of merchandise shifts in terms of brands and product styles, fabrics, details, and finishes.

For the year-to-date period, the Company's average retail price per piece of merchandise sold increased \$0.34, or 0.7%, compared to the same period in fiscal 2022. This \$0.34 increase was primarily attributable to the following changes (with their corresponding effect on the overall average price per piece): a 3.3% increase in average denim price points (\$0.55), a 9.6% increase in average accessory price points (\$0.46), a 7.5% increase in average footwear price points (\$0.25), a 5.2% increase in average sportswear price points (\$0.21), a 1.5% increase in average knit shirt price points (\$0.15), and an increase in average price points for certain other merchandise categories (\$0.18), which were partially offset by a shift in the merchandise mix (-\$1.46). These changes are primarily a reflection of merchandise shifts in terms of brands and product styles, fabrics, details, and finishes.

Gross profit after buying, distribution, and occupancy expenses was \$138.4 million in the second quarter of fiscal 2023, compared to \$145.4 million in the second quarter of fiscal 2022. As a percentage of net sales, gross profit was 47.3% in the second quarter of fiscal 2023, compared to 48.2% in the second quarter of fiscal 2022. The current quarter margin decline was the result of 60 basis points of deleveraged buying, distribution, and occupancy expenses, along with a 30 basis point decline in merchandise margins.

Year-to-date, gross profit was \$271.7 million for the twenty-six week period ended July 29, 2023, compared to \$297.5 million for the twenty-six week period ended July 30, 2022. As a percentage of net sales, gross profit was 47.2% for the first two quarters of fiscal 2023, compared to 48.7% for the first two quarters of fiscal 2022. The year-to-date decline was due to 100 basis points of deleveraged buying, distribution, and occupancy expenses, along with a 50 basis point reduction in merchandise margins.

Selling, general, and administrative expenses were 27.9% of net sales for the second quarter of fiscal 2023, compared to 26.4% for the second quarter of fiscal 2022. The increase was the result of increases in store labor-related expenses (0.60%, as a percentage of net sales), general and administrative salary expense (0.25%, as a percentage of net sales), equity compensation expense (0.25%, as a percentage of net sales), marketing spend (0.25%, as a percentage of net sales), and certain other expense categories (0.50%, as a percentage of net sales), which were partially offset by a reduction in expense related to incentive compensation accruals (0.35%, as a percentage of net sales).

For the 26-week year-to-date period, selling, general, and administrative expenses were 28.0% of net sales for fiscal 2023, compared to 26.0% for fiscal 2022. The increase was the result of increases in store labor-related expenses (1.30%, as a percentage of net sales), general and administrative salary expense (0.30%, as a percentage of net sales), equity compensation expense (0.25%, as a percentage of net sales), marketing spend (0.25%, as a percentage of net sales), and certain other expense categories (0.55%, as a percentage of net sales), which were partially offset by a reduction in expense related to incentive compensation accruals (0.65%, as a percentage of net sales).

As a result of the above changes, the Company's income from operations was \$56.8 million, or 19.4% of net sales, for the second quarter of fiscal 2023, compared to income from operations of \$65.7 million, or 21.8% of net sales, for the second quarter of fiscal 2022. Income tax expense as a percentage of pre-tax income was 24.5% for the second quarter of both fiscal 2023 and fiscal 2022, bringing the Company's net income to \$45.6 million in the second quarter of fiscal 2023 compared to \$50.1 million in the second quarter of fiscal 2022.

Year-to-date, income from operations was \$110.5 million for the twenty-six week period ended July 29, 2023 compared to \$138.8 million for the twenty-six week period ended July 30, 2022. Income from operations was 19.2% of net sales for the first two quarters of fiscal 2023 compared to 22.7% of net sales for the first two quarters of fiscal 2022. Income tax expense as a percentage of pre-tax income was 24.5% for both the first two quarters of fiscal 2023 and the first two quarters of fiscal 2022, bringing year-to-date net income to \$88.6 million for fiscal 2023 compared to \$105.4 million for fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

As of July 29, 2023, the Company had working capital of \$258.5 million, including \$275.6 million of cash and cash equivalents and \$23.7 million of short-term investments. The Company's cash receipts are generated from retail sales and from investment income, and the Company's primary ongoing cash requirements are for inventory, payroll, occupancy costs, dividend payments, new store expansion, remodeling, and other capital expenditures. Historically, the Company's primary source of working capital has been cash flow from operations. During the first two quarters of fiscal 2023 and fiscal 2022, the Company's cash flow from operations was \$81.5 million and \$69.5 million, respectively. Changes in operating cash flow between periods is primarily a function of changes in net income, along with changes in inventory and accounts payable based on the timing and amount of merchandise purchased in each respective period. Operating cash flow is also impacted by the timing of certain other payments, including rent, income taxes, and annual incentive bonuses. The Company's growth in operating cash flow for the first two quarters of fiscal 2023 compared to the first two quarters of fiscal 2022 is primarily attributable to changes in inventory and accounts payable as the Company continued to manage and adjust to changing trends.

The uses of cash for both twenty-six week periods primarily include payment of annual bonuses accrued at fiscal year end, inventory purchases, dividend payments, construction costs for new and remodeled stores, other capital expenditures, and purchases of investment securities.

During the first two quarters of fiscal 2023 and 2022, the Company invested \$17.2 million and \$14.7 million, respectively, in new store construction, store renovation, and store technology upgrades. The Company also spent \$0.7 million and \$0.2 million in the first two quarters of fiscal 2023 and 2022, respectively, in capital expenditures for the corporate headquarters and distribution facility.

During the remainder of fiscal 2023, the Company anticipates completing 7 new stores and an additional 8 full remodels. Management estimates that total capital expenditures during fiscal 2023 will be approximately \$26.0 to \$32.0 million, which includes primarily planned store projects and technology investments. The Company believes that existing cash and cash equivalents, investments, and cash flow from operations will be sufficient to fund current and long-term anticipated capital expenditures and working capital requirements for the next several years. The Company has a consistent record of generating positive cash flow from operations each year and, as of July 29, 2023, had total cash and investments of \$322.9 million, including \$23.6 million of long-term investments.

Future conditions, however, may reduce the availability of funds based upon factors such as a decrease in demand for the Company's product, change in product mix, competitive factors, and general economic conditions as well as other risks and uncertainties which would reduce the Company's sales, net profitability, and cash flows. Also, the Company's acceleration in store openings and/or remodels or the Company entering into a merger, acquisition, or other financial related transaction could reduce the amount of cash available for further capital expenditures and working capital requirements.

The Company has available an unsecured line of credit of \$25.0 million with Wells Fargo Bank, N.A. for operating needs and letters of credit. The line of credit agreement has an expiration date of July 31, 2025 and provides that \$10.0 million of the \$25.0 million line is available for letters of credit. Borrowings under the line of credit provide for interest to be paid at a rate based on SOFR. The Company has, from time to time, borrowed against these lines of credit. There were no bank borrowings during the first two quarters of fiscal 2023 or 2022. The Company had no bank borrowings as of July 29, 2023 and was in compliance with the terms and conditions of the line of credit agreement.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations are based upon The Buckle, Inc.'s condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires that management make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the financial statement date, and the reported amounts of sales and expenses during the reporting period. The Company regularly evaluates its estimates, including those related to inventory, investments, incentive bonuses, and income taxes. Management bases its estimates on past experience and on various other factors that are thought to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management believes that the estimates and judgments used in preparing these consolidated financial statements were the most appropriate at that time. Presented below are those critical accounting policies that management believes require subjective and/or complex judgments that could potentially affect reported results of operations. The critical accounting policies and estimates utilized by the Company in the preparation of its condensed consolidated financial statements for the period ended July 29, 2023 have not changed materially from those utilized for the fiscal year ended January 28, 2023, included in The Buckle Inc.'s 2022 Annual Report on Form 10-K.

1. Revenue Recognition. Retail store sales are recorded, net of expected returns, upon the purchase of merchandise by customers. Online sales are recorded, net of expected returns, when merchandise is tendered for delivery to the common carrier. Shipping fees charged to customers are included in revenue and shipping costs are included in selling expenses. The Company recognizes revenue from sales made under its layaway program upon delivery of the merchandise to the customer. Revenue is not recorded when gift cards and gift certificates are sold, but rather when a card or certificate is redeemed for merchandise. A current liability for unredeemed gift cards and certificates is recorded at the time the card or certificate is purchased. The liability recorded for unredeemed gift cards and gift certificates was \$13.0 million and \$16.8 million as of July 29, 2023 and January 28, 2023, respectively. Gift card and gift certificate breakage is recognized as revenue in proportion to the redemption pattern of customers by applying an estimated breakage rate. The estimated breakage rate is based on historical issuance and redemption patterns and is re-assessed by the Company on a regular basis. Sales tax collected from customers is excluded from revenue and is included as part of "accrued store operating expenses" on the Company's condensed consolidated balance sheets.

The Company establishes a liability for estimated merchandise returns, based upon the historical average sales return percentage, that is recognized at the transaction value. The Company also recognizes a return asset and a corresponding adjustment to cost of sales for the Company's right to recover returned merchandise, which is measured at the estimated carrying value, less any expected recovery costs. Customer returns could potentially exceed the historical average, thus reducing future net sales results and potentially reducing future net earnings. The accrued liability for reserve for sales returns was \$4.3 million as of July 29, 2023 and \$3.0 million as of January 28, 2023.

The Company's Buckle Rewards program allows participating guests to earn points for every qualifying purchase, which (after achievement of certain point thresholds) are redeemable as a discount off a future purchase. In addition, through partnership with Bread Financial and Comenity Bank (collectively the "Bank"), the Company offers a private label credit card ("PLCC") program. Buckle Rewards members with a PLCC earn additional points under the Buckle Rewards program for every qualifying purchase on their PLCC card. Reported revenue is net of both current period reward redemptions and accruals for estimated future rewards earned under the Buckle Rewards program. A liability has been recorded for future rewards based on the Company's estimate of how many earned points will turn into rewards and ultimately be redeemed prior to expiration. As of July 29, 2023 and January 28, 2023, \$9.7 million and \$10.1 million was included in "accrued store operating expenses" as a liability for estimated future rewards.

Effective July 1, 2022, the Company entered into a five year agreement (the "Agreement") with the Bank, to continue providing guests with PLCC services. Each PLCC bears the Buckle brand logo and can only be used at the Company's retail locations and eCommerce platform. The Bank is the sole owner of the accounts issued under the PLCC program and bears full risk associated with guest non-payment.

As part of the Agreement, the Company receives a percentage of PLCC sales from the Bank, along with other incentive payments upon the achievement of certain performance targets. All amounts received from the Bank under the Agreement are recorded in net sales in the condensed consolidated statements of income.

