

DOLLAR GENERAL CORP  
Form DEF 14A  
April 04, 2019  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.        )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**Dollar General Corporation**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- (1) Title of each class of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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DEAR FELLOW SHAREHOLDER,

The 2019 Annual Meeting of Shareholders of Dollar General Corporation will be held on Wednesday, May 29, 2019, at 9:00 a.m., Central Time, at Goodlettsville City Hall Auditorium, 105 South Main Street, Goodlettsville, Tennessee. All shareholders of record at the close of business on March 21, 2019 are invited to attend the annual meeting. For security reasons, however, to gain admission to the meeting you may be required to present photo identification and comply with other security measures.

At this year's meeting, you will have an opportunity to vote on the matters described in our accompanying Notice of Annual Meeting of Shareholders and Proxy Statement. Our 2018 Annual Report also accompanies this letter.

Your interest in Dollar General and your vote are very important to us. We encourage you to read the Proxy Statement and vote your proxy as soon as possible so your vote can be represented at the annual meeting. You may vote your proxy via the Internet or telephone, or if you received a paper copy of the proxy materials by mail, you may vote by mail by completing and returning a proxy card.

On behalf of the Board of Directors, thank you for your continued support of Dollar General.

**SINCERELY,**

**MICHAEL M. CALBERT**

CHAIRMAN OF THE BOARD

APRIL 4, 2019

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

| <b>DATE</b>               | <b>TIME</b>               | <b>PLACE</b>  |
|---------------------------|---------------------------|---|
| Wednesday<br>May 29, 2019 | 9:00 a.m.<br>Central Time | Goodlettsville City Hall Auditorium<br>105 South Main Street<br>Goodlettsville, Tennessee |

**ITEMS OF BUSINESS:**

To elect as directors the 8 nominees listed in the proxy statement

To hold an advisory vote to approve our named executive officer compensation as disclosed in the proxy statement

To ratify the appointment of our independent registered public accounting firm for fiscal 2019

To transact any other business that may properly come before the annual meeting and any adjournments of that meeting

**WHO MAY VOTE:**

Shareholders of record at the close of business on March 21, 2019

By Order of the Board of Directors,

Goodlettsville, Tennessee

Christine L. Connolly

April 4, 2019

*Corporate Secretary*

**Please vote your proxy as soon as possible even if you expect to attend the annual meeting in person. You may vote your proxy via the Internet or by phone by following the instructions on the notice of internet availability or proxy card, or if you received a paper copy of these proxy materials by mail, you may vote by mail by completing and returning the enclosed proxy card in the enclosed reply envelope. No postage is necessary if the proxy is mailed within the United States. You may revoke your proxy by following the instructions listed on page 2 of the proxy statement.**

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in the proxy statement or about Dollar General. This summary does not contain all of the information that you should consider, and you should review all of the information contained in the proxy statement before voting.

HOW TO VOTE (p. 2)

| MAIL   | PHONE          | INTERNET   | IN PERSON   |
|--|----------------|--|---|
| Mail your completed, signed, and dated proxy card or voting instruction form | 1-800-690-6903 | <a href="http://www.proxyvote.com">www.proxyvote.com</a> | <p><b>May 29, 2019</b></p> <p><b>9:00 a.m., CT</b></p> <p>Goodlettsville</p> <p>City Hall Auditorium<br/>105 South Main Street<br/>Goodlettsville, TN</p> |

VOTING MATTERS (pp. 4, 45, and 47)

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|--|-----------------------------|
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BOARD OF DIRECTORS GROUP DIVERSITY(pp 4-9)





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PROXY STATEMENT SUMMARY

PAY FOR PERFORMANCE (pp. 20 and 21)

Consistent with our philosophy, and as illustrated to the right, a significant portion of annualized target total direct compensation for our named executive officers in 2018 was performance-based and linked to changes in our stock price.

The most recent shareholder advisory vote on our named executive officer compensation was held on May 30, 2018. Excluding abstentions and broker non-votes, 96.55% of total votes were cast in support of the program.

DOLLAR GENERAL AT-A-GLANCE\*

\* Data as of March 21, 2019 unless otherwise noted.

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 29, 2019**

**This Proxy Statement, our 2018 Annual Report and a form of proxy card are available at [www.proxyvote.com](http://www.proxyvote.com). You will need your Notice of Internet Availability or proxy card to access the proxy materials.**

As permitted by rules adopted by the Securities and Exchange Commission ( SEC ), we are furnishing our proxy materials over the Internet to some of our shareholders. This means that some shareholders will not receive paper copies of these documents but instead will receive only a Notice of Internet Availability containing instructions on how to access the proxy materials over the Internet and how to request a paper copy of our proxy materials, including the Proxy Statement, our 2018 Annual Report, and a proxy card. Shareholders who do not receive a Notice of Internet Availability will receive a paper copy of the proxy materials by mail, unless they have previously requested delivery of proxy materials electronically.

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**PROXY STATEMENT**

This document is the proxy statement of Dollar General Corporation that we use to solicit your proxy to vote upon certain matters at our Annual Meeting of Shareholders to be held on Wednesday, May 29, 2019. We will begin mailing printed copies of this document and the form of proxy or the Notice of Internet Availability to shareholders on or about April 4, 2019.

**SOLICITATION, MEETING, AND VOTING INFORMATION**

**What is Dollar General Corporation and where is it located?**

Dollar General (NYSE: DG) has been delivering value to shoppers for nearly 80 years through its mission of *Serving Others*. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares and seasonal items at everyday low prices in convenient neighborhood locations. Dollar General operates 15,472 stores in 44 states as of March 1, 2019. Our principal executive offices are located at 100 Mission Ridge, Goodlettsville, Tennessee 37072. Our telephone number is 615-855-4000.

We refer to our company as we, us or Dollar General. Unless otherwise noted or required by context, 2019, 2018, 2017, and 2016 refer to our fiscal years ending or ended January 31, 2020, February 1, 2019, February 2, 2018, and February 3, 2017, respectively.

**What is a proxy, who is asking for it, and who is paying for the cost to solicit it?**

A proxy is your legal designation of another person, called a proxy, to vote your stock. The document that designates someone as your proxy is also called a proxy or a proxy card.

Our directors, officers, and employees are soliciting your proxy on behalf of our Board of Directors and will not receive additional remuneration for doing so except reimbursement for any related out-of-pocket expenses. We may reimburse custodians and nominees for their expenses in sending proxy materials to beneficial owners. Solicitation of proxies by mail may be supplemented by telephone, email and other electronic means, advertisements and personal solicitation, or otherwise. Dollar General will pay all expenses of this solicitation.

**Who may attend the annual meeting?**

Only shareholders, their proxy holders, and our invited guests may attend the meeting. If your shares are registered in the name of a broker, trust, bank, or other nominee, you will need to bring a proxy or a letter from that record holder or your most recent brokerage account statement that confirms your ownership of those shares as of March 21, 2019. For security reasons, we also may require photo identification for admission.

**Where can I find directions to the annual meeting?**

Directions to Goodlettsville City Hall, where we will hold the annual meeting, are posted on the Investor Information section of our website located at [www.dollargeneral.com](http://www.dollargeneral.com).

**Will the annual meeting be webcast?**

Yes. You are invited to visit the News and Events Events and Presentations section of the Investor Information page of our website located at [www.dollargeneral.com](http://www.dollargeneral.com) at 9:00 a.m., Central Time, on May 29, 2019 to access the live webcast of the annual meeting. An archived copy of the webcast will be available on our website for at least 60 days. The information on our website, however, is not incorporated by reference into, and does not form a part of, this proxy statement.

**How many votes must be present to hold the annual meeting?**

A quorum, consisting of the presence in person or by proxy of the holders of a majority of shares of our common stock outstanding on March 21, 2019, must exist to conduct any business at the meeting. If a quorum is not present at the meeting, any officer entitled to preside at or to act as Secretary of the meeting shall have power to adjourn the meeting from time to time until a quorum is present.

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SOLICITATION, MEETING, AND VOTING INFORMATION

**What am I voting on?**

You will be asked to vote on:

the election of the 8 nominees listed in this proxy statement;

the approval on an advisory basis of our named executive officer compensation as disclosed in this proxy statement; and

the ratification of the appointment of our independent registered public accounting firm (the independent auditor ) for 2019.

We are unaware of other matters to be acted upon at the meeting. Under Tennessee law and our governing documents, no other non-procedural business may be raised at the meeting unless proper notice has been given to shareholders. If other business is properly raised, your proxies have authority to vote as they think best, including to adjourn the meeting.

**Who is entitled to vote at the annual meeting?**

You may vote if you owned shares of Dollar General common stock at the close of business on March 21, 2019. As of that date, there were 259,178,169 shares of Dollar General common stock outstanding and entitled to vote. Each share is entitled to one vote on each matter.

**What is the difference between a shareholder of record and a street name holder?**

You are a shareholder of record if your shares are registered directly in your name with EQ Shareowner Services, our transfer agent. You are a street name holder if your shares are held in the name of a brokerage firm, bank, trust, or other nominee as custodian.

**How do I vote?**

If you are a shareholder of record, you may vote your proxy over the telephone or Internet or, if you received printed proxy materials, by marking, signing, dating, and returning the printed proxy card in the enclosed envelope. Please refer to the instructions on the Notice of Internet Availability or proxy card, as applicable. Alternatively, you may vote in person at the meeting.

If you are a street name holder, your broker, bank, or other nominee will provide materials and instructions for voting your shares. You may vote in person at the meeting if you obtain and bring to the meeting a legal proxy from your broker, banker, trustee, or other nominee giving you the right to vote the shares.

**What if I receive more than one Notice of Internet Availability or proxy card?**

You will receive multiple Notices of Internet Availability or proxy cards if you hold shares in different ways (e.g., joint tenancy, trusts, custodial accounts, etc.) or in multiple accounts. Street name holders will receive the Notice of Internet Availability or proxy card or other voting information, along with voting instructions, from their brokers. Please vote the shares represented by each Notice of Internet Availability or proxy card you receive to ensure that all your shares are voted.

**How will my proxy be voted?**

The persons named on the proxy card will vote your proxy as you direct or, if you return a signed proxy card or complete the Internet or telephone voting procedures but do not specify how you want to vote your shares: **FOR** all nominees listed in this proxy statement; **FOR** approval, on an advisory basis, of the compensation of our named executive officers as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules; and **FOR** ratification of Ernst & Young LLP as our independent auditor for 2019.

**Can I change my mind and revoke my proxy?**

Yes. A shareholder of record may revoke a proxy given pursuant to this solicitation by:

signing a valid, later-dated proxy card and submitting it so that it is received before the annual meeting in accordance with the instructions included in the proxy card;

at or before the annual meeting, submitting to our Corporate Secretary a written notice of revocation dated later than the date of the proxy;

submitting a later-dated vote by telephone or Internet no later than 11:59 p.m., Eastern time, on May 28, 2019; or

attending the annual meeting and voting in person.

Your attendance at the annual meeting, by itself, will not revoke your proxy.

A street name holder may revoke a proxy given pursuant to this solicitation by following the instructions of the bank, broker, trustee, or other nominee who holds his or her shares.

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SOLICITATION, MEETING, AND VOTING INFORMATION

**How many votes are needed to elect directors?**

To be elected at the annual meeting, a nominee must receive the affirmative vote of a majority of votes cast by holders of shares entitled to vote at the meeting. Under our Amended and Restated Charter, the affirmative vote of a majority of votes cast means that the number of votes cast in favor of a nominee's election exceeds the number of votes cast against his or her election. You may vote in favor of or against the election of each nominee, or you may elect to abstain from voting your shares.