2. Inventory. Inventory is valued at the lower of cost or net realizable value. Cost is determined using an average cost method that approximates the first-in, first-out (FIFO) method. Management makes adjustments to inventory and cost of goods sold, based upon estimates, to account for merchandise obsolescence and markdowns that could affect net realizable value, based on assumptions using calculations applied to current inventory levels within each different markdown level. Management also reviews the levels of inventory in each markdown group and the overall aging of the inventory versus the estimated future demand for such product and the current market conditions. Such judgments could vary significantly from actual results, either favorably or unfavorably, due to fluctuations in future economic conditions, industry trends, consumer demand, and the competitive retail environment. Such changes in market conditions could negatively impact the sale of markdown inventory, causing further markdowns or inventory obsolescence, resulting in increased cost of goods sold from write-offs and reducing the Company's net earnings. The adjustment to inventory for markdowns and/or obsolescence was \$7.8 million as of July 29, 2023 and \$6.3 million as of January 28, 2023.
3. Income Taxes. The Company records a deferred tax asset and liability for expected future tax consequences resulting from temporary differences between financial reporting and tax bases of assets and liabilities. The Company considers future taxable income and ongoing tax planning in assessing the value of its deferred tax assets. If the Company determines that it is more than likely that these assets will not be realized, the Company would reduce the value of these assets to their expected realizable value, thereby decreasing net income. Estimating the value of these assets is based upon the Company's judgment. If the Company subsequently determined that the deferred tax assets, which had been written down, would be realized in the future, such value would be increased. Adjustment would be made to increase net income in the period such determination was made.
4. Leases. The Company's lease portfolio is primarily comprised of leases for retail store locations. The Company also leases certain equipment and corporate office space. Store leases for new stores typically have an initial term of 10 years, with options to renew for an additional 1 to 5 years. The exercise of lease renewal options is at the Company's sole discretion and is included in the lease term for calculations of its right-of-use assets and liabilities when it is reasonably certain that the Company plans to renew these leases. Certain store lease agreements include rental payments based on a percentage of retail sales over contractual levels and others include rental payments adjusted periodically for inflation. Lease agreements do not contain any residual value guarantees, material restrictive covenants, or options to purchase the leased property.

The Company records its lease liabilities at the present value of the lease payments not yet paid, discounted at the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term. As the Company's leases do not provide an implicit interest rate, the Company obtains an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

The Company has elected to apply the practical expedient to account for lease components (e.g. fixed payments for rent, insurance, and real estate taxes) and non-lease components (e.g. fixed payments for common area maintenance) together as a single component for all underlying asset classes. Additionally, the Company elected as an accounting policy to exclude short-term leases from the recognition requirements.

5. **Investments.** Investments classified as short-term investments include securities with a maturity of greater than three months and less than one year. Available-for-sale securities are reported at fair value, with unrealized gains and losses excluded from earnings and reported as a separate component of stockholders' equity (net of the effect of income taxes), using the specific identification method, until they are sold. Held-to-maturity securities are reported at amortized cost. Trading securities are reported at fair value, with unrealized gains and losses included in earnings, using the specific identification method.

OFF-BALANCE SHEET ARRANGEMENTS, CONTRACTUAL OBLIGATIONS, AND COMMERCIAL COMMITMENTS

As referenced in the table below, the Company has contractual obligations and commercial commitments that may affect the financial condition of the Company. Based on management's review of the terms and conditions of its contractual obligations and commercial commitments, there is no known trend, demand, commitment, event, or uncertainty that is reasonably likely to occur which would have a material effect on the Company's financial condition, results of operations, or cash flows. In addition, the commercial obligations and commitments made by the Company are customary transactions which are similar to those of other comparable retail companies.

The following table identifies the material obligations and commitments as of July 29, 2023:

Contractual obligations (dollar amounts in thousands):	Payments Due by Fiscal Year				
	Total	2023 (remaining)	2024-2025	2026-2027	Thereafter
Purchase obligations	\$ 14,208	\$ 7,774	\$ 5,692	\$ 742	\$ —
Deferred compensation	23,616	—	—	—	23,616
Operating lease payments ^(a)	328,110	51,642	139,455	72,172	64,841
Total contractual obligations	\$ 365,934	\$ 59,416	\$ 145,147	\$ 72,914	\$ 88,457

^(a) See Footnote 6 to the condensed consolidated financial statements.

The Company has available an unsecured line of credit of \$25.0 million, which is excluded from the preceding table. The line of credit agreement has an expiration date of July 31, 2025 and provides that \$10.0 million of the \$25.0 million line is available for letters of credit. Certain merchandise purchase orders require that the Company open letters of credit. When the Company takes possession of the merchandise, it releases payment on the letters of credit. The amounts of outstanding letters of credit reported reflect the open letters of credit on merchandise ordered, but not yet received or funded. The Company believes it has sufficient credit available to open letters of credit for merchandise purchases. There were no bank borrowings during the first two quarters of fiscal 2023 or the first two quarters of fiscal 2022. The Company had outstanding letters of credit totaling \$5.2 million and \$3.3 million as of July 29, 2023 and January 28, 2023, respectively. The Company has no other off-balance sheet arrangements.

SEASONALITY

The Company's business is seasonal, with the holiday season (from approximately November 15 to December 30) and the back-to-school season (from approximately July 15 to September 1) historically contributing the greatest volume of net sales. For fiscal years 2022, 2021, and 2020, the holiday and back-to-school seasons accounted for approximately 35% of the Company's fiscal year net sales. Quarterly results may vary significantly depending on a variety of factors including the timing and amount of sales and costs associated with the opening of new stores, the timing and level of markdowns, the timing of store closings, the remodeling of existing stores, competitive factors, and general economic conditions.

FORWARD LOOKING STATEMENTS

Information in this report, other than historical information, may be considered to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "1995 Act"). Such statements are made in good faith by the Company pursuant to the safe-harbor provisions of the 1995 Act. In connection with these safe-harbor provisions, this management's discussion and analysis contains certain forward-looking statements, which reflect management's current views and estimates of future economic conditions, Company performance, and financial results. The statements are based on many assumptions and factors that could cause future results to differ materially. Such factors include, but are not limited to, changes in product mix, changes in fashion trends, competitive factors, and general economic conditions, economic conditions in the retail apparel industry, as well as other risks and uncertainties inherent in the Company's business and the retail industry in general. Any changes in these factors could result in significantly different results for the Company. The Company further cautions that the forward-looking information contained herein is not exhaustive or exclusive. The Company does not undertake to update any forward-looking statements, which may be made from time to time by or on behalf of the Company.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk - The Company is exposed to market risk related to interest rate risk on the cash and investments in interest-bearing securities. These investments have carrying values that are subject to interest rate changes that could impact earnings to the extent that the Company did not hold the investments to maturity. If there are changes in interest rates, those changes would also affect the investment income the Company earns on its cash and investments. For each one-quarter percent decline in the interest/dividend rate earned on cash and investments, the Company's net income would decrease approximately \$0.5 million, or less than \$0.01 per share. This amount could vary based upon the number of shares of the Company's stock outstanding and the level of cash and investments held by the Company.

ITEM 4 – CONTROLS AND PROCEDURES

The Company maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that material information, which is required to be timely disclosed, is accumulated and communicated to management in a timely manner. An evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) was performed as of the end of the period covered by this report. This evaluation was performed under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer.

Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures as of the end of the period covered by this report were effective to provide reasonable assurance that information required to be disclosed by the Company in the Company's reports that it files or submits under the Exchange Act is accumulated and communicated to management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms.

Change in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

THE BUCKLE, INC.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings: None

Item 1A. Risk Factors:

There have been no material changes from the risk factors disclosed under “Item 1A - Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended January 28, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds:

The following table sets forth information concerning purchases made by the Company of its common stock for each of the months in the fiscal quarter ended July 29, 2023:

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans
April 30, 2023 to May 27, 2023	-	-	-	410,655
May 28, 2023 to July 1, 2023	-	-	-	410,655
July 2, 2023 to July 29, 2023	-	-	-	410,655
	-	-	-	

The Board of Directors authorized a 1,000,000 share repurchase plan on November 20, 2008. The Company has 410,655 shares remaining to complete this authorization.

Item 3. Defaults Upon Senior Securities: None

Item 4. Mine Safety Disclosures: None

Item 5. Other Information: None

Item 6. Exhibits:

- Exhibit 10.1 Revolving Line of Credit Note and Sixth Amendment to Credit Agreement, dated July 31, 2023 between The Buckle, Inc. and Buckle Brands, Inc. and Wells Fargo Bank, N.A. for a \$25.0 million line of credit
- Exhibit 10.2 Amended and Restated Non-Qualified Deferred Compensation Plan
- Exhibit 31.1 Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer (Section 302 of the Sarbanes-Oxley Act of 2002)
- Exhibit 31.2 Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer (Section 302 of the Sarbanes-Oxley Act of 2002)
- Exhibit 32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- Exhibit 32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- Exhibit 101 The following materials from The Buckle, Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 29, 2023, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Income; (iii) Condensed Consolidated Statements of Stockholders' Equity; (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and in detail.
- Exhibit 104 Cover page formatted as Inline XBRL and contained in Exhibit 101

SIGNATURES

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.

THE BUCKLE, INC.

Date: September 7, 2023

By: /s/ DENNIS H. NELSON
DENNIS H. NELSON,
President and CEO
(principal executive officer)

Date: September 7, 2023

By: /s/ THOMAS B. HEACOCK
THOMAS B. HEACOCK,
Senior Vice President of Finance, Treasurer, and CFO
(principal accounting officer)

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Exhibit 31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer (Section 302 of the Sarbanes-Oxley Act of 2002)
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Exhibit 32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101	The following materials from The Buckle, Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 29, 2023, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Income; (iii) Condensed Consolidated Statements of Stockholders' Equity; (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and in detail.
Exhibit 104	Cover page formatted as Inline XBRL and contained in Exhibit 101

REVOLVING LINE OF CREDIT NOTE

\$25,000,000.00

Omaha, Nebraska

July 31, 2023

FOR VALUE RECEIVED, the undersigned THE BUCKLE, INC. and BUCKLE BRANDS, INC. ("Borrower") promises to pay to the order of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank") at its office at MAC: F8069-020, 13625 California Street, 2nd Floor, Omaha, Nebraska 68154 or at such other place as the holder hereof may designate, in lawful money of the United States of America and in immediately available funds, the principal sum of Twenty-Five Million Dollars (\$25,000,000.00), or so much thereof as may be advanced and be outstanding pursuant to the terms of the Credit Agreement, as defined herein, with interest thereon, to be computed on each advance from the date of its disbursement as set forth herein.

DEFINITIONS:

As used herein, the following terms shall have the meanings set forth after each, and any other term defined in this Note shall have the meaning set forth at the place defined:

(a) "Benchmark Floor" means a rate of interest equal to zero percent (0%).

(b) "Daily Simple SOFR" means, with respect to any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day (such day, the "SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website; provided, however, that if Daily Simple SOFR determined as provided above would be less than the Benchmark Floor, then Daily Simple SOFR shall be deemed to be the Benchmark Floor. If by 5:00 p.m. (New York City time) on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator's Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days.

(c) "Federal Reserve Business Day" means any day that is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York is closed.

(d) "Prime Rate" means at any time the rate of interest most recently announced within Bank at its principal office as its prime rate, with the understanding that the Prime Rate is one of Bank's base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as Bank may designate; provided, however, that if Prime Rate determined as provided above would be less than zero percent (0%), then Prime Rate shall be deemed to be zero percent (0%).

(e) "SOFR" means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

(f) "SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

(g) "SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

(h) "U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association, or any successor thereto, recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

INTEREST:

(a) Interest. The outstanding principal balance of this Note shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at a fluctuating rate per annum determined by Bank to be one and one half percent (1.50%) above Daily Simple SOFR in effect from time to time. Bank is hereby authorized to note the date, principal amount and interest rate applicable to this Note and any payments made thereon on Bank's books and records (either manually or by electronic entry) and/or on any schedule attached to this Note, which notations shall be prima facie evidence of the accuracy of the information noted. The Bank shall be permitted to estimate the amount of accrued interest that is payable at any time hereunder on the applicable invoice provided by Bank to Borrower in respect thereof, in which case Borrower shall pay such estimated amount and Bank shall to the extent necessary, include on the next invoice an adjustment to correct any difference between the amount on the applicable invoice and the amount of interest that actually accrued pursuant to the terms of this Note.

(b) Taxes and Regulatory Costs. Borrower shall pay to Bank immediately upon demand, in addition to any other amounts due or to become due hereunder, any and all (i) withholdings, interest equalization taxes, stamp taxes or other taxes (except income and franchise taxes) imposed by any domestic or foreign governmental authority and related in any manner to SOFR or Daily Simple SOFR, and (ii) costs, expenses and liabilities arising from or in connection with reserve percentages prescribed by the Board of Governors of the Federal Reserve System (or any successor) for "Eurocurrency Liabilities" (as defined in Regulation D of the Board of Governors of the Federal Reserve System, as amended), assessment rates imposed by the Federal Deposit Insurance Corporation, or similar requirements or costs imposed by any domestic or foreign governmental authority or resulting from compliance by Bank with any request or directive (whether or not having the force of law) from any central bank or other governmental authority and related in any manner to SOFR or Daily Simple SOFR. In determining which of the foregoing are attributable to any SOFR or Daily Simple SOFR option available to Borrower hereunder, any reasonable allocation made by Bank among its operations shall be conclusive and binding upon Borrower.

(c) Default Interest. Bank shall have the option in its sole and absolute discretion to have the outstanding principal balance of this Note bear interest at an increased rate per annum (computed on the basis of a 360-day year, actual days elapsed) equal to four percent (4%) above the rate of interest from time to time applicable to this Note (i) from and after the maturity date of this Note; (ii) from and after the date prior to the maturity date of this Note when all principal owing hereunder becomes due and payable by acceleration or otherwise; and/or (iii) upon the occurrence and during the continuance of any Event of Default.

(d) Inability to Determine Interest Rates: Illegality. Subject to the Benchmark Replacement Provisions below, if Bank determines (any determination of which shall be conclusive and binding on Borrower) that either (i) Daily Simple SOFR cannot be determined pursuant to the definition thereof other than as a result of a Benchmark Transition Event (an "Inability Determination") or (ii) any law has made it unlawful, or that any governmental authority has asserted that it is unlawful, for Bank to make or maintain an advance based on SOFR or Daily Simple SOFR, or to determine or charge interest rates based upon SOFR or Daily Simple SOFR (an "Illegality Determination"), then Bank will so notify Borrower. The outstanding principal balance of this Note shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at a fluctuating rate per annum determined by Bank to be equal to the Prime Rate in effect from time to time, from the date of an Inability Determination or an Illegality Determination until Bank revokes such Inability Determination or notifies Borrower that the circumstances giving rise to such Illegality Determination no longer exist, as applicable. When interest is determined in relation to the Prime Rate, each change in the rate of interest hereunder shall become effective on the date each Prime Rate change is announced within Bank. Notwithstanding any of the foregoing to the contrary, if a Benchmark Replacement is subsequently determined in accordance with applicable Benchmark Replacement Provisions, that Benchmark Replacement, plus any applicable margin, will become effective on the Benchmark Replacement Date and will then supersede the Prime Rate and margin determined in accordance with this provision.

BENCHMARK REPLACEMENT PROVISIONS:

Notwithstanding anything to the contrary contained in this Note or in any related loan document (for the purposes of these Benchmark Replacement Provisions, a swap agreement by and between Borrower and Bank or any of its affiliates is not a loan document):

(a) Benchmark Replacement. If a Benchmark Transition Event occurs, the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes under this Note or under any related loan document. Any Benchmark Replacement will become effective on the applicable Benchmark Replacement Date without any further action or consent of Borrower.

(b) Benchmark Replacement Conforming Changes. Bank will have the right to make Benchmark Replacement Conforming Changes from time to time and any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

(c) Notices: Standards for Decisions and Determinations. Bank will promptly notify Borrower of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by Bank pursuant to these Benchmark Replacement Provisions, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and will be made in its sole discretion and without Borrower consent.

(d) Certain Defined Terms. As used in this Note, each of the following capitalized terms has the meaning given to such term below:

(i) "Benchmark" means, initially, Daily Simple SOFR; provided, however, that if a Benchmark Transition Event has occurred with respect to Daily Simple SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to the provisions of this Note.

(ii) "Benchmark Administrator" means, initially, the SOFR Administrator, or any successor administrator of the then-current Benchmark or any insolvency or resolution official with authority over such administrator.

(iii) "Benchmark Replacement" means the sum of: (A) the alternate rate of interest that has been selected by Bank as the replacement for the then-current Benchmark; and (B) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Bank, in each case, giving due consideration to (x) any selection or recommendation by the Relevant Governmental Body at such time for a replacement rate, the mechanism for determining such a rate, the methodology or conventions applicable to such rate, or the spread adjustment, or method for calculating or determining such spread adjustment, for such rate, or (y) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the then-current Benchmark, the methodology or conventions applicable to such rate, or the spread adjustment, or method for calculating or determining such spread adjustment, for such alternate rate for U.S. dollar-denominated syndicated or bilateral credit facilities at such time; provided, however, that if the Benchmark Replacement as determined as provided above would be less than the Benchmark Floor, then Benchmark Replacement shall be deemed to be the Benchmark Floor, subject to any other applicable floor rate provision.

(iv) "Benchmark Replacement Conforming Changes" means any technical, administrative or operational changes (including, without limitation, changes to the definition of "U.S. Government Securities Business Day," the timing and frequency of determining rates and making payments of interest, prepayment provisions and other technical, administrative or operational matters) that Bank decides may be appropriate to reflect the adoption and implementation of a Benchmark Replacement and to permit the administration thereof by Bank.

(v) "Benchmark Replacement Date" means the date specified by Bank in a notice to Borrower following a Benchmark Transition Event.

(vi) "Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark: a public statement or publication of information by or on behalf of the Benchmark Administrator or a regulatory supervisor for the Benchmark Administrator announcing that (A) the Benchmark Administrator has ceased or will cease to provide the Benchmark permanently or indefinitely or (B) the Benchmark is no longer, or as of a specified future date will no longer be, representative of underlying markets.

(vii) "Relevant Governmental Body" means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

BORROWING AND REPAYMENT:

(a) Borrowing and Repayment of Principal. Borrower may from time to time during the term of this Note borrow, partially or wholly repay its outstanding borrowings, and reborrow, subject to all of the limitations, terms and conditions of this Note and of any document executed in connection with or governing this Note; provided however, that the total outstanding borrowings under this Note shall not at any time exceed the principal amount stated above. The unpaid principal balance of this obligation at any time shall be the total amounts advanced hereunder by the holder hereof less the amount of principal payments made hereon by or for Borrower, which balance may be endorsed hereon from time to time by the holder. The outstanding principal balance of this Note shall be due and payable in full on July 31, 2025.

(b) Payment of Interest. Interest accrued on this Note shall be payable on the last day of each month, commencing August 31, 2023, and on the maturity date set forth above.

(c) Advances. Advances hereunder, to the total amount of the principal sum stated above, may be made by the holder at the oral or written request of (i) DENNIS H. NELSON or THOMAS B. HEACOCK, any one acting alone (subject to any of Bank's applicable authentication policies or procedures, which may require that a particular individual—including another specific individual listed above—provide verification of the identity of the requestor), who are authorized to request advances and direct the disposition of any advances until written notice of the revocation of such authority is received by the holder at the office designated above, or (ii) any person, with respect to advances deposited to the credit of any deposit account of Borrower, which advances, when so deposited, shall be conclusively presumed to have been made to or for the benefit of Borrower regardless of the fact that persons other than those authorized to request advances may have authority to draw against such account. The holder shall have no obligation to determine whether any person requesting an advance is or has been authorized by Borrower.

(d) Application of Payments. Each payment made on this Note shall be credited first, to any interest then due and second, to the outstanding principal balance hereof.

PAYMENTS:

If any payment of principal or interest to be made pursuant to this Note other than a prepayment or a payment due on the maturity date of this Note, shall fall due on a day that is not a Federal Reserve Business Day, payment shall be made on the next succeeding Federal Reserve Business Day, except that, if such next succeeding Federal Reserve Business Day would fall in the next calendar month, such payment shall be made on the immediately preceding Federal Reserve Business Day. Any extension or contraction of time shall be reflected in computing interest or fees, as the case may be.

PREPAYMENT:

Borrower may prepay principal on this Note at any time, in any amount and without penalty. If principal under this Note is payable in more than one installment, then any prepayments of principal shall be applied to the most remote principal installment or installments then unpaid.

SWAP AGREEMENT:

Borrower understands and acknowledges that (i) any Swap Agreement constitutes an independent agreement between Borrower and Bank and will be unaffected by any repayment, prepayment, acceleration, reduction, increase or change in the terms of this Note, except as otherwise expressly provided in the Swap Agreement, (ii) nothing in this Note shall be construed as a modification of a Swap Agreement or create an obligation to amend a Swap Agreement, (iii) Borrower may incur losses or reductions in benefits related to differences between the economic terms and characteristics of this Note and those of a related Swap Agreement (including, without limitation, differences with respect to maturity dates, payment dates and methods for determining interest rates and differences between borrowings hereunder and the notional amount of a Swap Agreement), and Bank is under no obligation to ensure that there are no differences or that differences will not arise hereafter, including, without limitation, differences between usage hereunder and the notional amount of a Swap Agreement, and (iv) Bank has no obligation to modify, renew or extend the maturity date of this Note to match the maturity date of a Swap Agreement. For the purposes of this provision, "Swap Agreement" means any existing or future swap agreement by and between Borrower and Bank or any of its affiliates.

EVENTS OF DEFAULT:

This Note is made pursuant to and is subject to the terms and conditions of that certain Credit Agreement between Borrower and Bank dated January 31, 2011, as amended from time to time (the "Credit Agreement"). Any default in the payment or performance of any obligation under this Note, or any defined event of default under the Credit Agreement, shall constitute an "Event of Default" under this Note.

MISCELLANEOUS:

(a) Remedies. Upon the sale, transfer, hypothecation, assignment or other encumbrance, whether voluntary, involuntary or by operation of law, of all or any interest in any real property securing this Note, if any, or upon the occurrence of any Event of Default, the holder of this Note, at the holder's option, may declare all sums of principal and interest outstanding hereunder to be immediately due and payable without presentment, demand, notice of nonperformance, notice of protest, protest or notice of dishonor, all of which are expressly waived by Borrower, and the obligation, if any, of the holder to extend any further credit hereunder shall immediately cease and terminate. Borrower shall pay to the holder immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of the holder's in-house counsel), expended or incurred by the holder in connection with the enforcement of the holder's rights and/or the collection of any amounts which become due to the holder under this Note whether or not suit is brought, and the prosecution or defense of any action in any way related to this Note, including without limitation, any action for declaratory relief, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Bank or any other person) relating to Borrower or any other person or entity.

(b) Collateral Exclusion. No lien or security interest created by or arising under any deed of trust, mortgage, security deed, or similar real estate collateral agreement ("Lien Document") shall secure the Note Obligations unless such Lien Document specifically describes the promissory note(s), instrument(s) or agreement(s) evidencing Note Obligations as a part of the indebtedness secured thereby. This exclusion shall apply notwithstanding (i) the fact that such Lien Document may appear to secure the Note Obligations by virtue of a cross-collateralization provision or other provisions expanding the scope of the secured obligations, and (ii) whether such Lien Document was entered into prior to, concurrently with, or after the date hereof. As used herein, "Note Obligations" means any obligations under this Note, as amended, extended, renewed, refinanced, supplemented or otherwise modified from time to time, or under any other evidence of indebtedness that has been modified, renewed or extended in whole or in part by this Note, as amended, extended, renewed, refinanced, supplemented or otherwise modified from time to time.

(c) Obligations Joint and Several. Should more than one person or entity sign this Note as a Borrower, the obligations of each such Borrower shall be joint and several.

(d) Governing Law. This Note shall be governed by and construed in accordance with the laws of Nebraska, but giving effect to federal laws applicable to national banks, without reference to the conflicts of law or choice of law principles thereof.