**What happens if a director fails to receive the required vote for election?**

An incumbent director who does not receive the required vote for election at the annual meeting must promptly tender a resignation as a director for consideration by our Board of Directors pursuant to our Board-approved director resignation policy outlined in our Corporate Governance Guidelines. Each director standing for re-election at the annual meeting has agreed to resign, effective upon the Board's acceptance of such resignation, if he or she does not receive a majority vote. If the Board rejects the offered resignation, the director will continue to serve until the next annual shareholders' meeting and until his or her successor is duly elected or his or her earlier resignation or removal in accordance with our Bylaws. If the Board accepts the offered resignation, the Board, in its sole discretion, may fill the resulting vacancy or decrease the size of the Board.

**How many votes are needed to approve other matters?**

The proposal to approve on an advisory basis the compensation of our named executive officers and the proposal to ratify the appointment of our independent auditor for 2019 will be approved if the votes cast in favor of the applicable proposal exceed the votes cast against it. The vote on the compensation of our named executive officers is advisory and, therefore, not binding on Dollar General, our Board of Directors, or its Compensation Committee. With respect to these proposals, and any other matter properly brought before the annual meeting, you may vote in favor of or against the proposal, or you may elect to abstain from voting your shares.

**What are broker non-votes?**

Although your broker is the record holder of any shares that you hold in street name, it must vote those shares pursuant to your instructions. If you do not provide instructions, your broker may exercise discretionary voting power over your shares for routine items but not for non-routine items. All matters described in this proxy statement, except for the ratification of the appointment of our independent auditor, are considered to be non-routine matters.

Broker non-votes occur when shares held of record by a broker are not voted on a matter because the broker has not received voting instructions from the beneficial owner and either lacks or declines to exercise the authority to vote the shares in its discretion.



**How will abstentions and broker non-votes be treated?**

Abstentions and broker non-votes, if any, will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present but will not be counted as votes cast either in favor of or against a particular proposal and will have no effect on the outcome of a particular proposal.

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**PROPOSAL 1: Election of Directors**

**What is the structure of the Board of Directors?**

Our Board of Directors must consist of 1 to 15 directors, with the exact number set by the Board. The Board size is currently fixed at 8. All directors are elected annually by our shareholders.

**How are directors identified and nominated?**

The Nominating and Governance Committee (the Nominating Committee) is responsible for identifying, evaluating, and recommending director candidates, including the director slate to be presented to shareholders for election at the annual meeting, to our Board of Directors, which makes the ultimate election or nomination determination, as applicable. The Nominating Committee may use a variety of methods to identify potential director candidates, such as recommendations by our directors, management, shareholders or third-party search firms (see Can shareholders recommend or nominate directors? below). The Nominating Committee has retained a third-party search firm to assist in identifying potential Board candidates who meet our qualification and experience requirements and, for any

such candidate identified by such search firm, to compile and evaluate information regarding the candidate's qualifications, experience, and potential conflicts of interest, and to verify the candidate's education.

**Does the Board consider diversity when identifying director nominees?**

Yes. We have a written policy to endeavor to achieve a mix of Board members that represent a diversity of background and experience in areas that are relevant to our business. To implement this policy, the Nominating Committee considers each candidate's individual qualifications in the context of how that candidate would relate to the Board as a whole and is intentional about including in the candidate pool persons with diverse attributes such as gender, race, and age. The Committee and the Board periodically assess this policy's effectiveness by considering whether the Board as a whole represents such diverse experience and composition and by updating the criteria for selection of new directors as appropriate. The matrix included below illustrates the diverse experience and composition of our Board.

|                                  |  |  |  |  |  |  |  |  |  |  |  |  |  |              |
|----------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--------------|
| <b>Board of Directors Matrix</b> |  |  |  |  |  |  |  |  |  |  |  |  |  | <b>Total</b> |
|----------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--------------|

|   |          |
|---|----------|
| <b>Retail Industry Experience</b>                               | <b>7</b> |
| <b>Senior Leadership (C-Suite) Experience</b>                   | <b>8</b> |
| <b>Strategic Planning/M&amp;A Experience</b>                    | <b>6</b> |
| <b>Public Board Experience</b>                                  | <b>4</b> |
| <b>Financial Expertise</b>                                      | <b>4</b> |
| <b>General Independence</b>                                     | <b>7</b> |
| <b>Global/International Experience (Sourcing or Operations)</b> | <b>5</b> |
| <b>Branding/Marketing/Consumer Behavior Experience</b>          | <b>5</b> |
| <b>Human Capital Experience</b>                                 | <b>1</b> |
| <b>E-commerce/Digital Experience</b>                            | <b>2</b> |
| <b>Risk Management Experience</b>                               | <b>8</b> |
| <b>Racial/Gender Diversity</b>                                  | <b>3</b> |

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PROPOSAL 1: ELECTION OF DIRECTORS

**How are nominees evaluated; what are the threshold qualifications?**

The Nominating Committee is charged with recommending to our Board of Directors only those candidates that it believes are qualified to serve as Board members consistent with the criteria for selection of new directors adopted from time to time by the Board and who have not achieved the age of 76, unless the Board has approved an exception to this limit on a case by case basis. If a waiver is granted, it will be reviewed annually.

The Nominating Committee assesses a candidate's independence, background, and experience, as well as our current Board's skill needs. With respect to incumbent directors considered for re-election, the Committee also assesses each director's meeting attendance record and suitability for continued service. In addition, the Committee determines that all nominees are in a position to devote an adequate amount of time to the effective performance of director duties and possess the following threshold characteristics: integrity and accountability, informed judgment, financial literacy, a cooperative approach, a record of achievement, loyalty, and the ability to consult with and advise management. The Committee recommends candidates, including those submitted by shareholders, only if it

believes a candidate's knowledge, experience, and expertise would strengthen the Board and that the candidate is committed to representing the long-term interests of all Dollar General shareholders.

**Who are the nominees this year?**

All nominees for election as directors at the annual meeting, consisting of the 8 incumbent directors who were elected at the 2018 annual meeting of shareholders, were nominated by the Board of Directors for election by shareholders at the annual meeting upon the recommendation of the Nominating Committee. Our Board believes that each of the nominees can devote an adequate amount of time to the effective performance of director duties and possesses all of the threshold qualifications identified above.

If elected, each nominee would hold office until the 2020 annual meeting of shareholders and until his or her successor is elected and qualified, subject to any earlier resignation or removal.

The following lists the nominees, their ages at the date of this proxy statement, and the calendar year in which they first became a director, along with their biographies and the experience, qualifications, attributes, or skills that led the Board to conclude that each nominee should serve as a director of Dollar General.

**Biography:**

WARREN

F. BRYANT

Mr. Bryant served as the President and Chief Executive Officer of Longs Drug Stores Corporation from 2002 through 2008 and as its Chairman of the Board from 2003 through his retirement in 2008. Prior to joining Longs Drug Stores, he served as a Senior Vice President of The Kroger Co. from 1999 to 2002. Mr. Bryant has served as a director of Loblaw Companies Limited of Canada since May 2013 and served as a director of OfficeMax Incorporated from 2004 to 2013 and Office Depot, Inc. from November 2013 to July 2017.

Age: 73

**Specific Experience, Qualifications, Attributes, and Skills:**

Director Since:

2009

Mr. Bryant has over 40 years of retail experience, including experience in marketing, merchandising, operations, and finance. His substantial experience in leadership and policy-making roles at other retail companies, together with his current and former experience as a board member for other retailers, provides him with an extensive understanding of our industry, as well as with valuable executive management skills, global, strategic planning, and risk management experience, and the ability to effectively advise our CEO.

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PROPOSAL 1: ELECTION OF DIRECTORS

**Biography:**

MICHAEL  
M. CALBERT

Mr. Calbert has served as our Chairman of the Board since January 2016. He joined the private equity firm KKR & Co. L.P. ( KKR ) in January 2000 and was directly involved with several KKR portfolio companies until his retirement in January 2014. Mr. Calbert led the Retail industry team within KKR's Private Equity platform prior to his retirement and served as a consultant to KKR from his retirement until June 2015. Mr. Calbert joined Randall's Food Markets beginning in 1994 and served as the Chief Financial Officer from 1997 until it was sold in September 1999. Mr. Calbert also previously worked as a certified public accountant and consultant with Arthur Andersen Worldwide from 1985 to 1994, where his primary focus was the retail and consumer industry. He previously served as our Chairman of the Board from July 2007 until December 2008 and as our lead director from March 2013 until his re-appointment as our Chairman of the Board in January 2016.

Age: 56

Director Since:

**Specific Experience, Qualifications, Attributes, and Skills:**

2007

Mr. Calbert has considerable experience in managing private equity portfolio companies and is experienced with corporate finance and strategic business planning activities. As the former head of KKR's Retail industry team, Mr. Calbert has a strong background and extensive experience in advising and managing companies in the retail industry, including evaluating business strategies, financial plans and structures, risk, and management teams. His former service on various private company boards in the retail industry further strengthens his knowledge and experience within our industry. Mr. Calbert also has a significant financial and accounting background evidenced by his prior experience as the chief financial officer of a retail company and his 10 years of practice as a certified public accountant.

**Biography:**

SANDRA  
B. COCHRAN

Ms. Cochran has served as a director and as President and Chief Executive Officer of Cracker Barrel Old Country Store, Inc., a restaurant and retail concept with locations throughout the United States, since September 2011. She joined Cracker Barrel in April 2009 as Executive Vice President and Chief Financial Officer, and was named President and Chief Operating Officer in November 2010. She was previously Chief Executive Officer at Books-A-Million, Inc. from February 2004 to April 2009. She also served as that company's President (August 1999 – February 2004), Chief Financial Officer (September 1993 – August 1999) and Vice President of Finance (August 1992 – September 1993). Ms. Cochran has served as a director of Lowe's Companies, Inc. since January 2016.

Age: 60

Director Since:  
2012

**Specific Experience, Qualifications, Attributes, and Skills:**

Ms. Cochran brings over 25 years of retail experience to Dollar General as a result of her current and former roles at Cracker Barrel Old Country Store and her former roles at Books-A-Million. This experience allows her to provide additional support and perspective to our CEO and our Board. In addition, Ms. Cochran's industry, executive, and other public company board experience provides leadership, consensus-building, strategic planning, risk management, and budgeting skills. Ms. Cochran also has significant financial experience, having served as the chief financial officer of two public companies and as vice president, corporate finance of SunTrust Securities, Inc., and our Board has determined that she qualifies as an audit committee financial expert.

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## PROPOSAL 1: ELECTION OF DIRECTORS

**Biography:**

PATRICIA  
D. FILI-KRUSHEL

Ms. Fili-Krushel has served as Chief Executive Officer of the Center for Talent Innovation, a non-profit think tank that focuses on helping global corporations leverage talent across the divides of culture, gender, geography, and generation, since January 2019 after serving as the organization's Interim Chief Executive Officer since September 2018. She is the former Executive Vice President for NBCUniversal, one of the world's leading media and entertainment companies, where she served as a strategist and key advisor to the CEO of NBCUniversal from April 2015 to November 2015. She served as Chairman of NBCUniversal News Group, a division of NBCUniversal Media, LLC, composed of NBC News, CNBC and MSNBC, from July 2012 until April 2015. She previously served as Executive Vice President of NBCUniversal (January 2011 – July 2012) with a broad portfolio of functions reporting to her, including operations and technical services, business strategy, human resources and legal. Prior to NBCUniversal, Ms. Fili-Krushel was Executive Vice President of Administration at Time Warner Inc. (July 2001 – December 2010) where her responsibilities included oversight of philanthropy, corporate social responsibility, human resources, worldwide recruitment, employee development and growth, compensation and benefits, and security. Before joining Time Warner in July 2001, Ms. Fili-Krushel had been Chief Executive Officer of WebMD Health Corp. since April 2000. From July 1998 to April 2000, Ms. Fili-Krushel was President of the ABC Television Network. Ms. Fili-Krushel has served as a director of Chipotle Mexican Grill, Inc. since March 2019.