(e) Effective Date. The effective date of this Note shall be the date that Bank has accepted this Note and all conditions to the effectiveness of the Credit Agreement have been fulfilled to Bank's satisfaction. Notwithstanding the occurrence of the effective date of this Note, Bank shall not be obligated to extend credit under this Note until all conditions to each extension of credit set forth in the Credit Agreement have been fulfilled to Bank's satisfaction.

IN WITNESS WHEREOF, the undersigned has executed this Note to be effective as of the effective date set forth herein.

THE BUCKLE, INC.

By: /s/ DENNIS H. NELSON
DENNIS H. NELSON,
PRESIDENT, CHIEF EXECUTIVE
OFFICER

BUCKLE BRANDS, INC.

By: /s/ DENNIS H. NELSON
DENNIS H. NELSON,
PRESIDENT, CHIEF EXECUTIVE
OFFICER

SIXTH AMENDMENT TO CREDIT AGREEMENT

THIS AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated July 31, 2023, is entered into by and between THE BUCKLE, INC. and BUCKLE BRANDS, INC., both a Nebraska corporation (each individually, a "Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank"). Each reference herein to "Borrower" shall mean each and every party, collectively and individually, defined above as a Borrower.

RECITALS

WHEREAS, Borrower is currently indebted to Bank pursuant to the terms and conditions of that certain Credit Agreement between Borrower and Bank dated January 31, 2011, as amended from time to time ("Credit Agreement").

WHEREAS, Bank and Borrower have agreed to certain changes in the terms and conditions set forth in the Credit Agreement and have agreed to amend the Credit Agreement to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Credit Agreement shall be amended as follows:

1. Section 1.1. (a) is hereby amended by deleting "July 31, 2023" as the last day on which Bank will make advances under the Line of Credit, and by substituting for said date "July 31, 2025." Any promissory note delivered in connection with this Amendment shall replace and be deemed the Line of Credit Note defined in and made pursuant to the Credit Agreement.

2. The following is hereby added to the Credit Agreement as Section 1.2. (e):

"(e) Unused Commitment Fee. Borrower shall pay to Bank a fee equal to ten hundredths percent (.10%) per annum (computed on the basis of a 360-day year, actual days elapsed) on the daily unused amount of the Line of Credit, which fee shall be calculated on a quarterly basis by Bank and shall be due and payable by Borrower in arrears on the first day of each quarter, commencing on October 1, 2023."

3. Section 7.2 is hereby amended by deleting "MAC N8032-034, 1248 O Street, 3rd Floor, Lincoln, Nebraska 68508" as Bank's address, and by substituting in its place "MAC: F8069-020, 13625 California Street, 2nd Floor, Omaha, Nebraska 68154."

4. The effective date of this Amendment shall be the date that all of the following conditions set forth in this Section have been satisfied, as determined by Bank and evidenced by Bank's system of record. Notwithstanding the occurrence of the effective date of this Amendment, Bank shall not be obligated to extend credit under this Amendment or any other Loan Document until all conditions to each extension of credit set forth in the Credit Agreement have been fulfilled to Bank's satisfaction.

(a) Approval of Bank Counsel. All legal matters incidental to the effectiveness of this Amendment shall be satisfactory to Bank's counsel.

(b) Documentation. Bank shall have received, in form and substance satisfactory to Bank, each of the following, duly executed by all parties:

- (i) This Amendment and each promissory note or other instrument or document required hereby.
- (ii) Corporate Resolutions and Certificate of Incumbency: Borrower (2).
- (iii) Such other documents as Bank may require under any other Section of this Amendment.

(c) Regulatory and Compliance Requirements. All regulatory and compliance requirements, standards and processes shall be completed to the satisfaction of Bank.

5. Except as specifically provided herein, all terms and conditions of the Credit Agreement remain in full force and effect, without waiver or modification. All terms defined in the Credit Agreement shall have the same meaning when used in this Amendment. This Amendment and the Credit Agreement shall be read together, as one document.

6. Borrower hereby remakes all representations and warranties contained in the Credit Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment and as of the date of Borrower's execution of this Amendment there exists no Event of Default as defined in the Credit Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

A CREDIT AGREEMENT MUST BE IN WRITING TO BE ENFORCEABLE UNDER NEBRASKA LAW. TO PROTECT THE PARTIES FROM ANY MISUNDERSTANDINGS OR DISAPPOINTMENTS, ANY CONTRACT, PROMISE, UNDERTAKING OR OFFER TO FOREBEAR REPAYMENT OF MONEY OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, OR ANY AMENDMENT OF, CANCELLATION OF, WAIVER OF, OR SUBSTITUTION FOR ANY OR ALL OF THE TERMS OR PROVISIONS OF ANY INSTRUMENT OR DOCUMENT EXECUTED IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, MUST BE IN WRITING TO BE EFFECTIVE.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Amendment to be effective as of the effective date set forth herein.

THE BUCKLE, INC.

By: /s/ DENNIS H. NELSON
DENNIS H. NELSON,
PRESIDENT, CHIEF EXECUTIVE
OFFICER

BUCKLE BRANDS, INC.

By: /s/ DENNIS H. NELSON
DENNIS H. NELSON,
PRESIDENT, CHIEF EXECUTIVE
OFFICER

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: /s/ SEAN T. O'CONNELL,
SEAN T. O'CONNELL,
DIRECTOR

THE BUCKLE, INC.
DEFERRED COMPENSATION PLAN
(Amended and Restated effective July 1, 2023)

**THE BUCKLE, INC.
DEFERRED COMPENSATION PLAN**

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**THE BUCKLE, INC.
DEFERRED COMPENSATION PLAN**

INTRODUCTION

The Buckle, Inc. (the "Sponsoring Company") established The Buckle, Inc. Deferred Compensation Plan (the "Plan") effective February 1, 1999. The Plan provides additional deferred compensation opportunities to certain key employees. The Plan is an unfunded plan maintained primarily for providing deferred compensation for a select group of management or highly compensated employees. As such, the Plan is not intended to meet the qualification requirements of Section 401(a) of the Internal Revenue Code. The Sponsoring Company amended and restated the Plan in its entirety on December 31, 2008, for compliance with Code Section 409A, effective January 1, 2005 to the extent required by Code Section 409A (the "First Amended and Restated Plan"). Thereafter, the Sponsoring Company amended and restated the Plan effective February 1, 2012 (the "Second Amended and Restated Plan") which was subsequently amended on each of January 31, 2012, December 7, 2020, March 21, 2022, and June 1, 2022 and will hereafter be referred to as the "Third Amended and Restated Plan". This Third Amended and Restated Plan shall not be construed to amend any provisions regarding the time and form of payment with respect to all amounts deferred or for deferral elections executed prior to its adoption.

ARTICLE I - GENERAL DEFINITIONS

SECTION 1.01. Account. An account maintained for a Participant to record his or her share of the Company Contributions and Deferral Contributions and adjustments relating thereto. Account may, as context requires, be used to indicate the aggregation of the various individual accounts, including the Company Contributions Account and Deferral Contributions Account, attributable to a Participant for accounting and recordkeeping purposes.

SECTION 1.02. Administration Committee or Committee. The persons appointed pursuant to Article XI to administer the Plan in accordance with said Article. For the avoidance of doubt, the Chief Executive Officer, Chief Financial Officer, and General Counsel shall comprise the Administration Committee in the absence of an official, separate appointment by the Board of Directors as outlined in Article XI.

SECTION 1.03. Beneficiary. Any person designated under Article IX by the Participant to receive any benefit payable under the Plan due to the Participant's death. For the avoidance of doubt, in the event that a Beneficiary predeceases a Participant or Former Participant prior to distribution or any or all of the benefits to which he/she is entitled under this Plan, such Beneficiary designation shall be deemed automatically revoked and have no further legal force or effect. Unless prohibited by applicable law, if a Participant or Former Participant names a spouse as Beneficiary and the marriage is dissolved prior to distribution of any or all of the benefits to which he/she is entitled under this Plan, such Beneficiary designation shall be deemed automatically revoked and have no further legal force or effect.

SECTION 1.04. Board of Directors or Board. The Board of Directors of the Sponsoring Company.

SECTION 1.05. Change of Control. One or more of the following events:

(a) A change in the ownership of the capital stock of the Sponsoring Company, meaning any one person, or more than one person acting as a group acquires ownership of stock of the corporation that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of such corporation. However, if any one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation (or to cause a change in the effective control of the corporation (within the meaning of paragraph (b) of this Section)). An increase in the percentage of stock owned by any one person, or persons acting as a group, because of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this Section. This Section applies only when there is a transfer of stock of a corporation (or issuance of stock of a corporation) and stock in such corporation remains outstanding after the transaction. Persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time, or because of the same public offering. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation. See Code Reg. Section 1.280G-1, Q&A-27(d), Example 4.

Notwithstanding anything herein to the contrary, the transfer of stock of the Sponsoring Company to a trust described in Code Section 401 will not be treated as a transfer of stock for purposes of this Section.

(b) A majority of members of the Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors prior to the date of the appointment or election.

(c) Change in the ownership of a substantial portion of the Sponsoring Company's assets. A change in the ownership of a substantial portion of a Sponsoring Company's assets occurs on the date that any one person, or more than one person acting as a group (as determined in paragraph (a) above), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than 80 percent of the total gross fair market value of all of the assets of the Sponsoring Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the corporation, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

There is no Change in Control event when there is a transfer to an entity that is controlled by the shareholders of the transferring corporation immediately after the transfer. A transfer of assets by a corporation is not treated as a change in the ownership of such assets if the assets are transferred to (i) a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock; (ii) an entity, 50 percent or more of the total value or voting power of which is owned, directly or indirectly, by the corporation; (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, 50 percent or more of the total value or voting power of all the outstanding stock of the corporation; or (iv) an entity, at least 50 percent of the total value or voting power of which is owned, directly or indirectly, by a person described in (iii). For purposes of this Section and except as otherwise provided, a person's status is determined immediately after the transfer of the assets. For example, a transfer to a corporation in which the transferor corporation has no ownership interest before the transaction, but which is a majority-owned subsidiary of the transferor corporation after the transaction is not treated as a change in the ownership of the assets of the transferor corporation.

The provisions of this Section shall be construed consistently with Code Section 409A and the regulations, rulings and notices issued by the Internal Revenue Service pursuant thereto.

Notwithstanding the foregoing, a shareholder on December 31, 2008, may make the following transfers and such transfers shall be deemed not to be a Change of Control under this Section 1.05.

- (a) To any trust created solely for the benefit of any shareholder or any spouse of or any lineal descendant of any shareholder;
- (b) To any individual or entity by bona fide gift;
- (c) To any spouse or former spouse pursuant to the terms of a decree of divorce; or
- (d) To any family member of the shareholder.

SECTION 1.06. Code. The Internal Revenue Code of 1986, as amended. References to a Code Section shall be deemed to be to that Section as it now exists and to any successor provision.

SECTION 1.07. Company. The Sponsoring Company and the Participating Company, whether together or singularly, as context may require.

SECTION 1.08. Company Contribution. The credits made to the Plan by the Company under Sections 3.02 and 3.03 hereof. Company Contributions will be credited to the Participant's Company Contributions Account.

SECTION 1.09. Company Contributions Account. The portion of a Participant's Account to which Company Contributions and adjustments relating thereto are attributed.

SECTION 1.10. Compensation. The total cash compensation actually paid to a Participant during a calendar year, including pre-tax contributions made on behalf of the Participant under the Profit Sharing Plan, including deferrals under Section 125 or similar provisions of the Code and deferrals under this Plan, including base salary, hourly wages, bonuses, overtime compensation, commissions and incentives, but excluding (a) amounts described in Code Sections 104(a)(3), 105(a), or 105(h), but only to the extent that these amounts are includible in the gross income of the Employee; (b) amounts paid or reimbursed by the Employer for moving expenses incurred by an Employee, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Employee under Code Section 217; (c) the value of a non-statutory option (which is an option other than a statutory option as defined in Treas. Reg. Section 1.421-1(b)) granted to an Employee by the Employer, but only to the extent that the value of the option is includible in the gross income of the Employee for the taxable year in which granted; (d) the amount includible in the gross income of an Employee upon making the election described in Code Section 83(b); (e) amounts that are includible in the gross income of an Employee under the rules of Code Sections 409A or 457(f)(1)(A) or because the amounts are constructively received by the Employee; (f) severance pay received prior to the termination of employment; (g) the value of restricted stock or of a qualified or a nonqualified stock option granted to an Employee by the Employer to the extent such value is includible in the Employee's taxable income; (h) the amount realized on restricted stock granted to an Employee by the Employer to the extent such value is includible in the Employee's taxable income; and the amount realized with respect to stock or dividends on stock granted to an Employee by the Employer to the extent such value is includible in the Employee's taxable income; and (i) reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation and welfare benefits.

SECTION 1.11. Deemed Investment. An investment medium permitted by the Sponsoring Company in which a Participant may direct the Sponsoring Company as to how the Participant's Account is deemed invested.

SECTION 1.12. Deferral Contribution. The credits made to the Plan by the Company under Section 3.01 hereof on behalf of an Eligible Employee according to such Participant's election. Deferral Contributions will be credited to the Participant's Deferral Contributions Account.

SECTION 1.13. Deferral Contributions Account. The portion of a Participant's Account to which Deferral Contributions and adjustments relating thereto are attributed.

SECTION 1.14. Disability. A Participant is considered disabled if he or she meets one or more of the following requirements:

- (a) The Participant is unable to engage in any substantial gainful activity due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- (b) The Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company.

Medical determination of Disability may be made by either the Social Security Administration or the Sponsoring Company. The Participant must submit proof of Disability acceptable to the Administration Committee, including, but not limited to, the Social Security Administration's determination.

SECTION 1.15. Eligible Employee. An Employee who is part of a select group of highly compensated or management employees of the Company and who is declared eligible to participate in the Plan pursuant to a resolution hereafter duly adopted by the Board of Directors.

SECTION 1.16. Employee. Any person who is employed by the Company.

SECTION 1.17. ERISA. The Employee Retirement Income Security Act of 1974, as it may be amended from time to time, and the regulations and guidance promulgated thereunder.

SECTION 1.18. Former Participant. A Participant whose employment with the Company has terminated or who has otherwise ceased to be an Eligible Employee, but who has a vested Account balance under the Plan which has not been paid in full and, therefore, is continuing to participate in the allocation of Trust Fund Income.

SECTION 1.19. Good Cause. Good Cause shall be deemed to exist if, and only if:

- (a) The Participant engages in acts or omissions constituting dishonesty, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance;
 - (b) The Participant violates the Company's Code of Business Ethics & Conduct, as determined by the Administration Committee;
 - (c) The Participant is convicted of a criminal violation involving fraud or dishonesty; or
 - (d) The Participant materially breaches the terms of any agreement between the Participant and the Sponsoring Company and/or the Participating Company relating to the Participant's employment, or materially fails to satisfy the conditions and requirements of the Participant's employment with the Sponsoring Company and/or the Participating Company. For purposes of this Section, inattention by the Participant to the Participant's duties or otherwise failing to perform with appropriate adequacy the responsibilities of such Participant's job shall be deemed a breach or failure incapable of cure.
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SECTION 1.20. Good Reason. Good Reason shall be deemed to exist if the Participant voluntarily ceases to be employed by the Company for any reason, other than Good Cause, within 12 months after:

(a) The assignment to Participant of any duties inconsistent in any respect with Participant's position, authority, or responsibilities, or any other action by the Company that results in a permanent, material diminution in such position, authority, or responsibilities, excluding for this purpose an isolated, insubstantial, or inadvertent action not taken in bad faith and is remedied by the Company promptly after receipt of written notice thereof is given by the Participant;

(b) Participant is subject to a material diminution in his or her base salary, which is anticipated to be permanent in nature and is not an isolated, insubstantial, or temporary salary reduction;

(c) The geographic location at which the Participant is required to perform services materially changes; or

(d) The Company that employs the Participant terminates or amends any Incentive Plan or Retirement Plan so that, when considered in the aggregate with any substitute Plan or Plans, the Incentive Plans and Retirement Plans in which the Participant is participating fail to provide the Participant with a level of benefits equivalent to at least 90 percent of the value of the level of benefits provided in the aggregate by such Incentive Plans or Retirement Plans at the date of a Change in Control.

SECTION 1.21. Incentive Plan. Any incentive, bonus, deferred compensation or similar plan or arrangement currently or hereafter made available by the Company in which the Participant is eligible to participate. For purposes of the 90 percent test referenced in Section 1.20(d), the level of the value of benefits shall be compared based on comparable levels of performance, and a reduction in benefits resulting from a failure to meet performance targets shall not constitute Good Reason, so long as the performance targets are comparable and the level of benefits would not have been reduced by more than 10 percent had the performance targets been achieved.

SECTION 1.22. Income. The net gain or loss from Deemed Investments, as reflected by deemed interest payments, dividends, realized and unrealized gains and losses on securities, other investment transactions and expenses on the Deemed Investments. In determining the Income of the Trust Fund as of any date, assets shall be valued based on their then fair market value.

SECTION 1.23. Participant. Any person participating in the Plan according to the provisions of Article II.

SECTION 1.24. Participating Company. Buckle Brands, Inc.

SECTION 1.25. Plan. The Buckle, Inc. Deferred Compensation Plan, the plan set forth herein, as amended from time to time.

SECTION 1.26. Plan Year. Effective January 1, 2013, the 12-month period commencing January 1 and ending December 31. The Plan will have a short Plan Year commencing February 1, 2012, and ending December 31, 2012. Prior to February 1, 2012, the Plan Year was the 12-month period commencing February 1 and ending January 31.

SECTION 1.27. Profit Sharing Plan. The Buckle, Inc. 401(k) Plan and any profit sharing plan sponsored by the Participating Company, as amended from time to time.

SECTION 1.28. Quarter. The first, second, third and fourth 3-month periods of the Plan Year. Effective for the short Plan Year commencing February 1, 2012, and ending December 31, 2012, the first Quarter means the period commencing February 1 and ending April 30, the second Quarter means the period commencing May 1 and ending July 31, the third Quarter means the period commencing August 1 and ending October 31, and the fourth Quarter means the period commencing November 1 and ending December 31.

SECTION 1.29. Retirement Plan. Any qualified or supplemental defined benefit retirement plan or defined contribution retirement plan, currently or hereinafter made available by the Company in which the Participant is eligible to participate, or any private arrangement maintained by the Company solely for the Participant, including, but not limited to the Profit Sharing Plan.

SECTION 1.30. Specified Employee. A key employee (as defined in Code Section 416(i) without regard to paragraph 5 thereof) of the Company if any stock of the Company is publicly traded on an established securities market or otherwise, as determined by the Administration Committee based on the 12-month period ending on December 31 (the "identification period"). If the Participant is determined to be a Specified Employee for an identification period, the Participant shall be treated as a Specified Employee for purposes of this Agreement during the 12-month period that begins on the first day of the fourth month following the close of the identification period.

SECTION 1.31. Sponsoring Company. The Buckle Inc.

SECTION 1.32. Termination of Employment or Terminates Employment. The termination of an Employee's employment with the Company for reasons other than death or Disability. For purposes of this Section, Company includes the Sponsoring Company, the Participating Company, and any other entity within the same controlled group as defined in Code Section 409A and Section 1.409A-1(h)(3) of the Treasury Regulations. Whether a Termination of Employment takes place is determined based on the facts and circumstances surrounding the termination of the Employee's employment and whether the Company and the Employee intended for the Employee to provide significant services to the Company following such termination. A termination of employment will be presumed not to be a Termination of Employment if the Participant continues to provide services for the Company (whether as an employee or independent contractor (other than a member of the Board of Directors of the Company)) at an annual rate that is 20 percent or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period).

The Participant's employment relationship will be treated as continuing intact while the Participant is on sick leave or other bona fide leave of absence if the period of such leave of absence does not exceed 6 months, or if longer, so long as the Participant's right to reemployment with the Company is provided either by statute or by contract. If the period of leave exceeds six months and there is no right to reemployment, a Termination of Employment will be deemed to have occurred as of the first date immediately following such 6-month period.

Notwithstanding the foregoing, if the Sponsoring Company and the Participating Company are no longer considered a single employer under Code Section 409A and Section 1.409A-1(h) of the Treasury Regulations, this Section shall be construed so that "Company" means the "Sponsoring Company or the Participating Company" and any entity within the controlled group of the applicable company, as defined in Section 1.409A-1(h)(3); provided, however, that a termination of employment with the Sponsoring Company will only result in a payment of amounts deferred under the Plan from Compensation paid by the Sponsoring Company and a termination of employment with the Participating Company will only result in a payment of amounts deferred from Compensation paid by the Participating Company.

SECTION 1.33. Trust or Trust Fund. The Trust or Trust Fund maintained according to the terms of the Trust Agreement, as amended from time to time.

SECTION 1.34. Trust Agreement. The Trust Agreement dated as of June 1, 2022, as amended, substituted, or replaced from time to time, entered into between the Sponsoring Company and the Trustee, under which Company Contributions and Deferral Contributions will be received, held, invested, and disbursed for purposes of the Plan.

SECTION 1.35. Trustee. Delaware Charter Guarantee & Trust Company (previously, Reliance Trust Company) or any successor trustee appointed pursuant to the Trust Agreement.

SECTION 1.36. Valuation Date. The last business day of any Quarter.

ARTICLE II - PARTICIPATION

SECTION 2.01. Commencement of Participation. Those Eligible Employees who are determined by the Company to be eligible to participate in the Plan shall commence participation in this Plan as of the date specified by the Board of Directors in the resolution declaring such Employee to be eligible to participate in the Plan.

SECTION 2.02. Enrollment Requirements. As a condition of participation, each Eligible Employee shall complete, execute, and return the appropriate election form, reducing his or her compensation as set out in Section 3.01. The Administration Committee shall establish such other enrollment requirements as it determines necessary or advisable from time to time.

SECTION 2.03. Eligibility During Leave of Absence. If a Participant is on sick leave or another bona fide leave of absence for a period of time which either (a) does not exceed 6 months, or (b) if longer, the Participant has a right to reemployment with the Company either by statute or by contract, the Participant shall continue to participate in the Plan on the same terms as any other Participant. If the Participant is on sick leave or another bona fide leave of absence which exceeds 6 months and does not satisfy subsection (b) as set out in this Section, a Termination of Employment will be deemed to have occurred as of the first date immediately following such 6-month period and the individual will immediately cease to be a Participant.

SECTION 2.04. Re-employment. The re-employment of a former Eligible Employee or Former Participant by the Company shall not entitle such individual to resume participation hereunder. For the avoidance of doubt, such individual shall not become a Participant hereunder until the individual is again designated as an Eligible Employee as defined under the terms of the Plan. If a Former Participant who has experienced a Termination of Employment is receiving annual payments under the terms of this Plan and is re-employed by the Company, payments due to the Former Participant shall not be suspended.

SECTION 2.05. Termination of Participation. An Eligible Employee's participation in the Plan will terminate as of the earlier of the following: (a) a date specified by the Board of Directors in a resolution, (b) the date of a permanent diminution in the individual's position, authority, or responsibilities, unless the Board of Directors mandates the continued eligibility of the individual by resolution, (c) a Termination of Employment, (d) death, or (e) Disability. If the Administration Committee determines in good faith that a Participant no longer qualifies as a part of a select group of highly compensated or management employees of the Company, as membership in such group is determined in accordance with ERISA, the Administration Committee shall have the right, in its sole discretion, to terminate the individual's participation in the Plan and to cease further benefit accruals hereunder on behalf of the Participant.