Age: 65

Director Since:  
2012

**Specific Experience, Qualifications, Attributes, and Skills:**

Ms. Fili-Krushel's background increases the breadth of experience of our Board as a result of her extensive executive experience overseeing the business strategy, philanthropy, corporate social responsibility, human resources, recruitment, employee growth and development, compensation and benefits, and legal functions, along with associated risks, at large public companies in the media industry. She also brings valuable oversight experience in diversity-related workplace matters from her leadership position at the Center for Talent Innovation, as well as digital and e-commerce experience gained while serving as CEO of WebMD Health Corp. In addition, her understanding of consumer behavior based on her knowledge of viewership patterns and preferences provides additional perspective to our Board in understanding our customer base, and her other public company board experience will bring additional perspective to our Board.

**Biography:**



|                             |   |
|-----------------------------|---|
| TIMOTHY<br>I. MCGUIRE       | Mr. McGuire has served as a director and Chief Executive Officer of Mobile Service Center Canada, Ltd. (d/b/a Mobile Klinik), a chain of professional smartphone repair stores specializing in professional while you wait repair and care of smartphones and tablets, since October 2018. He also served as Mobile Klinik's Chairman of the Board from June 2017 until October 2018. He retired from McKinsey & Company, a worldwide management consulting firm, in August 2017 after serving as a leader of its global retail and consumer practice for almost 28 years, including leading the Americas retail practice for five years. While at McKinsey, Mr. McGuire led consulting efforts with major retail, telecommunications, consumer service, and marketing organizations in Canada, the United States, Latin America, Europe, and Australia. He also co-founded McKinsey Analytics, a global group of consultants bringing advanced analytics capabilities to clients to help make better business decisions. Mr. McGuire began his career with Procter & Gamble in 1983 where he served in various positions until October 1989, with his final role being Marketing Director for the Canadian Food & Beverage division. |
| Age: 58                     |   |
| Director Since:<br><br>2018 |   |

**Specific Experience, Qualifications, Attributes, and Skills:**

Mr. McGuire brings almost 30 years of valuable retail experience to our company, recently as Chief Executive Officer of Mobile Klinik and having served as a leader of McKinsey's global retail and consumer practice for almost 28 years. He has expertise in strategy, new store/concept development, marketing and sales, operations, international expansion, big data and advanced analytics, as well as risk management experience. In addition, Mr. McGuire's focus while at McKinsey on use of advanced analytics in retail, developing and implementing growth strategies for consumer services, food, general-merchandise and multi-channel retailers, developing new retail formats, the application of lean operations techniques, the redesign of merchandise flows, supply-chain optimization efforts, and the redesign of purchasing and supplier-management approaches, brings new and extensive relevant perspectives to our Board as it seeks to consult and advise our CEO and to shape our corporate strategy.

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## PROPOSAL 1: ELECTION OF DIRECTORS

**Biography:**

WILLIAM

C. RHODES,  
III

Age: 53

Mr. Rhodes was elected Chairman of AutoZone, Inc., a specialty retailer and distributor of automotive replacement parts and accessories, in June 2007. He has served as President and Chief Executive Officer and as a director of AutoZone since 2005. Prior to his appointment as President and Chief Executive Officer, Mr. Rhodes was Executive Vice President – Store Operations and Commercial. Prior to 2004, he had been Senior Vice President – Supply Chain and Information Technology since 2002, and prior thereto had been Senior Vice President – Supply Chain since 2001. Prior to that time, he served in various capacities with AutoZone since 1994, including Vice President – Stores in 2000, Senior Vice President – Finance and Vice President – Finance in 1999, and Vice President – Operations Analysis and Support from 1997 to 1999. Prior to 1994, Mr. Rhodes was a manager with Ernst & Young LLP.

Director Since:

2009

**Specific Experience, Qualifications, Attributes, and Skills:**

Mr. Rhodes has nearly 25 years of experience in the retail industry, including extensive experience in operations, supply chain, and finance, among other areas. This background serves as a strong foundation for offering invaluable perspective and expertise to our CEO and our Board. In addition, his experience as a board chairman and chief executive officer of a public retail company provides leadership, consensus-building, strategic planning, and budgeting skills, as well as international experience and an extensive understanding of both short- and long-term issues confronting the retail industry. Mr. Rhodes also has a strong financial background, and our Board has determined that he qualifies as an audit committee financial expert.

**Biography:**

RALPH

E. SANTANA

Age: 51

Mr. Santana has served as Executive Vice President and Chief Marketing Officer of Harman International Industries, a wholly-owned subsidiary of Samsung Electronics Co., Ltd. focused on designing and engineering connected products and solutions for automakers, consumers and enterprises worldwide, since April 2013, with responsibility for all aspects of Harman's worldwide marketing strategy. He is also responsible for Harman's e-commerce business and runs its global design group which entails 6 design studios around the world and full P&L accountability. Before joining Harman, Mr. Santana served as Senior Vice President and Chief Marketing Officer, North America, for Samsung Electronics Co., Ltd. from June 2010 to September 2012. In that role, he was responsible for launching Samsung's U.S. e-commerce business and building out branding strategies to drive visibility. Mr. Santana also served 16 years at PepsiCo Inc. from June 1994 to May 2010, holding positions spanning multiple international and domestic leadership roles in marketing. In his last assignment at PepsiCo, Mr. Santana served as Vice President of Marketing,

2018

North American Beverages, Pepsi-Cola, where he spearheaded a creative overhaul and re-launch of Pepsi-Cola. While at PepsiCo, Inc. he also held positions with its Frito-Lay's international and North America operations. Mr. Santana began his career as a Senior Marketing Associate at Beverage Marketing Corporation (July 1989-June 1992).

**Specific Experience, Qualifications, Attributes, and Skills:**

Mr. Santana has over 25 years of marketing experience spanning multiple technology and food & beverage consumer packaged goods categories. His deep understanding of digital marketing and retail shopper marketing, particularly in the area of consumer packaged goods, and his extensive experience in shaping multi-cultural strategy, executing marketing programs, and making brands culturally relevant further enhances our Board's ability to provide oversight and thoughtful counsel to management in these important and evolving areas of our business. His executive position also provides risk management experience.

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PROPOSAL 1: ELECTION OF DIRECTORS

**Biography:**

TODD

Mr. Vasos has served as Chief Executive Officer and a member of our Board since June 2015. He joined Dollar General in December 2008 as Executive Vice President, Division President and Chief Merchandising Officer. He was promoted to Chief Operating Officer in November 2013. Prior to joining Dollar General, Mr. Vasos served in executive positions with Longs Drug Stores Corporation for seven years, including Executive Vice President and Chief Operating Officer (February 2008 – November 2008) and Senior Vice President and Chief Merchandising Officer (2001 – 2008), where he was responsible for all pharmacy and front-end marketing, merchandising, procurement, supply chain, advertising, store development, store layout and space allocation, and the operation of three distribution centers. He also previously served in leadership positions at Phar-Mor Food and Drug Inc. and Eckerd Corporation.

J. VASOS

Age: 57

Director Since:

2015

**Specific Experience, Qualifications, Attributes, and Skills:**

Mr. Vasos has extensive retail experience, including over 10 years with Dollar General. His experience overseeing the merchandising, operations, marketing, advertising, global procurement, supply chain, store development, store layout and space allocation functions of other retail companies bolsters Mr. Vasos' thorough understanding of all key areas of our business. In addition, Mr. Vasos' service in leadership and policy-making positions of other retail companies has provided him with the necessary leadership skills to effectively guide and oversee the direction of Dollar General and with the consensus-building skills required to lead our management team.

**Can shareholders recommend or nominate directors?**

Yes. Shareholders may recommend candidates to our Nominating Committee by providing the same information within the same deadlines required for nominating candidates pursuant to the advance notice provisions in our Bylaws discussed below. Our Nominating Committee is required to consider such candidates and to apply the same evaluation criteria to them as it applies to other director candidates. Shareholders also can go a step further and nominate directors for election by shareholders by following the advance notice procedures in our Bylaws summarized below.

In short, whether recommending a candidate for our Nominating Committee's consideration or nominating a director for election by shareholders, a written notice must be received by our Corporate Secretary at 100 Mission Ridge, Goodlettsville, Tennessee 37072 no earlier and no later than the close of business on the 120<sup>th</sup> day and the 90<sup>th</sup> day, respectively, prior to (1) the first anniversary of the prior year's annual meeting or (2) the date of the annual meeting, if the meeting is held more than 30 days before or more than 60 days after the anniversary of the prior year's annual meeting, unless the first public announcement of the annual meeting date is less than 100 days prior to such meeting

date, in which case we must receive the notice by the 10<sup>th</sup> day following the public announcement. The notice must contain all information required by our Bylaws about the shareholder proposing the nominee and about the nominee, which generally includes:

the nominee's name, age, business and residence addresses, and principal occupation or employment;  
the class and number of shares of Dollar General common stock beneficially owned by the nominee and by the shareholder proposing the nominee;

any other information relating to the nominee that is required to be disclosed in proxy solicitations with respect to nominees for election as directors pursuant to Regulation 14A of the Securities Exchange Act of 1934 (including the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director, if elected);

the name and address of the shareholder proposing the nominee as they appear on our record books, and the name and address of the beneficial holder (if applicable);

any other interests of the proposing shareholder or his or her immediate family in Dollar General securities, including interests the value of which is based on increases or decreases in the value of Dollar General securities or our payment of dividends;

a description of all compensatory arrangements or understandings between the proposing shareholder and each nominee; and

a description of all arrangements or understandings between the proposing shareholder and each nominee and any other person pursuant to which the nomination is to be made.

We have a proxy access provision in our Bylaws whereby eligible shareholders may nominate candidates for election to our Board and such candidates will be

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PROPOSAL 1: ELECTION OF DIRECTORS

included in our proxy statement and ballot subject to the terms, conditions, procedures and deadlines set forth in Article I, Section 12 of our Bylaws. Our proxy access bylaw provides that holders of at least 3% of our outstanding shares, held by up to 20 shareholders, holding the shares continuously for at least 3 years, can nominate up to 20% of our Board for election at an annual shareholders meeting. For more specific information regarding these deadlines in respect of the 2020 annual meeting of shareholders, see [Shareholder Proposals for 2020 Annual Meeting](#) below.

You should consult our Bylaws, posted on the [Investor Information Corporate Governance](#) section of our website located at [www.dollargeneral.com](http://www.dollargeneral.com), for more detailed information regarding the processes summarized above. No shareholder nominees have been submitted for this year's annual meeting.

**What if a nominee is unwilling or unable to serve?**

That is not expected to occur. If it does, the persons designated as proxies on the proxy card are authorized to vote your proxy for a substitute designated by our Board of Directors.

**Are there any family relationships between any of the directors, executive officers or nominees?**

There are no family relationships between any of our directors, executive officers or nominees.

**The Board of Directors unanimously recommends that Shareholders vote**

**FOR the election of each of the 8 nominees named in this proposal.**

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CORPORATE GOVERNANCE

**What governance practices are in place to promote effective independent Board leadership?**

The Board of Directors has adopted a number of governance practices to promote effective independent Board leadership, such as:

**Independent Board Chairman**

Mr. Calbert, an independent director, serves as our Chairman of the Board. In this role, Mr. Calbert serves as a liaison between the Board and our CEO, approves Board meeting agendas, leads the annual Board self-evaluation, and participates with the Compensation Committee in the annual CEO performance evaluation. This decision affords our CEO the opportunity to focus his time and energy on managing our business, while our Chairman devotes his time and attention to matters of Board oversight and governance. The Board, however, recognizes that no single leadership model is right for all companies and at all times, and the Board will review its leadership structure as appropriate to ensure it continues to be in the best interests of Dollar General and our shareholders.