ARTICLE III - DEFERRED COMPENSATION PLAN CONTRIBUTIONS FOR ELIGIBLE EMPLOYEES

SECTION 3.01. Deferral Contributions for Eligible Employees. Each Participant, who is an Eligible Employee, may elect, in the manner required by the Sponsoring Company or the Participating Company, to reduce his or her Compensation otherwise payable to said Participant by the percentage(s) specified by the Participant in an appropriate election form; provided, however, that a Participant may not defer more than 12 percent of his or her Compensation. The amounts of such reductions in Compensation shall be credited to the Plan on behalf of such Participant by the Company. A Participant's election with respect to the deferral of regular salary paid during the Plan Year must be made before, and becomes irrevocable upon, December 31 of the calendar year preceding the Plan Year to which the election applies. Prior to January 1, 2013, the Participant's election for the preceding Plan Year governs his or her deferral for the month of January of such Plan Year. A Participant's separate election of some or all of his or her bonus payable with respect to a Plan Year must be made before the Plan Year in which the bonus is earned begins. All amounts credited on behalf of a Participant under this Section shall be called "Deferral Contributions," and shall be in addition to any credits due pursuant to Section 3.02 hereof with respect to the same Participant.

In connection with the change of the Plan Year of the Plan, notwithstanding any provision of a Participant's election or this Plan to the contrary, a Participant's election with respect to Deferral Contributions paid for the period commencing February 1, 2012, including a Participant's election that became irrevocable on December 31, 2011, with respect to the deferral of regular salary and a Participant's election that became irrevocable on January 31, 2012, with respect to bonus(es), shall be deemed to be effective for the short Plan Year commencing February 1, 2012, and ending December 31, 2012.

SECTION 3.02. Company Contributions. The Sponsoring Company or the Participating Company will credit an annual matching credit to the Plan for the Account of each Participant for whom a Deferral Contribution is made and who is employed on the last day of the Plan Year to which the Deferral Contribution relates. All credits due under this Section shall be called "Company Contributions" and shall be in an amount calculated as a percentage of the Deferral Contribution made on behalf of a Participant. The percentage shall be as stated in a Board resolution for each Eligible Employee. Anything to the contrary herein notwithstanding, the Company shall not make Company Contributions with respect to a Participant's Deferral Contributions that exceed 6 percent of the Participant's Compensation. For example, if a Participant's Deferral Contributions total 8 percent of his or her Compensation and the Participant's Company Contribution percentage is 45 percent, the maximum Company Contribution will be 2.7 percent of the Participant's Compensation.

SECTION 3.03. Special Company Contributions. The Board of Directors, in its discretion, may make a special Company Contribution to a Participant's Company Contributions Account. A special Company Contribution may be in addition to or in lieu of Company Contributions made pursuant to Section 3.02. Unless otherwise specified, all credits made as special Company Contributions will be treated as Company Contributions.

ARTICLE IV - GENERAL PROVISIONS REGARDING CONTRIBUTIONS

SECTION 4.01. Time of Payment of Company Contribution and Deferral Contribution Amounts. Amounts equal to Company Contributions and Deferral Contributions shall be paid to the Trustee as soon as administratively possible, but in no case later than April 15 following the close of the Plan Year for which they are made.

SECTION 4.02. Withholding Payroll Taxes. To the extent required by the laws in effect at the time contributions are made, the Company shall withhold any payroll taxes that are required to be withheld in relation to the contributions made to this Plan. In order to give effect to the foregoing, the Company may at its discretion (a) reduce such contributions made hereunder, (b) reduce Participant's Compensation otherwise paid that is not being deferred, or (c) reduce the benefits provided under this Plan, by the amount of any payroll taxes required to be withheld for federal, state or local government purposes.

ARTICLE V - ALLOCATIONS TO PARTICIPANTS' ACCOUNTS

SECTION 5.01. Accounts. The Administration Committee shall create and maintain adequate records to disclose the interest in the Trust of each Participant, Former Participant and Beneficiary. Such records shall be in the form of individual Accounts, and credits and charges shall be made to such Accounts in the manner herein described. Each Account includes a Deferral Contributions Account and a Company Contributions Account. The maintenance of individual Accounts is only for accounting purposes, and a segregation of the assets of the Trust Fund to each Account shall not be required.

SECTION 5.02. Allocations to Accounts. The Accounts of Participants, Former Participants and Beneficiaries shall be adjusted according to the following:

- (a) Income. All Income of the Trust Fund for each Quarter attributable to the Deemed Investments made pursuant to Article VI hereof shall be allocated to Accounts of Participants according to the Deemed Investments made for such Participants' Accounts and in proportion to their previous Account balances.
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(b) Company Contributions. As of the end of each Plan Year, the Company Contribution for such Plan Year shall be allocated to the Accounts of Participants. Such allocations shall be in the amounts specified in Section 3.02.

(c) Deferral Contributions. Within ten days following the end of each pay period, the Deferral Contributions for such pay period shall be allocated to the Accounts of the Participants who have elected to have Deferral Contributions made on their behalf, according to the amounts indicated by such elections.

(d) Special Company Contributions. The Board of Directors will determine the date on which special Company Contributions will be allocated to the Accounts of Participants. Such allocations will be in the amounts specified in Section 3.03.

ARTICLE VI - DEEMED INVESTMENT OF CONTRIBUTIONS TO PLAN

SECTION 6.01. Allocation to Investment Funds. Any amounts credited to a Participant's Account shall be deemed invested as the Participant directs among various funds or other investment vehicles or options as the Sponsoring Company or Administration Committee may allow in its sole discretion for such Deemed Investments.

SECTION 6.02. Changes in Investment Elections. The Sponsoring Company or the Administration Committee will specify the manner and frequency in which a Participant may make or change his or her Deemed Investment elections. Until such time as the Sponsoring Company or Administration Committee shall direct further, Participants may change their deemed investment elections effective as soon as administratively possible following the commencement of the Quarter following the Administration Committee's receipt of the Participant's changed investment election.

ARTICLE VII - VESTING

SECTION 7.01. Vesting Defined. The term "vested," or "vested interest" shall mean a nonforfeitable, noncontingent right of the Participant or his or her Beneficiaries to a present or future enjoyment of any allocation to the Participant's Account, including subsequent Company Contributions and Deferral Contributions and Deemed Investment Income allocated thereto.

SECTION 7.02. Deferral Contributions Account. A Participant shall be 100 percent vested in his or her Deferral Contributions Account at all times.

SECTION 7.03. Company Contributions Account. A Participant shall be vested in the percentage of his or her Company Contributions Account as is equal to the percentage that he or she is vested in his or her Company Contributions Account under the Profit Sharing Plan; provided however that a Participant or Former Participant shall forfeit his or her entire Company Contributions Account balance upon the occurrence of one of the following events:

(a) He or she participates any fraud, commission of any felony or the intentional destruction or misappropriation of property belonging to the Sponsoring Company and/or the Participating Company;

(b) His or her employment with the Company is terminated for Good Cause or, if subsequent to the Participant's Termination of Employment for any reason, the Participant's death, or the Participant's Disability, the Company determines that the Participant's employment could have been terminated for Good Cause;

(c) He or she makes any materially disparaging statements concerning the Sponsoring Company and/or the Participating Company following his or her Termination of Employment with the Company;

(d) He or she uses any of the Sponsoring Company and/or the Participant Company's proprietary information following Termination of Employment with the Company;

(e) Upon Termination of Employment, he or she fails to execute, deliver to the Company within 30 days of the date of his or her Termination of Employment and perform according to the terms of, a confidentiality and nondisclosure agreement in form satisfactory to the Company in which he or she agrees to follow and abide by the requirements outlined in this Article VII, including but not limited to, maintaining and keeping all nonpublic information strictly confidential and to not disclose the same in any form to any person, firm or entity, or use the same for any purpose whatsoever except as such disclosures may be required by any governmental agency or at any time by law. Nonpublic information shall include, but not be limited to, all trade secrets and other information pertaining to or in any way connected with present or future products or services or any component parts thereof; the Company's routines, standards, and procedures, and all information undertaken or made in connection therewith; all information relating to customer, personnel and/or employee relations, marketing, business plans, business or marketing research; all information relating to financial and/or other business affairs; and all files, documents, contracts, materials, listings, computer programs, printouts, source codes, drawings, specifications, processes, applications, techniques, routines, formulas and information of every name, nature or description, whether or not the same is in machine readable form or reduced to writing, which pertain thereto;

(f) In the case of a Participant departing for full-time employment at another employer, should the Participant fail to provide at least 3 months' advance written notice to the Sponsoring Company's Chairman of the Board of such Participant's voluntary Termination of Employment with the Company, unless such notice is waived in writing by said Chairman of the Board; or

(g) In the case of a Participant's retirement from full-time employment, the Participant fails to abide by the Company's then-in-effect retirement policy, including but not limited to, any requirement as set out in the Sponsoring Company's then-in-effect retirement policy to provide the Sponsoring Company's Chairman of the Board advance written notice prior to the Participant's intended retirement date and Termination of Employment with the Company, unless such notice is waived in writing by the Chairman of the Board.

Forfeitures of a Participant's or Former Participant's Company Contributions Account pursuant to this Section shall not inure to the benefit of the other Plan Participants. Instead, at the direction of the Sponsoring Company, the Trustee will apply any Trust assets that were allocated for record keeping purposes to a Participant's or Former Participant's forfeited Company Contributions Account as an offset to contributions which the Sponsoring Company or the Participating Company would otherwise make to the Trust after the time the forfeiture occurs.

ARTICLE VIII - PAYMENT OF BENEFITS

SECTION 8.01. Time of Distribution. Distribution of a Participant's Account balance shall be made or commence upon the occurrence of the earliest of the following events (the "Benefit Commencement Date"):

- (a) The later of the Participant's Termination of Employment or attainment of age 59½.
- (b) Disability of a Participant.
- (c) Death of a Participant.
- (d) Following a Change in Control and within 12 months thereof, the Participant's Termination of Employment by the Company for any reason other than Good Cause or the Participant's voluntary Termination of Employment with the Company for Good Reason.

SECTION 8.02. Form of Distribution. At the time of his or her initial enrollment and each subsequent annual enrollment thereafter in the Plan, each Participant must elect on the form prescribed by the Administration Committee, to receive the vested benefit in his or her Account in either of the following alternate methods:

- (a) In a single lump sum 60 days following the Benefit Commencement Date, as set out in Section 8.01; or
- (b) Annual payments of substantially equal amounts for 10 years each payable on the anniversary of the Benefit Commencement Date. The first such payment will be made on the first anniversary of the Benefit Commencement Date. The unpaid balance as of each applicable valuation date will share in the allocation of Trust Fund Income according to the provisions of Section 5.02. The election of installment payments under this subsection (b) is deemed the election of a single payment for the purpose of applying Section 8.03 "Additional Delay in Payment."

Regardless of the method of payment elected above, if the Participant dies before receiving the entire balance of his or her Account balance, the remaining amount will be distributed to the Participant's Beneficiary or Beneficiaries in a lump sum within 60 days following the Participant's death. If the Participant fails to elect a method of payment, benefits shall be paid as provided in Section 8.02(a).

Special Election before December 31, 2008. Notwithstanding the foregoing, each Participant in the Plan actively employed and not yet receiving benefits under the Plan before December 31, 2008, may elect to receive his or her Account balance in one of the forms in (a) or (b) above by completing an election form satisfactory to the Plan's administrator and delivering it to the Plan's administrator on or before December 31, 2008. His or her election shall govern the distribution of his or her Account from the Plan, subject to Section 8.03.