**Annual Self-Evaluations and Board Succession Planning**

The Board and each standing committee annually perform self-evaluations using a process approved by the Nominating Committee. In addition, directors are asked to provide candid feedback on individual Board members to the Chairperson of the Nominating Committee or the Chairman of the Board, who then meet to discuss individual director performance and succession considerations and any necessary follow-up actions.

**Regularly Scheduled Independent Director Sessions**

Opportunity is available at each regularly scheduled Board meeting for executive sessions of the non-management directors (all of whom are currently independent). Mr. Calbert, as Chairman, presides over all executive sessions of the non-management and the independent directors.

**Annual CEO Performance Evaluations**

Each year, the Compensation Committee meets to evaluate the CEO's performance prior to making CEO compensation decisions. All independent directors, including the Chairman of the

Board, are invited to provide input into this discussion.

**What is the Board's role in risk oversight?**

Our Board of Directors and its committees have an important role in our risk oversight process. We identify and manage our key risks using our enterprise risk management program. This framework evaluates internal and external business, financial, legal, reputational, and other risks, identifies mitigation strategies, and assesses any residual risk. The program employs interviews with senior management and our Board and reviews of strategic initiatives, recent or potential legislative or regulatory changes, certain internal metrics, and other information. The Audit Committee oversees our enterprise risk management program, reviewing enterprise risk evaluation results at least annually and high residual risk categories, along with their mitigation strategies, quarterly. In addition, as part of its regular review of progress versus the strategic plan, our Board

reviews related material risks as appropriate. Our General Counsel also periodically provides information to the Board regarding our insurance coverage and programs as well as litigation and other legal risks.

In addition to consideration as part of the enterprise risk management program, cybersecurity risk is further evaluated through various internal cybersecurity audits as well as periodic engagements of third parties to perform unannounced cybersecurity assessments and to benchmark our cybersecurity program and assess how any identified vulnerabilities in the industry might impact our company as well as the sufficiency of our response. Management develops action plans to address select identified opportunities for improvement, and the Audit Committee quarterly reviews metrics and information pertaining to cybersecurity risks and mitigation.



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CORPORATE GOVERNANCE

Our Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation program. As discussed under **Executive Compensation Compensation Risk Considerations** below, the Compensation Committee also participates in periodic assessments of the risks relating to our overall compensation programs. In addition, our Nominating Committee reviews detailed information regarding corporate governance trends and practices within our company’s industry as well as across industries to inform governance-related recommendations to the Board. For more information regarding the role of each standing committee, see **What functions are performed by the Audit, Compensation, and Nominating Committees?** below.

The entire Board is regularly informed about risks through the committee reporting process, as well as through special reports and updates from management and advisors. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. Our Board believes this division of risk management responsibilities effectively addresses the material risks facing Dollar General. Our Board further believes that our leadership structure, described above, supports the risk oversight function of the Board as it allows our independent directors, through the three fully independent Board committees and in executive sessions of independent directors, to exercise effective oversight of management’s actions in identifying risks and implementing effective risk management policies and controls.

**What functions are performed by the Audit, Compensation, and Nominating Committees?**

Our Board of Directors has a standing Audit Committee, Compensation Committee, and Nominating Committee, each with a Board-adopted written charter available on the **Investor Information Corporate Governance** section of our website located at [www.dollargeneral.com](http://www.dollargeneral.com). Current information regarding these committees is set forth below.

In addition to the functions outlined below, each such committee performs an annual self-evaluation, periodically reviews and reassesses its charter, and evaluates and makes recommendations concerning shareholder proposals that are within the committee’s expertise.

| Name of             | Committee Functions |
|---------------------|---------------------|
| Committee & Members |                     |

**AUDIT:**

Selects the independent auditor

Mr. Rhodes, Chairperson

Mr. Bryant

Annually evaluates the independent auditor's qualifications, performance, and independence, as well as the lead audit partner; periodically considers the advisability of audit firm rotation; and reviews the annual report on the independent auditor's internal quality control procedures and any material issues raised by its most recent review of internal quality controls

Ms. Cochran

Pre-approves audit engagement fees and terms and all permitted non-audit services and fees, and discusses the audit scope and any audit problems or difficulties

Sets policies regarding the hiring of current and former employees of the independent auditor

Discusses the annual audited and quarterly unaudited financial statements with management and the independent auditor

Reviews CEO/CFO disclosures regarding any significant deficiencies or material weaknesses in our internal control over financial reporting, and establishes procedures for receipt, retention and treatment of complaints regarding accounting or internal controls

Discusses the types of information to be disclosed in earnings press releases and provided to analysts and rating agencies

Discusses policies governing the process by which risk assessment and risk management are undertaken

Reviews internal audit activities, projects and budget

Discusses with our general counsel legal matters having an impact on financial statements

Furnishes the committee report required in our proxy statement

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CORPORATE GOVERNANCE

| Name of<br>Committee & Members                        | Committee Functions   |
|---|---|
| <b>COMPENSATION:</b><br>Ms. Fili-Krushel, Chairperson | Reviews and approves corporate goals and objectives relevant to CEO compensation  |
| Mr. Bryant<br>Mr. McGuire                             | Determines executive officer compensation (with an opportunity for the independent directors to ratify CEO compensation) and recommends Board compensation for Board approval |
|   | Oversees overall compensation philosophy and principles   |
|   | Establishes short-term and long-term incentive compensation programs for senior officers and approves all equity awards   |
|   | Oversees share ownership guidelines and holding requirements for Board members and senior officers  |
|   | Oversees the performance evaluation process for senior officers   |
|   | Reviews and discusses disclosure regarding executive compensation, including Compensation Discussion and Analysis and compensation  |

tables (in addition to preparing the report on executive compensation for our proxy statement)

Selects and determines fees and scope of work of its compensation consultant

Oversees and evaluates the independence of its compensation consultant and other advisors

**NOMINATING AND GOVERNANCE:**

Develops and recommends criteria for selecting new directors

Ms. Cochran, Chairperson

Ms. Fili-Krushel

Screens and recommends to our Board individuals qualified to serve on our Board

Mr. Rhodes

Mr. Santana

Recommends Board committee structure and membership

Recommends persons to fill Board and committee vacancies

Develops and recommends Corporate Governance Guidelines and corporate governance practices

Oversees the process governing annual Board, committee and director evaluations

**Does Dollar General have an audit committee financial expert serving on its Audit Committee?**

Yes. Our Board has determined that each of Ms. Cochran and Mr. Rhodes is an audit committee financial expert who is independent as defined in NYSE listing standards and in our Corporate Governance Guidelines. The SEC has determined that designation as an audit committee financial expert will not cause a person to be deemed to be an expert for any purpose.

**How often did the Board and its committees meet in 2018?**

During 2018, our Board, Audit Committee, Compensation Committee, and Nominating Committee met 5, 5, 6, and 3 times, respectively. Each incumbent director attended at least 75% of the total of all meetings of the Board and committees on which he or she served which were held during the period for which he or she was a director and a

member of each applicable committee.

**What is Dollar General's policy regarding Board member attendance at the annual meeting?**

Our Board of Directors has adopted a policy that all directors should attend annual shareholders' meetings unless attendance is not feasible due to unavoidable circumstances. All persons serving as Board members at the time attended the 2018 annual shareholders' meeting.

**Does Dollar General have a management succession plan?**

Yes. Our Board of Directors ensures that a formalized process governs long-term management development and succession. Our Board formally reviews our management succession plan at least annually. Our comprehensive program encompasses not only our CEO and other executive officers but all employees through the front-line supervisory level. The program focuses on key succession elements, including identification of potential successors for positions where it has been determined that internal succession is appropriate,

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CORPORATE GOVERNANCE

assessment of each potential successor's level of readiness, and preparation of individual growth and development plans. With respect to CEO succession planning, our long-term business strategy is also considered. In addition, we maintain and review with the Board periodically a confidential procedure for the timely and efficient transfer of the CEO's responsibilities in the event of an emergency or his sudden incapacitation or departure.

**Are there share ownership guidelines and holding requirements for Board members and senior officers?**

Yes. Details of our share ownership guidelines and holding requirements for Board members and senior officers are included in our Corporate Governance Guidelines. See [Compensation Discussion and Analysis](#), [Share Ownership Guidelines and Holding Requirements](#) and [Director Compensation](#) for more information on such ownership guidelines and holding requirements. Administrative details pertaining to these matters are established by the Compensation Committee.

**How can I communicate with the Board of Directors?**

We describe our Board-approved process for security holders and other interested parties to contact the entire Board, a particular director, or the non-management directors or independent directors as a group on [www.dollargeneral.com](http://www.dollargeneral.com) under [Investor Information](#) [Corporate Governance](#).

**Where can I find more information about Dollar General's corporate governance practices?**

Our governance-related information is posted on [www.dollargeneral.com](http://www.dollargeneral.com) under [Investor Information](#) [Corporate Governance](#), including our [Corporate Governance Guidelines](#), [Code of Business Conduct and Ethics](#), the charter of each of the [Audit Committee](#), the [Compensation Committee](#), and the [Nominating Committee](#), and the name(s) of the person(s) chosen to lead the executive sessions of the non-management directors and, if different, of the independent directors. This information is available in print to any shareholder who sends a written request to: [Investor Relations](#), Dollar General Corporation, 100 Mission Ridge, Goodlettsville, Tennessee 37072.

**Table of Contents****DIRECTOR COMPENSATION**

The following table and text summarize the compensation earned by or paid to each person who served as a non-employee member of our Board of Directors during all or part of fiscal 2018. Mr. Vasos was not separately compensated for his service on the Board, and his executive compensation is discussed under **Executive Compensation** below. In addition, we will reimburse directors for certain fees and expenses incurred in connection with continuing education seminars and for travel and related expenses related to Dollar General business. We have omitted the columns pertaining to non-equity incentive plan compensation and change in pension value and nonqualified deferred compensation earnings because they are inapplicable.

**Fiscal 2018 Director Compensation**

| <b>Name</b>                             | <b>Fees Earned or Paid in Cash<br/>(\$)<sup>(2)</sup></b> | <b>Stock Awards<br/>(\$)<sup>(3)</sup></b> | <b>Option Awards<br/>(\$)<sup>(4)</sup></b> | <b>All Other Compensation<br/>(\$)<sup>(5)</sup></b> | <b>Total<br/>(\$)</b> |
|---|---|--|---|--|-----------------------|
| <b>Warren F. Bryant</b>                 | 95,500  | 150,475                                    |   | 1,915  | 247,890               |
| <b>Michael M. Calbert</b>               | 95,000  | 352,804                                    |   | 4,375  | 452,179               |
| <b>Sandra B. Cochran</b>                | 112,063   | 150,475                                    |   | 1,915  | 264,453               |
| <b>Patricia D. Fili-Krushel</b>         | 114,500   | 150,475                                    |   | 1,915  | 266,890               |
| <b>Timothy I. McGuire<sup>(1)</sup></b> | 92,625  | 150,475                                    |   | 1,360  | 244,460               |
| <b>Paula A. Price<sup>(1)</sup></b>     | 30,638  |  |   | 185,160  | 215,798               |
| <b>William C. Rhodes, III</b>           | 112,500   | 150,475                                    |   | 1,915  | 264,890               |
| <b>David B. Rickard<sup>(1)</sup></b>   | 38,575  |  |   | 185,160  | 223,735               |



|  |        |         |       |         |
|--|--------|---------|-------|---------|
| <b>Ralph E. Santana</b> <sup>(1)</sup> | 92,625 | 150,475 | 1,360 | 244,460 |
|--|--------|---------|-------|---------|