SECTION 8.03. Additional Delay in Payments. A Participant may elect to delay one or more distributions from his or her Account if all of the following conditions are met:

- (a) The election cannot take effect until at least 12 months after the date on which the election is made;
 - (b) In the case of the payment for reasons other than death, or Disability, the payment with respect to which the election is made must be deferred for a period of not less than 5 years from the date such payment would otherwise have been paid; and
 - (c) The election may not be made less than 12 months before the date the payment is scheduled to be made.
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SECTION 8.04. Restriction on Commencement of Distributions. Notwithstanding any provision of this Plan to the contrary, if the Participant is considered a Specified Employee at Termination of Employment, the provisions of this Section 8.04 shall govern all distributions hereunder. Benefit distributions that are made due to a Termination of Employment occurring while the Participant is a Specified Employee shall not be made during the first 6 months following Termination of Employment, or if earlier, the Participant's death. Rather, any distribution that would otherwise be paid to the Participant during such period shall be accumulated and paid to the Participant in a lump sum on the first day of the seventh month following the Termination of Employment. All subsequent distributions shall be paid in the manner specified.

SECTION 8.05. Excess Parachute Payment. Notwithstanding any provision of the Plan to the contrary, the Company shall not pay benefits under the Plan to the extent the benefit would be an excess parachute payment under Section 280G of the Code, subject to penalties under Code Section 4999.

SECTION 8.06. Distributions Upon Income Inclusion Under Section 409A of the Code. If any amount is required to be included in income by the Participant prior to receipt due to a failure of the Plan to meet the requirements of Code Section 409A, the Participant may petition the Administration Committee for a distribution of that portion of the amount the Company has accrued with respect to the Company's obligations hereunder that is required to be included in the Participant's income. Upon the grant of such a petition, which grant shall not be unreasonably withheld, the Company shall distribute to the Participant immediately available funds in an amount equal to the portion of the amount the Company has accrued with respect to the Company's obligations hereunder required to be included in income as a result of the failure of the Plan to meet the requirements of Code Section 409A, within 90 days. Such a distribution shall affect and reduce the Participant's benefits to be paid under the Plan from the Participant's Deferral Contributions Account.

ARTICLE IX - DESIGNATION OF BENEFICIARY

SECTION 9.01. Designation. Each Participant or Former Participant from time to time may designate any person or persons (who may be designated contingently or successively and who may be an entity other than a natural person) as his or her Beneficiary or Beneficiaries to whom his or her Plan benefits are paid if he or she dies before receipt of all such benefits. Each Beneficiary designation filed with the Administration Committee or its designee will cancel all Beneficiary designations previously filed with the Administration Committee or its designee. Each Beneficiary designation shall be in the form prescribed by the Administration Committee and will be effective only when filed with the Administration Committee during the Participant's lifetime. The Participant's Beneficiary designation shall be deemed automatically revoked if the Beneficiary predeceases the Participant or if the Participant names a spouse as Beneficiary and the marriage is subsequently dissolved.

SECTION 9.02. Disposition of Death Benefits on Failure to Designate Beneficiary. If any Participant or Former Participant fails to designate a Beneficiary in the manner provided above, or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, benefits shall be paid to the Participant's spouse, if the spouse survives. If the Participant does not have a surviving spouse at his or her death, benefits shall be paid to the personal representative of the Participant's estate.

ARTICLE X - FUNDING

SECTION 10.01. Obligation of the Sponsoring Company. Benefits under this Plan shall be payable out of the general assets of the Sponsoring Company. The obligation of the Sponsoring Company to make benefit payments under this Plan constitutes merely the unsecured, but legally enforceable, promise of the Sponsoring Company to make such payments, and no Participant, Former Participant or Beneficiary shall have any lien, prior claim, or other security interest in any property of the Sponsoring Company.

SECTION 10.02. Trust Fund. The Trust Fund shall for all purposes be part of the general assets of the Sponsoring Company, and no person other than the Sponsoring Company shall have any interest in the Trust Fund. To the extent that any person acquires a right to receive payment from the Sponsoring Company under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Sponsoring Company.

ARTICLE XI - ADMINISTRATION

SECTION 11.01. Administration Committee and Expenses. The Plan shall be administered by an Administration Committee consisting of at least three persons who shall be appointed by and serve at the pleasure of the Board of Directors. All usual and reasonable expenses of the Administration Committee may be paid in whole or in part by the Sponsoring Company. Any members of the Administration Committee who are Employees shall not receive compensation with respect to their services for the Administration Committee.

SECTION 11.02. Claims Procedure.

(a) **Claims Review**. Any controversy or claim arising out of or relating to the Plan will be filed with the Sponsoring Company. Any person claiming a benefits under the Plan (a "Claimant") will present the claim, in writing, to the Sponsoring Company, and the Sponsoring Company will respond in writing. If the claim is denied in whole or in part, the written or electronic notice of denial will state, in a manner calculated to be understood by the Claimant:

- The specific reason or reasons for denial, with specific references to the Plan provisions on which the denial is based;
- Description of any additional material or information necessary for the Claimant to perfect his, her or its claim and an explanation of why such material or information is necessary; and
- A description of the Plan's claims review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right, if any, to bring a civil action under Section 502(a) of ERISA, following an adverse benefit determination on review.

(i) *Claims for benefits that do not arise from Disability*. The written notice denying or granting the Claimant's claim will be provided to the Claimant within 90 days after the Sponsoring Company's receipt of the claim, unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension will be furnished by the Sponsoring Company to the Claimant within the initial 90-day period. Any extension notice will indicate the special circumstances requiring the extension and the date on which the Sponsoring Company expects to render a decision on the claim. Any claim not granted or denied within the period noted above will be deemed to have been denied.

(ii) *Claims for benefits that arise from Disability*. If the Claimant's claim is for disability benefits, the Sponsoring Company will give the Claimant written notification of the Plan's adverse benefit determination within a reasonable period, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, if the Sponsoring Company both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant prior to the expiration of the initial 45-day waiting period of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, before the end of the first 30-day extension period, the Sponsoring Company determines that, due to matters beyond the control of the Plan, the Sponsoring Company cannot render a decision within the extension period, the Sponsoring Company may extend the period for making the determination up to an additional 30 days if the Sponsoring Company notifies the Claimant before the expiration of the first 30-day extension period of the circumstances requiring the extension and the date as of which the Plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which the Plan bases the Claimant's entitlement to a benefit, the unresolved issues that prevent a decision on the Claim, and the additional information needed to resolve those issues, and the Claimant will be afforded at least 45 days within which to provide the specified information.

The Sponsoring Company's notification of any adverse benefit determination will include a discussion of the decision. The discussion will explain the reasons for disagreeing with the views of health care professionals and vocational professionals, and the views of medical or vocational experts whose advice the Plan obtained in connection with the decision. It will include this information whether or not the Sponsoring Company relied on those views. It will also explain the reasons for disagreeing with and any determination by the Social Security Administration. It will describe any additional information needed and include an explanation of why the Sponsoring Company needs the additional information. The notification will describe whether it relied upon an internal rule, guideline, protocol or other similar criterion in making the adverse determination, and if so, the specific rule, guideline, protocol or other similar criterion, or it will contain a statement that the Sponsoring Company relied upon a rule, guideline, protocol or similar criterion in making the adverse determination, and that a copy of the rule, guideline, protocol, or other similar criterion will be provided to the Claimant free of charge upon request.

(a) Claims Review Procedure. If the Claimant disagrees with the Sponsoring Company's determination of the amount of the Claimant's benefits under the Plan or with respect to any other decision the Sponsoring Company may make regarding the Claimant's interest in the Plan, the Claimant must follow the following appeal procedures.

If the Claimant disagrees with the Sponsoring Company, the Claimant or a duly authorized representative must request the Sponsoring Company to review its decision in writing within 60 days (180 days for disability claims) after the Claimant receives the Sponsoring Company's initial decision. The Claimant may submit written comments, documents, records, and other information relating to the claim. The Claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits. Applicable ERISA regulations define the information relevant to a claim for benefits. If the Claimant fails to appeal a denial within the applicable period, the Sponsoring Company's initial determination will be final and binding.

If the Claimant requests the Sponsoring Company to review its decision, the Sponsoring Company will promptly consider the appeal within 60 days (45 days for disability claims) after it receives the request for review. The review will take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

For disability claims, the review of the Claimant's claim will not give deference to the initial adverse benefit determination. An appropriate named fiduciary of the Sponsoring Company will conduct the review. It will not be the same individual who conducted the first review. It will not be the first individual's subordinate. In addition, the Sponsoring Company will consult a health care professional if the appeal involves medical judgment. The professional must have appropriate training and experience in the relevant field of medicine. The Sponsoring Company may obtain advice from any other medical or vocational expert. It will provide the Claimant the names of the experts it consulted, even if the Sponsoring Company did not rely on their advice. The Sponsoring Company will not consult with the same health care professional who provided advice during the first review. It will also not consult with the health care professionals' subordinates. The Sponsoring Company will provide the Claimant with any new or additional evidence considered, relied on, or generated in connection with the claim. It will also explain any new or additional rationale relating to the claim. It will provide the Claimant with a reasonable opportunity to respond to new or additional information or rationales before making a determination.

For both claims that arise from disability and for claims that do not arise from disability, the Sponsoring Company shall make a final decision within 60 days (45 days for disability claims) of its receipt of the appeal. The Sponsoring Company may determine that special circumstances require additional time for processing the claim. If so, it can extend the response time an additional 60 days (45 days for disability claims). To do so, it must notify the Claimant in writing before the end of the initial 60-day period (or 45-day period for disability claims). A decision shall be rendered as soon as possible but not later than 120 days (90 days for disability claims) after receipt of the request for review; provided, however, in the event the Claimant fails to submit information necessary to make a benefit determination on review, such period shall be tolled from the date on which the extension notice is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

The decision on review shall be written or electronic and, in the case of an adverse determination, shall include specific reasons for the decision, in a manner calculated to be understood by the Claimant, and specific references to the pertinent Plan provisions on which the decision is based. The decision on review shall also include: (i) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and (ii) a statement of the Claimant's right, if any, to bring an action under Section 502(a) of ERISA following an adverse benefit determination on review.

For disability claims, the decision will include a discussion of the decision. The discussion will explain the reasons for disagreeing with the view of health care professionals and vocational professionals, and the view of medical or vocational experts whose advice the Plan obtained in connection with the decision. It will include this information whether or not the Sponsoring Company relied on those views. It will also explain the reasons for disagreeing with and any determination by the Social Security Administration. The decision will also include a description of any internal rule, guideline, protocol, or similar criterion on which the employer relied or statement that the Claimant may request and receive a copy of the criteria free of charge.

SECTION 11.03. Duties and Powers. The Administration Committee shall have such duties and powers as it deems necessary for the administration of the Plan including, but not by way of limitation, the following:

- (a) To construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder;
 - (b) To prescribe procedures to be followed by Participants, Former Participants or Beneficiaries filing applications for benefits;
 - (c) To prepare and distribute, in such manner as the Administration Committee determines to be appropriate, information explaining the Plan;
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(d) To receive from the Company and from Participants, Former Participants or Beneficiaries such information as shall be necessary for the proper administration of the Plan;

(e) To furnish the Company, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate;

(f) To receive, review and keep on file (as it deems convenient and proper) reports of benefit payments by the Trustee and reports of disbursements for expenses directed by the Administration Committee;

(g) to appoint or employ individuals to assist in the administration of the Plan and any other agents it deems advisable, including legal counsel.

Except as otherwise expressly provided in this Plan, the Administration Committee shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements or eligibility for a benefit under the Plan.

SECTION 11.04. Rules. The Administration Committee may adopt such rules as it deems necessary, desirable or appropriate. All rules and decisions of the Administration Committee shall be uniformly and consistently applied to all Participants, Former Participants or Beneficiaries in similar circumstances. When making a determination or calculation, the Committee shall be entitled to rely upon information furnished by a Participant, Former Participant or Beneficiary, the Company, the legal counsel of the Company, or the Trustee.

SECTION 11.05. Action by Administration Committee. The Administration Committee may act at a meeting or in writing without a meeting. The Administration Committee shall elect one of its members as chair, appoint a secretary, who may or may not be an Administration Committee member, and advise the Trustee of such actions in writing. The secretary shall keep a record of all meetings and forward all necessary communications to the Company or the Trustee. The Administration Committee may adopt such bylaws and regulations as it deems desirable for the conduct of its affairs. All decisions of the Administration Committee shall be made by the vote of the majority including actions in writing taken without a meeting.

SECTION 11.06. Directions to Trustee. The Administration Committee shall issue directions to the Trustee concerning all benefits that are to be paid from the Trust Fund pursuant to the provisions of the Plan and warrants that all such directions are according to this Plan.

SECTION 11.07. Applications for Benefits. The Administration Committee may require a Participant, Former Participant or Beneficiary to complete and file with the Administration Committee an application for a benefit and all other forms approved by the Administration Committee and to furnish all pertinent information requested by the Administration Committee. The Administration Committee may rely upon all such information so furnished it, including the Participant's, Former Participant's or Beneficiary's current mailing address.

SECTION 11.08. Benefits to Persons under Legal Disability. Whenever, in the Administration Committee's opinion, a person entitled to receive any payment of a benefit or installment thereof hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his or her financial affairs, the Administration Committee may direct the Trustee to make payments to such person or to his or her legal representative or to a relative or friend of such person for his or her benefit, or the Administration Committee may direct the Trustee to apply the payment for the benefit of such person in such manner as the Administration Committee considers advisable. Any payment of a benefit or installment thereof according to the provisions of this Article shall be a complete discharge of any liability for the making of such payment under the provisions of the Plan.

SECTION 11.09. Indemnification. The Administration Committee and the individual members thereof shall be indemnified by the Sponsoring Company and not from the Trust Fund against any and all liabilities arising because of any act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto.

ARTICLE XII - AMENDMENTS, ACTION BY COMPANY, AND TERMINATION

SECTION 12.01. Amendments. The Sponsoring Company reserves the right to, from time to time, make any amendment or amendments to this Plan and, subject to the provisions of Section 12.04 hereof, to terminate the Plan.

SECTION 12.02. Action by Company. Any action by the Sponsoring Company under this Plan may be by resolution of its Board of Directors and by any person or persons duly authorized by resolution of said Board to take action.

SECTION 12.03. Successor Company. In the event of the dissolution, merger, consolidation or reorganization of the Sponsoring Company, provision may be made by which the Plan and Trust will be continued by the successor; and, in that event, the successor shall be substituted for the Sponsoring Company under the Plan. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor, and the successor shall have all of the powers, duties and responsibilities of the Sponsoring Company under the Plan.

SECTION 12.04. Termination of Plan. The Sponsoring Company may terminate its participation in the Plan at any time. The Sponsoring Company may terminate the Plan only in the manner, under the conditions and at such times that are allowed under Code Section 409A, any regulations issued pursuant thereto, or any generally applicable guidance published in the Internal Revenue Bulletin.

SECTION 12.05. Distribution of Trust Fund. If the Sponsoring Company terminates its participation in the Plan, the Administration Committee will direct the Trustee to continue to administer the Trust Fund and pay account balances according to Article VIII until the Trust Fund has been liquidated.

SECTION 12.06 Amendments Upon Changes in Law Affecting Taxation of Participants and Former Participants . This Section 12.06 shall become operative upon enactment of any change in applicable statutory law or promulgation by the Internal Revenue Service of a final regulation or other pronouncement having the force of law, which statutory law, as changed, or final regulation or pronouncement, as promulgated, would cause any Participant to include in his or her federal gross income amounts accrued by the Participant under the Plan on a date (an "Early Taxation Event") prior to the date on which such amounts are made available to him or her hereunder.

Notwithstanding any other provision of this Plan to the contrary, as of an Early Taxation Event, the feature or features of this Plan that would cause the Early Taxation Event shall be null and void, to the extent, and only to the extent, necessary to prevent the Participant from being required to include in his or her federal gross income amounts accrued by the Participant under the Plan prior to the date on which such amounts are made available to him or her hereunder. If only a portion of a Participant's Account is impacted by the change in law, then only such portion shall be subject to this Section 12.06, with the remainder of the Account not so affected being subject to such rights and features as if the law were not changed. If the law only impacts Participants who have a certain status with respect to the Company, then only such Participants shall be subject to this Section 12.06.

Anything to the contrary in the preceding paragraph notwithstanding, if an Early Taxation Event is earlier than the date on which the statute, regulation or pronouncement giving rise to the Early Taxation Event is enacted or promulgated, as applicable (i.e., if the change in the law is retroactive) there shall be distributed to each Participant, as soon as practicable following such date of enactment or promulgation, the amounts that become taxable on the Early Taxation Event.

ARTICLE XIII - PARTICIPATING COMPANIES

SECTION 13.01. Election to Participate. With the consent of the Sponsoring Company, the Participating Company may adopt this Plan, and participate herein and be known as a Participating Company, by a properly executed document evidencing the intent and will of the Participating Company. The Trustee will hold and invest as one Trust Fund all Company Contributions and Deferral Contributions, as well as all increments thereon, unless it is otherwise required to segregate the funds of the Participating Company by the terms of the Plan.

SECTION 13.02. Designation of Agent. The Participating Company is deemed part of this Plan. However, with respect to all of its relations with the Trustee and Administration Committee, the Participating Company irrevocably designates the Sponsoring Company as its agent.

SECTION 13.03. Employee Transfers. If an Employee is transferred between the Sponsoring Company and a Participating Company, the Employee involved carries with him or her all accumulated service and eligibility.

SECTION 13.04. Amendment. The Participating Company irrevocably delegates to the Sponsoring Company the right, power, and authority to amend this Plan so that it complies with Code Section 409A and all applicable law without further execution or adoption thereof. If the Participating Company adopts an amendment to this Plan without the joinder therein of the Sponsoring Company, the Participating Company is deemed to have adopted its own Deferred Compensation Plan. In that case, the Trustee will segregate in a separate trust fund the assets of the Plan attributable to the Account balances of the Employees of the Participating Company attributable to Compensation paid by the Participating Company. From and after that date, only the contributions and forfeitures of the Participating Company will be allocated to those Accounts of the Participants employed by the Participating Company, and those Participants will not receive an allocation of the contributions and forfeitures other than those attributable to the Participating Company.

SECTION 13.05. Discontinuation of Participation. The Participating Company may discontinue or revoke its participation in the Plan at any time. If the Participating Company ceases to be in the same controlled group for purposes of Code Section 409A and Section 1.409A-1(h) of the Treasury Regulations, it is deemed to have revoked its participation in the Plan. At the time of the discontinuance or revocation, satisfactory evidence thereof and of any applicable conditions imposed must be delivered to the Trustee. The Trustee will thereafter transfer, deliver and assign the Trust Fund assets allocable to the Participants employed by the Participating Company attributable to Compensation paid by the Participating Company to a new Trustee designated by the Participating Company, if it has established a separate plan for its Employees. If no successor is designated, the Trustee will retain its assets for the Employees of the Participating Company pursuant to the provisions of this Article.

ARTICLE XIV - MISCELLANEOUS PROVISIONS

SECTION 14.01. No Employment Contract. Nothing contained in the Plan shall be construed as a contract of employment between the Company and any Employee, or as a right of any Employee to be continued in the employment of the Company, or as a limitation of the right of the Company to discharge any of its Employees, with or without cause.

SECTION 14.02. Rights of Participants and Beneficiaries. No Participant, Former Participant or Beneficiary shall have any right to, or interest in, any assets of the Trust Fund at any time, except as provided from time to time under this Plan, and then only to the extent of the benefits payable under the Plan to such Participant, Former Participant or Beneficiary out of the assets of the Trust Fund.

SECTION 14.03. Benefits Not Assignable. Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a spouse or former spouse or for any other relative of the Participant, Former Participant or Beneficiary, prior to actually being received by the person entitled to the benefit under the terms of the Plan; and any attempt to otherwise dispose of any right to benefits payable hereunder shall be void.

The Trust Fund shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits hereunder.

SECTION 14.04. Gender and Number. The masculine pronoun whenever used herein will include the feminine gender, and the singular number as used herein will include the plural and the plural the singular unless the context clearly indicates a different meaning.

SECTION 14.05. Construction. The provisions of this Plan shall be construed according to the federal laws governing employee benefit plans of this type, and to the extent applicable, according to the laws of the State of Nebraska.

SECTION 14.06. Tax Withholding and Reporting. The Company shall withhold any taxes that are required to be withheld in compliance with the Code, including but not limited to (a) payroll taxes as provided in Section 4.02, (b) income taxes, and (c) any taxes owed under Code Section 409A and regulations thereunder, from the benefits provided under this Plan. The Participants acknowledge that the Company's sole liability regarding taxes is to forward any amounts withheld to the appropriate taxing authority(ies). Further the Company shall satisfy all applicable reporting requirements, including those under Code Section 409A and regulations thereunder.

SECTION 14.07. Compliance with Code Section 409A. The Plan shall at all times be administered and the provisions of the Plan shall be interpreted consistent with the requirements of Section 409A of the Code and any and all regulations thereunder, including such regulations as may be promulgated after the date of the Plan.

IN WITNESS WHEREOF, the Third Amended and Restated The Buckle, Inc. Deferred Compensation Plan is hereby adopted by the Sponsoring Company and the Participating Company on March 20, 2023 pursuant to the resolution of the respective Board of Directors of each.

SPONSORING COMPANY
THE BUCKLE, INC.

By: /s/ THOMAS B. HEACOCK

THOMAS B. HEACOCK,
Senior Vice President of Finance, Treasurer, and CFO

PARTICIPATING COMPANY
BUCKLE BRANDS, INC.

By: /s/ THOMAS B. HEACOCK

THOMAS B. HEACOCK,
Senior Vice President of Finance, Treasurer, and CFO

CERTIFICATIONS

I, Dennis H. Nelson, certify that:

1. I have reviewed this report of The Buckle, Inc. on Form 10-Q for the quarterly period ended July 29, 2023;
2. Based on my knowledge, this quarterly 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 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 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 registrant's board of directors:
 - 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 controls over financial reporting.

Date: September 7, 2023

By: /s/ DENNIS H. NELSON

DENNIS H. NELSON,
President and CEO
(principal executive officer)

CERTIFICATIONS

I, Thomas B. Heacock, certify that:

1. I have reviewed this report of The Buckle, Inc. on Form 10-Q for the quarterly period ended July 29, 2023;
2. Based on my knowledge, this quarterly 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 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 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 registrant's board of directors:
 - 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 controls over financial reporting.

Date: September 7, 2023

By: /s/ THOMAS B. HEACOCK

THOMAS B. HEACOCK,
Senior Vice President of Finance, Treasurer, and CFO
(principal accounting officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of The Buckle, Inc. (the "Company") on Form 10-Q for the period ended July 29, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dennis H. Nelson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: _____ /s/ DENNIS H. NELSON
DENNIS H. NELSON,
President and CEO
(principal executive officer)
September 7, 2023

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of The Buckle, Inc. (the "Company") on Form 10-Q for the period ended July 29, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas B. Heacock, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: _____ /s/ THOMAS B. HEACOCK

THOMAS B. HEACOCK,
Senior Vice President of Finance, Treasurer, and CFO
(principal accounting officer)

September 7, 2023