- (1) Messrs. McGuire and Santana joined our Board on February 12, 2018. Ms. Price and Mr. Rickard served on our Board until May 30, 2018.
- (2) In addition to the annual Board retainer, Messrs. Bryant, Rhodes, and Rickard and Mss. Cochran and Fili-Krushel also earned pro-rated annual retainers for service as committee chairpersons during fiscal 2018.
- (3) Represents the grant date fair value of restricted stock units ( RSUs ) awarded to Mr. Calbert on February 5, 2018 (\$202,330) for his annual Chairman of the Board retainer, as well as to each director (including Mr. Calbert) other than Ms. Price and Mr. Rickard on May 30, 2018 (\$150,475), in each case computed in accordance with FASB ASC Topic 718. Information regarding assumptions made in the valuation of these awards is included in Note 8 of the annual consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended February 1, 2019, filed with the SEC on March 22, 2019 (our 2018 Form 10-K ). As of February 1, 2019, each of the persons listed in the table above had the following total unvested RSUs outstanding (including additional unvested RSUs credited as a result of dividend equivalents earned with respect to such RSUs): each of Messrs. Bryant, McGuire, Rhodes, and Santana and Mss. Cochran and Fili-Krushel (1,572); Mr. Calbert (3,707); and each of Ms. Price and Mr. Rickard (0).
- (4) There were no stock options awarded to any director listed in the table above during fiscal 2018, as the Board chose to eliminate stock option awards as part of director compensation beginning in fiscal 2015. As of February 1, 2019, each of the persons listed in the table above had the following total unexercised stock options outstanding (whether or not then exercisable): Mr. Bryant (16,207); each of Messrs. Calbert and Rhodes (21,756); Ms. Cochran (13,120); Ms. Fili-Krushel (12,892); and each of Messrs. McGuire, Santana, and Rickard and Ms. Price (0).
- (5) Represents the dollar value of dividends paid, accumulated, or credited on unvested RSUs and, for each of Ms. Price and Mr. Rickard: (a) \$182,905, which is the fair market value of the accelerated vesting of RSUs upon ceasing to serve as directors, as determined based on the closing stock price on the vesting acceleration date, and (b) cash reimbursement of \$1,700 to offset the estimated federal income tax obligation on a retirement gift. Perquisites and personal benefits, if any, totaled less than \$10,000 per director and therefore are not included in the table.

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## DIRECTOR COMPENSATION

Each non-employee director receives payment (prorated as applicable) for a fiscal year in quarterly installments of the following cash compensation, as applicable, along with an annual award of RSUs, payable in shares of our common stock, under our Amended and Restated 2007 Stock Incentive Plan (our Stock Incentive Plan ) having the estimated value listed below:

| <b>Fiscal Year</b> | <b>Board Retainer</b> | <b>Audit Committee Chairman Retainer</b> | <b>Compensation Committee Chairman Retainer</b> | <b>Nominating Committee Chairman Retainer</b> | <b>Estimated Value of Equity Award</b> |
|--------------------|-----------------------|--|---|---|--|
|                    | <b>(\$)</b>           | <b>(\$)</b>                              | <b>(\$)</b>                                     | <b>(\$)</b>                                   | <b>(\$)</b>                            |
| 2018               | 95,000                | 25,000                                   | 20,000  | 17,500  | 150,000                                |

The RSUs are awarded annually to each non-employee director who is elected or re-elected at the annual shareholders meeting and to any new director appointed thereafter but before February 1 of a given year. The RSUs are scheduled to vest on the first anniversary of the grant date subject to certain accelerated vesting conditions. Directors generally may defer receipt of shares underlying the RSUs.

In addition to the fees outlined above, the Chairman of the Board receives an annual retainer delivered in the form of RSUs, payable in shares of our common stock under our Stock Incentive Plan and scheduled to vest on the first anniversary of the grant date, subject to certain accelerated vesting conditions, having an estimated value of \$200,000.

The forms and amounts of director compensation as outlined above were recommended by the Compensation Committee, and approved by the Board, after taking into account market data, recommendations of the Committee's compensation consultant, and, for the additional equity award to the Chairman, his further responsibilities to the Company.

Up to 100% of cash fees earned for Board services in a fiscal year generally may be deferred under the Non-Employee Director Deferred Compensation Plan. Benefits are payable upon separation from service in the form, as elected by the director at the time of

deferral, of a lump sum distribution or monthly payments for 5, 10, or 15 years. Participating directors can direct the hypothetical investment of deferred fees into funds identical to those offered in our 401(k) Plan and will be credited with the deemed investment gains and losses. The amount of the benefit will vary depending on the fees the director has deferred and the deemed investment gains and losses. Benefits upon death are payable to the director's named beneficiary in a lump sum. In the event of a director's disability (as defined in the Non-Employee Director Deferred

Compensation Plan), the unpaid benefit will be paid in a lump sum. Participant deferrals are not contributed to a trust, and all benefits are paid from Dollar General's general assets.

Our non-employee directors are subject to share ownership guidelines, expressed as a multiple of the annual cash retainer payable for service on our Board, and holding requirements. The current ownership guideline is 5 times and should be acquired within 5 years of election to the Board. When the ownership guideline is increased, incumbent non-employee directors are allowed an additional year to acquire the incremental multiple. Each non-employee director is required to retain ownership of 50% of all net after-tax shares granted by Dollar General until reaching the share ownership target.

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DIRECTOR INDEPENDENCE

**Is Dollar General subject to the NYSE governance rules regarding director independence?**

Yes. A majority of our directors must satisfy the independence requirements set forth in the NYSE listing standards. The Audit Committee, the Compensation Committee, and the Nominating Committee also must consist solely of independent directors to comply with NYSE listing standards and, in the case of the Audit Committee, with SEC rules. The NYSE listing standards define specific relationships that disqualify directors from being independent and further require that the Board affirmatively determine that a director has no material relationship with Dollar General in order to be considered independent. The SEC's rules and NYSE listing standards contain separate definitions of independence for members of audit committees and compensation committees, respectively.

**How does the Board of Directors determine director independence?**

The Board of Directors determines the independence of each director and director nominee in accordance with guidelines it has adopted, which include all elements of independence set forth in the NYSE listing standards and SEC rules as well as certain Board-adopted categorical independence standards. These guidelines are found in our Corporate Governance Guidelines, which are posted on the Investor Information Corporate Governance section of our website located at [www.dollargeneral.com](http://www.dollargeneral.com).

The Board first considers whether any director or nominee has a relationship covered by the NYSE listing standards that would prohibit an independence finding for Board or committee purposes. The Board then analyzes any relationship of the remaining eligible directors and nominees with Dollar General or our management that falls outside the parameters of the Board's separately adopted categorical independence standards to determine if that relationship is material. The Board may determine that a person who has a relationship outside such parameters is nonetheless independent because the relationship is not considered

to be material. Any director who has a material relationship with Dollar General or its management is not considered to be independent. Absent special circumstances, the Board does not consider or analyze any relationship that management has determined to fall within the parameters of the Board's separately adopted categorical independence standards.

**Are all of the directors and nominees independent?**

Our CEO, Todd J. Vasos, is the only non-independent director. Our Board has affirmatively determined that each of Warren F. Bryant, Michael M. Calbert, Sandra B. Cochran, Patricia D. Fili-Krushel, Timothy I. McGuire, William C. Rhodes, III, and Ralph E. Santana, as well as former Board members Paula A. Price and David B. Rickard who served for part of 2018, is independent under both the NYSE listing standards and our additional independence standards. Except as described below, any relationship between an independent director and Dollar General or our management fell within the Board-adopted categorical standards and, accordingly, was not reviewed or considered by

our Board in making independence decisions. The Board also has determined that each person who currently serves or who served in 2018 on the Audit Committee, the Compensation Committee, and the Nominating Committee meets or met, as applicable, the NYSE independence requirements for membership on those committees, our additional standards and, as to the Audit Committee, SEC rules.

In reaching the determination that Ms. Cochran is independent, the Board considered that Ms. Cochran's brother has been employed by the Company since 2009 and currently serves as Vice President of Government and Public Relations, a non-executive officer position, as described in more detail under Transactions with Management and Others. Ms. Cochran does not serve on the Compensation Committee which approves decisions pertaining to Mr. Brophy's compensation, and she does not participate in his performance evaluations. Mr. Brophy's cash compensation and equity awards are approved by the Compensation Committee pursuant to our related-party transactions approval policy.

**2019 Proxy Statement**

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TRANSACTIONS WITH MANAGEMENT AND OTHERS

**Does the Board of Directors have a related-party transactions approval policy?**

Yes. Our Board of Directors has adopted a written policy for the review, approval, or ratification of related party transactions. A related party for this purpose includes our directors, director nominees, executive officers, and greater than 5% shareholders, and any of their immediate family members, and a transaction includes one in which (1) the total amount may exceed \$120,000, (2) Dollar General is a participant, and (3) a related party will have a direct or indirect material interest (other than as a director or a less than 10% owner of another entity, or both).

The policy requires prior Board approval for known related party transactions, subject to certain exceptions identified below. In addition, at least annually after receiving a list of immediate family members and affiliates from our directors and executive officers, relevant internal departments determine if any transactions were unknowingly entered into with a related party and the Board is presented with a list of any such transactions, subject to the exceptions identified below, for review. The related party may not participate in any approval of the transaction and must provide to the Board all material information concerning the transaction.

Each of our Chairman and our CEO is authorized to approve a related party transaction in which he is not involved if the total anticipated amount is less than \$1 million and he informs the Board of the transaction. In addition, the transactions below are deemed pre-approved without Board review or approval:

Transactions involving a total amount that does not exceed the greater of \$1 million or 2% of the entity's annual consolidated revenues (total consolidated assets in the case of a lender) if no related party who is an individual participates in the actual provision of services or goods to, or negotiations with, us on the entity's behalf or receives special compensation or benefit as a result.

Charitable contributions if the total amount does not exceed 2% of the recipient's total annual receipts and no related party who is an individual participates in the grant decision or receives any special compensation or benefit as a result.

Transactions where the interest arises solely from share ownership in Dollar General and all of our shareholders receive the same benefit on a pro rata basis.

Transactions where the rates or charges are determined by competitive bid.

Transactions for services as a common or contract carrier or public utility at rates or charges fixed in conformity with law or governmental authority.

Transactions involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

Compensatory transactions available on a nondiscriminatory basis to all salaried employees generally, ordinary course business travel expenses and reimbursements, or compensatory arrangements to directors, director nominees or officers or any other related party that have been approved by the Board or an authorized committee.

**What related-party transactions existed in 2018 or are planned for 2019?**

Ms. Cochran's brother, Stephen Brophy, has been employed by the Company since 2009. He served in a non-officer role during substantially all of 2018 and was promoted to Vice President of Government and Public Relations, a non-executive officer position, effective February 1, 2019. For 2018, Mr. Brophy earned from Dollar General total cash compensation (comprised of his base salary and bonus compensation) of less than \$295,000 and received an annual equity award consisting of 1,287 non-qualified stock options and 335 RSUs. In March 2019, Mr. Brophy received an annual equity award consisting of 1,926 non-qualified stock options, 256 RSUs, and 256 PSUs, in each case on terms consistent with the annual equity awards received by all Dollar General employees at the same job grade level as Mr. Brophy and on terms substantially similar to the forms of award agreements on file with the SEC. We expect Mr. Brophy's total cash compensation for 2019 to not exceed \$335,000. Mr. Brophy also is eligible to participate in employee benefits plans and programs available to our other full-time employees.

Ms. Cochran does not serve on the Compensation Committee which approves decisions pertaining to Mr. Brophy's compensation, and she does not participate in his performance evaluations. Mr. Brophy's cash compensation and equity awards are approved by the Compensation Committee pursuant to our related-party transactions approval policy.

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**EXECUTIVE COMPENSATION**

This section provides details of fiscal 2018 compensation for our named executive officers: Todd J. Vasos, Chief Executive Officer; John W. Garratt, Executive Vice President and Chief Financial Officer; Jeffery C. Owen, Executive Vice President, Store Operations; Robert D. Ravener, Executive Vice President and Chief People Officer; and Jason S. Reiser, Executive Vice President and Chief Merchandising Officer.

**Compensation Discussion and Analysis**

**Overview**

Our executive compensation program is designed to serve the long-term interests of our shareholders. To deliver superior shareholder returns, we believe it is critical to offer a competitive compensation package that will attract, retain, and motivate experienced executives with the requisite expertise. Our program is designed to balance the short-term and long-term components and thus incent achievement of our annual and long-term business strategies, to pay for performance, and to maintain our competitive position in the market in which we compete for executive talent.

***Compensation Best Practices***

We strive to align our executives' interests with those of our shareholders and to follow sound corporate governance practices.

**Compensation Practice**

**Dollar General Policy**

**Pay for performance**

A significant portion of targeted direct compensation is linked to the financial performance of key metrics. All of our annual bonus compensation and equity incentive compensation is performance based. See Pay for Performance.

**Robust share ownership guidelines and holding requirements**

Our share ownership guidelines and holding requirements create further alignment with shareholders' long-term interests. See Share Ownership Guidelines and Holding Requirements.



|   |  |
|---|--|
| <b>Clawback policy</b>  | Beginning with the 2017 annual equity awards and Teamshare bonus program, the clawback of performance-based incentive compensation paid or awarded to a named executive officer is allowed in the case of a material financial restatement of our consolidated financial statements resulting from fraud or intentional misconduct on the part of the executive officer. |
| <b>No hedging or pledging Dollar General securities or holding Dollar General securities in margin accounts</b> | Our policy prohibits executive officers and Board members from hedging their ownership of our stock, pledging our securities as collateral, and holding our securities in a margin account. See Hedging and Pledging Policies.   |
| <b>No excise tax gross-ups and minimal income tax gross-ups</b>   | We do not provide tax gross-up payments to named executive officers other than on relocation-related items.  |
| <b>Double-trigger provisions</b>  | All equity awards granted to named executive officers since March 2016 include a double-trigger vesting provision upon a change in control.  |
| <b>No repricing or cash buyout of underwater stock options without shareholder approval</b>                     | Our equity incentive plan prohibits repricing underwater stock options, reducing the exercise price of stock options or replacing awards with cash or another award type, without shareholder approval.  |
| <b>Annual compensation risk assessment</b>  | At least annually, our Compensation Committee assesses the risk of our compensation program.   |

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EXECUTIVE COMPENSATION

*Pay for Performance*

Consistent with our philosophy, and as illustrated to the right, a significant portion of annualized target total direct compensation for our named executive officers in 2018 was performance-based and linked to changes in our stock price.

In addition, the following financial performance was achieved in accordance with our short-term and long-term incentive plans:

**Teamshare Bonus Program**

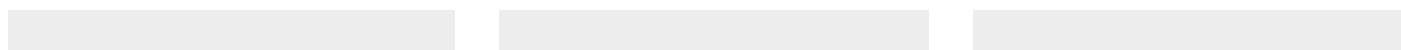
In connection with our 2018 Teamshare bonus program, we achieved 2018 adjusted EBIT (as defined and calculated for purposes of the Teamshare bonus program) of \$2.189 billion, or 99.72% of the adjusted EBIT target (see Short-Term Cash Incentive Plan ).

**Performance Share Units**

The portion of the awards granted in March 2018 subject to 2018 adjusted EBITDA performance was earned at 98.1% of target, based on achieving adjusted EBITDA of \$2.637 billion, or 99.6% of the adjusted EBITDA target, and the portion of the awards granted in March 2017 subject to 2017-2018 adjusted ROIC performance was earned at 152.0% of target based on achieving adjusted ROIC of 18.44%, or 101.4% of the adjusted ROIC two-year 2017-2018 target, in each case as defined and calculated in the PSU award agreements (see Long-Term Equity Incentive Program ).

*Significant Compensation-Related Actions*

The most significant recent compensation-related actions pertaining to our named executive officers include:



To further increase the focus on multi-year performance as a counterbalance to short-term incentives, beginning with the March 2018 equity grant, one-half of the vesting of performance share units is based upon the achievement of a three-year financial performance goal.

Beginning in 2018, our annual Teamshare bonus program allows for the Committee to adjust payments upward or downward within certain limitations depending upon the named executive officer's performance rating (in prior years, only downward adjustments were allowed within certain limitations).

In 2018, we entered into new employment agreements with our named executive officers, each of which have a three-year term and are subject to certain automatic extensions. We have employment agreements with the named executive officers to promote executive continuity, aid in retention, and secure valuable protections for Dollar General, such as non-compete, non-solicitation, and confidentiality obligations, as well as to facilitate implementation of our clawback policy.

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EXECUTIVE COMPENSATION

***Shareholder Response***

The most recent shareholder advisory vote on our named executive officer compensation was held on May 30, 2018. Excluding abstentions and broker non-votes, 96.55% of total votes were cast in support of the program. Because we view this outcome as overwhelmingly supportive of our compensation policies and practices, we do not believe the vote requires consideration of changes to the program. Nonetheless, because market practices and our business needs continue to evolve, we continually evaluate our program and make changes when warranted.

At our annual meeting of shareholders held on May 31, 2017, our shareholders expressed a preference that advisory votes on executive compensation occur every year. Consistent with this preference, our Board implemented an annual advisory vote on executive compensation until the next advisory vote on the frequency of shareholder votes on executive compensation, which will occur no later than our 2023 annual meeting of shareholders.

**Philosophy and Objectives**

We strive to attract, retain, and motivate persons with superior ability, to reward outstanding performance, and to align the long-term interests of our named executive officers with those of our shareholders. The material compensation principles applicable to the compensation of our named executive officers are outlined below:

In determining total compensation, we consider a reasonable range of the median of total compensation of comparable positions at companies within our peer group, while accounting for distinct circumstances not reflected in the market data such as unique job descriptions as well as our particular niche in the retail sector and the impact that a particular officer may have on our ability to meet business objectives. For competitive or other reasons, our levels of total compensation or any component of compensation may exceed or be below the median range of our peer group.

We set base salaries to reflect the responsibilities, experience, performance, and contributions of the named executive officers and the salaries for comparable positions, while maintaining an appropriate balance between base salary and incentive compensation.

We reward named executive officers who enhance our performance by linking cash and equity incentives to the achievement of our financial goals.

We promote share ownership to align the interests of our named executive officers with those of our shareholders.

In approving compensation arrangements, we consider recent compensation history, including special or unusual compensation payments.

## **Oversight and Process**

### *Oversight*

The Compensation Committee of our Board of Directors, or a subcommittee thereof, in each case consisting entirely of independent directors, determines and approves the compensation of our named executive officers. Throughout this Compensation Discussion and Analysis section, the use of the term compensation committee means either the entire committee or a subcommittee thereof, as applicable. The independent members of our Board are provided the opportunity to ratify the Committee's determinations pertaining to the level of CEO compensation.

### *Use of Outside Advisors*

The Compensation Committee has selected Pearl Meyer to serve as its compensation consultant and has determined that Pearl Meyer is independent and that its work has not raised any conflicts of interest. When requested by the Committee, a Pearl Meyer representative attends Committee meetings and participates in private sessions with the Committee, and Committee members are free to consult directly with Pearl Meyer as desired.

The Committee (or its Chairman) determines the scope of Pearl Meyer's services and has approved a written agreement that details the terms under which Pearl Meyer will provide independent advice to the Committee. The approved scope of Pearl Meyer's work generally includes the performance of analyses and provision of independent advice related to our executive and non-employee director compensation programs and related matters in support of the Committee's decisions, and more specifically, includes performing preparation work associated with Committee meetings, providing advice in areas such as compensation philosophy, compensation risk assessment, peer group, incentive plan design, executive compensation disclosure, emerging best practices and changes in the regulatory environment, and providing competitive market studies. Pearl Meyer, along with management, also prepares market data for consideration by the Committee in making decisions on items such as base salary, the Teamshare bonus program, and the long-term incentive program.

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**Table of Contents****EXECUTIVE COMPENSATION*****Management's Role***

Our executive management team prepares and recommends our annual financial plan to our Board of Directors for approval and establishes a 3-year financial plan. The financial performance targets used in our incentive compensation programs typically are derived from such financial plans, with assistance from our CFO and members of our finance department, and are approved by our Compensation Committee. Messrs. Vasos and Ravener and non-executive members of the human resources group provide assistance to the Compensation Committee and Pearl Meyer regarding executive compensation matters, including conducting research, compiling data and/or making recommendations regarding compensation amount, compensation mix, incentive program structure alternatives, peer group composition, and compensation-related governance practices, as well as providing information to and coordinating with Pearl Meyer as requested. Additionally, Rhonda Taylor, Executive Vice President and General Counsel, may provide legal advice to the Committee regarding executive compensation and related governance and legal matters and contractual arrangements from time to time. Although these recommendations may impact each of such officers' compensation to the extent they participate in the plans and programs, none of such officers make recommendations to the Committee regarding their specific compensation. For the role of management in named executive officers' performance evaluations, see *Use of Performance Evaluations* below. Although the Committee values and solicits management's input, it retains and exercises sole authority to make decisions regarding named executive officer compensation.

***Use of Performance Evaluations***

The Compensation Committee, together with the Chairman of the Board, assesses the performance of the CEO, and the CEO evaluates and reports to the Committee on the performance of each of the other named executive officers, in each case versus previously established goals. The Committee also has input into each named executive officer's performance evaluation. These evaluations are subjective; no objective criteria or relative weighting is assigned to any individual goal or factor.

Performance ratings serve as an eligibility threshold for base salary increases and directly impact the amount of a named executive officer's annual base salary increase. The Committee starts with the percentage base salary increase that equals the overall budgeted increase for our U.S.-based employee population and approves differing merit increases to base salary based upon each named executive officer's individual performance rating. The Committee then considers whether additional adjustments are necessary to reflect performance, responsibilities or qualifications; to bring pay within a reasonable range of the peer group; due to a change in role or duties; to achieve a better balance between base salary and incentive compensation; or for other reasons the Committee believes justify a variance from the merit increase.

Performance evaluation results have the potential to affect the amount of Teamshare bonus payout because the Committee is allowed to adjust payments upward or downward within certain limitations depending upon the named executive officer's performance rating.

An unsatisfactory performance rating will reduce the number of, or completely eliminate, stock options awarded to the named executive officer in the following year. None of the named executive officers received an unsatisfactory performance rating for 2017 or 2018. In addition, to allow for differentiation among performance levels of the named executive officers, individual performance, along with other factors including company performance, department performance, retention, and succession, are used as part of a subjective assessment to determine whether each named executive officer's equity award value should be increased or decreased from the baseline target that is derived from market data.

***Use of Market Data***

The Compensation Committee approves, periodically reviews, and utilizes a peer group when making compensation decisions (see Philosophy and Objectives ). The peer group data typically is considered annually for base salary adjustments, target equity award values, Teamshare target bonus opportunities, and total direct compensation, and periodically when considering structural changes to our executive compensation program.

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## EXECUTIVE COMPENSATION

Our peer group consists of companies selected according to their similarity to our operations, services, revenues, markets, availability of information, and any other information the Committee deems appropriate. Such companies are likely to have executive positions comparable in breadth, complexity, and scope of responsibility to ours. Thus, our peer group for 2018 compensation decisions consisted of:

|                      |              |             |                |
|----------------------|--------------|-------------|----------------|
| Aramark              | Dollar Tree  | Rite Aid    | Sysco          |
| AutoZone             | Kohl's       | Ross Stores | TJX Companies  |
| Bed, Bath & Beyond   | L Brands     | Staples     | Tractor Supply |
| Best Buy             | Office Depot | Starbucks   | Yum! Brands    |
| Dicks Sporting Goods |              |             |                |

Pearl Meyer annually provides market data for the CEO, to ensure that the Committee is aware of any significant movement in CEO compensation levels within the peer group, and biennially for each named executive officer position below CEO. In alternating years, the Committee uses the prior year data for non-CEO compensation decisions after applying an aging factor recommended by Pearl Meyer. Thus, for 2018 non-CEO compensation decisions, the Committee considered data provided by Pearl Meyer from the peer group for 2017 compensation decisions, but aged by 3% as recommended by Pearl Meyer as aligning with market practices.

The Committee most recently updated our peer group in May 2018 in order to improve its industry and size comparability, but this new peer group was not used for any 2018 compensation decisions.

**Elements of Named Executive Officer Compensation**

We provide compensation in the form of base salary, short-term cash incentives, long-term equity incentives, benefits, and limited perquisites. We believe each of these elements is a necessary component of the total compensation package and is consistent with compensation programs at companies with whom we compete both for business and talent.

***Mr. Vasos's 2018 Compensation Generally***

The Compensation Committee considered the base salary, short-term incentive, and long-term incentive components of Mr. Vasos's compensation, as well as his total compensation, in each case in comparison to the peer group (see "Use of Market Data"). After considering the peer group market data, as well as Mr. Vasos's and the Company's fiscal 2017 performance (see "Use of Performance Evaluations"), Mr. Vasos's experience and tenure in the CEO role, and the Committee's desire to further align Mr. Vasos's interests with shareholders and long-term value creation, the



Committee determined to increase Mr. Vasos' s 2018 target equity grant value and base salary and to make no change to his target short-term incentive bonus percentage opportunity from 2017. The Committee believed that such actions placed each

component of Mr. Vasos' s 2018 compensation as well as his 2018 total target compensation within a reasonable range of the median of the peer group data.

### ***2018 Compensation of Named Executive Officers Other than Mr. Vasos Generally***

The Compensation Committee considered the base salary, short-term incentive, and long-term incentive components, and total compensation of the non-CEO named executive officers, in each case in comparison to the peer group (see Use of Market Data ), as well as each such officer' s performance (see Use of Performance Evaluations ). The Committee approved base salary merit increases in accordance with each such officer' s 2017 performance rating within the limitations of the overall U.S. merit budget increase for 2018 of 3.0%, and after reviewing the proposed total target compensation, excluding the long-term incentive grant value adjustments based on performance, of each such officer against the peer group data, the Committee determined that total compensation for each such officer other than Mr. Garratt remained within a reasonable range of the peer group median and reflected the responsibilities of the position and the experience and contributions of the individual. The Committee approved an additional base salary adjustment for Mr. Garratt to better reflect the responsibilities of his position, experience and contributions, and to more closely align his total target compensation with the peer group median. For each non-CEO named executive officer, the Committee made no change from the prior year' s short-term incentive target percentage of base salary, which remained reasonably aligned with the peer group market data, or to the prior year' s long-term incentive grant value target, before adjustments based on individual performance, in light of our established process of obtaining new market data every two years. However, in order to allow for differentiation among individual performance levels of such officers, the Committee approved adjustments to the \$1.5 million target long-term incentive grant value based on each such officer' s subjective performance evaluation results which took into account a variety of factors, including company performance, department performance, individual performance, retention, and succession (see Use of Performance Evaluations ).

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EXECUTIVE COMPENSATION

***Base Salary***

Base salary promotes our recruiting and retention objectives by reflecting the salaries for comparable positions in the competitive marketplace, rewarding strong performance, and providing a stable and predictable income source for our executives. Our employment agreements set forth minimum base salary levels, which the Compensation Committee retains sole discretion to increase from time to time. The Committee routinely considers annual base salary adjustments in March.

(a) Salary Adjustment for Mr. Vasos

For the reasons outlined above under *Mr. Vasos's 2018 Compensation Generally*, the Compensation Committee approved a base salary of \$1,200,000 for Mr. Vasos effective April 1, 2018, representing a 5.91% increase from his prior year's base salary.

(b) Salary Adjustments for Named Executive Officers Other than Mr. Vasos

For the reasons outlined above under *2018 Compensation of Named Executive Officers Other than Mr. Vasos Generally*, the Compensation Committee approved the following base salary increases effective April 1, 2018: Mr. Garratt, 18.10%; each of Messrs. Owen and Ravener, 3.67%; and Mr. Reiser, 2.67% (see *Use of Performance Evaluations* and *Use of Market Data* ).

***Short-Term Cash Incentive Plan***

Our short-term cash incentive plan, called Teamshare, provides an opportunity to receive a cash bonus payment equal to a certain percentage of base salary based upon Dollar General's achievement of one or more pre-established financial performance targets. Accordingly, Teamshare fulfills an important part of our pay for performance philosophy while aligning the interests of our named executive officers and our shareholders.

(a) 2018 Teamshare Structure

The Compensation Committee uses adjusted EBIT as the Teamshare financial performance measure because it is a comprehensive measure of corporate performance that the Committee believes aligns with our shareholders' interests. For purposes of the 2018 Teamshare program, adjusted EBIT is defined as our operating profit as calculated in accordance with U.S. generally accepted accounting principles, but excludes the impact of (a) costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any transaction that results in a

Change in Control (within the meaning of our Stock Incentive Plan) or to any securities offering; (b) disaster-related charges; (c) gains or losses associated with our LIFO computation; and (d) unless the Committee disallows any such item, (i) any unbudgeted loss as a result of the resolution of a legal matter or (ii) any unplanned loss(es) or gain(s)

related to the implementation of accounting or tax legislative changes or (iii) any unplanned loss(es) or gain(s) of a non-recurring nature, provided that in the case of each of (i), (ii) and (iii) such amount equals or exceeds \$1 million for a single loss or gain, as applicable, and \$10 million in the aggregate.

The Committee set the 2018 adjusted EBIT performance goal at approximately \$2.195 billion, which was the adjusted EBIT target amount set forth in our 2018 annual financial plan previously approved by our Board of Directors. The Committee retained the threshold (below which no bonus may be earned) and maximum (above which no further bonus may be earned) performance levels at 90% and 120% of the target level, respectively, as they appropriately align pay and performance and are reasonably consistent with the practices of our peer group. Payouts for financial performance are based on actual results and are interpolated on a straight-line basis between threshold and target and between target and maximum.

The bonus payable to each named executive officer upon achieving the target level of financial performance is equal to the applicable percentage of base salary shown in the table below, subject to the Committee's exercise of discretion based on the individual's performance (see "Use of Performance Evaluations"). These percentages for each named executive officer remained the same as those in effect at the end of the prior year for the reasons outlined under "Mr. Vasos's 2018 Compensation Generally" and "2018 Compensation of Named Executive Officers Other than Mr. Vasos Generally."

| Name                               | Target % of Base Salary* |
|------------------------------------|--------------------------|
| Mr. Vasos                          | 150                      |
| All other named executive officers | 75                       |

\* Payout percentages at the threshold and maximum performance levels are calculated at 50% and 300%, respectively, of the applicable target percentage of base salary.  
 (b) 2018 Teamshare Results

The Compensation Committee certified the adjusted EBIT performance result at \$2.189 billion (99.72% of the adjusted EBIT target) which, after applying negative discretion as allowed by the Teamshare program (see

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## EXECUTIVE COMPENSATION

Use of Performance Evaluations ), resulted in 2018 Teamshare payouts to each of the named executive officers of 95.39% of the target percentages set forth in the table above. Such amounts are reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

***Long-Term Equity Incentive Program***

Long-term equity incentives are an important part of our pay for performance philosophy and are designed to motivate named executive officers to focus on long-term success for shareholders while rewarding them for a long-term commitment to us. The Compensation Committee considers annual equity awards each March at its regular quarterly meeting and considers special equity awards as necessary in connection with one-time events such as a new hire, promotion, or special performance. Equity awards are made under our shareholder-approved Stock Incentive Plan.

**(a) 2018 Equity Award for Mr. Vasos**

For the reasons outlined under Mr. Vasos's 2018 Compensation Generally, the Compensation Committee established an \$8.0 million target grant value for Mr. Vasos's 2018 equity award. The Committee further determined to deliver Mr. Vasos's annual equity award via a mix of 50% stock options and 50% PSUs to incent a long-term focus and to align the interests of management with those of shareholders, and the Committee approved the award in accordance with the terms outlined in 2018 Annual Equity Awards for Named Executive Officers Other than Mr. Vasos below.

**(b) 2018 Annual Equity Awards for Named Executive Officers Other than Mr. Vasos**

Each year, the Compensation Committee determines a targeted equity award value for each named executive officer derived from market data information and the appropriate mix of vehicles in which to deliver such targeted value (see

Use of Market Data ), but then adjusts that value up or down based on a subjective assessment of a variety of factors as outlined above under Use of Performance Evaluations . In 2018, the equity mix was delivered 50% in options and 50% in PSUs, as the Committee believed that this mix remained appropriate to incent a long-term focus and to align the interests of management with those of shareholders. For the reasons outlined above in 2018 Compensation of Named Executive Officers Other than Mr. Vasos Generally, the grant value target for each such officer, before adjustments based on individual performance, was \$1.5 million, and then the Committee approved individual adjustments to the \$1.5 million target (see Use of Performance Evaluations ). As a result, the

non-CEO named executive officers received the following targeted grant values: Mr. Garratt (\$1.4 million), each of Messrs. Owen and Ravener (\$1.5 million), and Mr. Reiser (\$1.3 million).

The options are granted with a per share exercise price equal to the fair market value of one share of our common stock on the grant date. The options vest 25% annually on April 1 of each of the four fiscal years following the fiscal year in which the grant is made, subject to the named executive officer's continued employment with us and certain accelerated vesting provisions, and have a term of ten years. The PSUs can be earned if specified performance goals

are achieved during the applicable performance periods and if certain additional vesting requirements are met as discussed more specifically below.

For PSUs the Committee selects and sets targets for financial performance measures, then establishes threshold and maximum levels of performance derived from those targets. The number of PSUs earned depends on the level of financial performance achieved versus the goals. The Committee selected adjusted EBITDA and adjusted ROIC as the financial performance measures for the 2018 PSUs. Half of the award is subject to adjusted EBITDA performance and half of the award is subject to adjusted ROIC performance. The Committee believes that these financial measures and the mix between them appropriately balance the emphasis placed upon earnings performance as well as rigorous capital management over the long-term.

For the 2018 PSU awards, a one-year performance period corresponding to our 2018 fiscal year was established for the PSUs which are subject to the adjusted EBITDA performance measure. The adjusted EBITDA performance goal of approximately \$2.647 billion was the target amount set forth in our 2018 annual financial plan previously approved by our Board of Directors. In order to further increase the focus on multi-year performance as a counterbalance to short-term incentives, the PSUs which are subject to the adjusted ROIC performance measure are subject to a three-year performance period beginning the first day of our 2018 fiscal year and extending through the last day of our 2020 fiscal year. The adjusted ROIC performance goal of 19.30% is the average of the adjusted ROIC goals for each fiscal year within the performance period as set forth in our three-year financial plan as it existed at the time the PSUs were awarded.

Adjusted EBITDA is calculated as income (loss) from continuing operations before cumulative effect of change in accounting principles plus interest and other financing costs, net, provision for income taxes, and depreciation and amortization, but excludes the impact of all items excluded from the 2018 Teamshare program adjusted EBIT calculation outlined above.

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## EXECUTIVE COMPENSATION

Adjusted ROIC for the three-year performance period is calculated as (a) the result of (x) the sum of (i) our operating income, plus (ii) depreciation and amortization, plus (iii) minimum rentals for 2018 and single lease cost for 2019 and 2020, minus (y) taxes, divided by (b) the result of (x) the sum of the averages of: (i) total assets, excluding any assets associated with the adoption of new lease accounting standards in 2019, plus (ii) accumulated depreciation and amortization, minus (y) (i) cash, minus (ii) goodwill, minus (iii) accounts payable, minus (iv) other payables, minus (v) accrued liabilities, plus (vi) 8x minimum rentals for 2018 and 8x single lease cost for 2019 and 2020 (with all

of the foregoing terms determined per our financial statements for each fiscal year within the performance period) but excludes the impact of all items excluded from the 2018 Teamshare program adjusted EBIT calculation outlined above.

The following tables show the amount (as a percent of target) of such PSUs that could be earned at each of the threshold, target, and maximum performance levels for each applicable performance period, as well as the 2018 adjusted EBITDA performance result and the number of PSUs earned by each named executive officer as a result of such performance.

| <b>Level*</b>       | <b>Adjusted EBITDA (2018)</b>   |   |                                      |
|---------------------|---------------------------------|---|--------------------------------------|
|                     | <b>Result v.<br/>Target (%)</b> | <b>EBITDA<br/>Result (\$)<br/>(in billions)</b> | <b>PSUs Earned<br/>(% of Target)</b> |
| Below Threshold     | <90                             | <2.383  | 0                                    |
| Threshold           | 90                              | 2.383   | 50                                   |
| Target              | 100                             | 2.647   | 100                                  |
| Maximum             | 120                             | 3.177   | 300                                  |
| <b>2018 Results</b> | <b>99.6</b>                     | <b>2.637</b>                                    | <b>98.1</b>                          |

\* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2018 Teamshare bonus program.

| <b>Name</b> | <b>2018 PSUs Earned<br/>(Adjusted EBITDA)</b> |
|-------------|---|
|-------------|---|

|             |        |
|-------------|--------|
| Mr. Vasos   | 20,073 |
| Mr. Garratt | 3,513  |
| Mr. Owen    | 3,764  |
| Mr. Ravener | 3,764  |
| Mr. Reiser  | 3,262  |

| <b>Level*</b>   | <b>Adjusted ROIC (2018-2020)</b> |                        |                                  |
|-----------------|----------------------------------|------------------------|----------------------------------|
|                 | <b>Result v. Target (%)</b>      | <b>ROIC Result (%)</b> | <b>PSUs Earned (% of Target)</b> |
| Below Threshold | <94.8                            | <18.30                 | 0                                |
| Threshold       | 94.8                             | 18.30                  | 50                               |
| Target          | 100.0                            | 19.30                  | 100                              |
| Maximum         | 105.2                            | 20.30                  | 300                              |

\* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2018 Teamshare bonus program.

The PSUs earned by each named executive officer for fiscal 2018 adjusted EBITDA performance will vest in equal one-third installments on April 1, 2019, April 1, 2020, and April 1, 2021, subject to such officer's continued employment with us and certain accelerated vesting provisions. Subject to certain pro-rata vesting conditions, the PSUs earned, if any, by each named

executive officer for adjusted ROIC performance during the three-year performance period will vest on April 1, 2021, subject to such officer's continued employment with us and certain accelerated vesting provisions. All vested PSUs will be settled in shares of our common stock.

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**(c) 2017 PSU Awards Completed 2017-2018 Performance Period**

Certain of the PSUs awarded in 2017 were subject to an adjusted ROIC performance measure for a two-year performance period beginning on the first day of our 2017 fiscal year and extending through the last day of our 2018 fiscal year, based on the average adjusted ROIC for each fiscal year within the two-year period. The average adjusted ROIC was derived from our three-year financial plan in place at the time of the award and generally is defined in the same way as adjusted ROIC for the 2018 PSU awards except that it does not exclude unplanned loss(es) or gain(s) related to the

implementation of accounting or tax legislative changes. The following tables show the amount (as a percent of target) of such PSUs that could be earned at each of the applicable threshold, target and maximum performance levels, as well as the actual performance result and the number of such PSUs earned by each named executive officer who received a 2017 PSU award. When calculating the performance result, the Committee exercised negative discretion to adjust ROIC for the material positive impact of the Tax Cuts and Jobs Act driven by both the benefit associated with the remeasurement of deferred tax assets and liabilities in 2017 and for the ongoing federal corporate tax rate reduction in 2017 and 2018.

| <b>Level*</b>            | <b>Adjusted ROIC (2017-2018)</b> |                            | <b>PSUs Earned<br/>(% of Target)</b> |
|--------------------------|----------------------------------|----------------------------|--------------------------------------|
|                          | <b>Result v.<br/>Target (%)</b>  | <b>ROIC<br/>Result (%)</b> |                                      |
| Below Threshold          | <94.5                            | <17.18                     | 0                                    |
| Threshold                | 94.5                             | 17.18                      | 50                                   |
| Target                   | 100.0                            | 18.18                      | 100                                  |
| Maximum                  | 105.5                            | 19.18                      | 300                                  |
| <b>2017-2018 Results</b> | <b>101.4</b>                     | <b>18.44</b>               | <b>152.0</b>                         |

\* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2018 Teamshare bonus program.

| <b>Name</b> | <b>2017-2018 PSUs Earned (Adjusted ROIC)</b> |
|-------------|--|
| Mr. Vasos   | 10,207                                       |
| Mr. Garratt | 2,380  |
| Mr. Owen    | 2,380  |
| Mr. Ravener | 2,551  |



**(d) Share Ownership Guidelines and Holding Requirements**

Our senior officers are subject to share ownership guidelines and holding requirements. The share ownership guideline is a multiple of annual base salary as in effect from time to time and is to be achieved within a five-year time period.

| <b>Officer Level</b> | <b>Multiple of Base Salary</b> |
|----------------------|--------------------------------|
| CEO                  | 6X                             |
| EVP                  | 3X                             |
| SVP                  | 2X                             |

Each senior officer is required to retain ownership of 50% of all net after-tax shares issuable upon vesting or exercise of compensatory awards until the target ownership level is achieved.

**(e) Hedging and Pledging Policies**

Our policy prohibits Board members and executive officers from (1) pledging Dollar General securities as collateral, (2) holding Dollar General securities in a

margin account, and (3) hedging against any decrease in the market value of equity securities issued by Dollar General and held by them, such as entering into or trading prepaid variable forward contracts, equity swaps, collars, puts, calls, options, exchange funds or other derivative instruments related to Dollar General stock.

***Benefits and Perquisites***

Our named executive officers participate in certain benefits on the same terms that are offered to all of our

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EXECUTIVE COMPENSATION

salaries and benefits. We also provide them with limited additional benefits and perquisites for retention and recruiting purposes, to replace benefit opportunities lost due to regulatory limits, and to enhance their ability to focus on our business. We do not provide tax gross-up payments for named executive officers on any benefits and perquisites other than relocation-related items. The primary additional benefits and perquisites include the following:

We provide a compensation deferral plan (the CDP ) as discussed in more detail under Nonqualified Deferred Compensation Fiscal 2018 .

We pay the premiums for a life insurance benefit equal to 2.5 times base salary up to a maximum of \$4 million.

We provide a salary continuation program that provides income replacement for up to 26 weeks at 100% of base salary for the first three weeks and 70% of base salary thereafter. In addition to the income replacement benefit, we pay administrative fees associated with the program. We also pay the premiums under a group long-term disability plan that provides 60% of base salary up to a maximum monthly benefit of \$20,000.

We provide a relocation assistance program under a policy applicable to officer-level employees.

We provide personal financial and estate planning and tax preparation services through a third party.

**Severance Arrangements**

As noted above, we have an employment agreement with each of our named executive officers that, among other things, provides for such executive's rights upon a termination of employment in exchange for valuable business protection provisions for us. We believe that reasonable severance benefits are appropriate to protect the named executive officer against circumstances over which he does not have control and as consideration for the promises of non-disclosure, non-competition, non-solicitation, and non-interference, as well as the clawback rights that we require in our employment agreements. A change in control, by itself ( single trigger ), does not trigger any severance provision applicable to our named executive officers, except for the provisions related to outstanding equity awards granted prior to 2016. Equity awards granted in or after 2016 do not provide for single trigger vesting acceleration but rather require a termination event within a certain period of time following a change in control to accelerate vesting of such equity awards.

**Considerations Associated with Regulatory Requirements**

Under Section 162(m) of the Internal Revenue Code, we generally may not take a tax deduction for individual compensation over \$1 million paid in any taxable year to each of the persons that meet the definition of a covered employee under Section 162(m). For fiscal 2018, covered employees include anyone who was a covered employee for any taxable year beginning after December 31, 2016, anyone who held the position of CEO or Chief Financial Officer ( CFO ) at any time during the fiscal year and the three most highly compensated employees who acted as executive officers (other than as CEO or CFO) at any time during the fiscal year. Prior to U.S. tax law changes in 2017, certain performance-based compensation was exempt from the Section 162(m) deduction limit. However, for tax years beginning after December 31, 2017, the performance-based compensation exemption was eliminated unless the compensation qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017.

The Compensation Committee continues to view the tax deductibility of executive compensation as one of many factors to be considered in the context of its overall compensation philosophy and therefore reserves the right to approve compensation that may not be deductible in situations it deems appropriate.

### **Compensation Committee Report**

The Compensation Committee of our Board of Directors reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this document.

This report has been furnished by the members of the Compensation Committee:

Patricia D. Fili-Krushel, Chairperson

Warren F. Bryant

Timothy I. McGuire

*The above Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Dollar General filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Dollar General specifically incorporates this report by reference therein.*

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## EXECUTIVE COMPENSATION

**Summary Compensation Table**

The following table summarizes compensation paid to or earned by our named executive officers in each of the 2018, 2017, and 2016 fiscal years. We have omitted from this table the columns for Bonus and Change in Pension Value and Nonqualified Deferred Compensation Earnings because they are inapplicable.

| Name and Principal Position <sup>(1)</sup>                                       | Year | Salary (\$) <sup>(2)</sup> | Stock Awards (\$) <sup>(3)</sup> | Option Awards (\$) <sup>(4)</sup> | Non-Equity Incentive                  | All Other Compensation (\$) <sup>(6)</sup> | Total (\$) |
|--|------|----------------------------|----------------------------------|-----------------------------------|---------------------------------------|--|------------|
|  |      |                            |                                  |                                   | Plan Compensation (\$) <sup>(5)</sup> |  |            |
| Todd J. Vasos,<br>Chief Executive Officer  | 2018 | 1,188,879                  | 3,805,114                        | 3,793,604                         | 1,717,068                             | 97,852                                     | 10,602,517 |
|  | 2017 | 1,127,543                  | 2,847,697                        | 2,827,461                         | 1,921,028                             | 82,680                                     | 8,806,409  |
|  | 2016 | 1,083,375                  | 2,317,164                        | 4,194,777                         | 915,411                               | 82,561                                     | 8,593,288  |
| John W. Garratt,<br>Executive Vice President &<br>Chief Financial Officer        | 2018 | 706,511                    | 665,923                          | 663,893                           | 518,698                               | 63,316                                     | 2,618,341  |
|  | 2017 | 597,256                    | 664,463                          | 659,739                           | 520,441                               | 60,636                                     | 2,502,535  |
|  | 2016 | 511,603                    | 637,226                          | 655,955                           | 277,981                               | 47,247                                     | 2,130,012  |
| Jeffery C. Owen,<br>Executive Vice President,<br>Store Operations                | 2018 | 652,662                    | 713,436                          | 711,314                           | 469,697                               | 60,267                                     | 2,607,376  |
|  | 2017 | 630,529                    | 664,463                          | 659,739                           | 536,861                               | 64,747                                     | 2,556,339  |
|  | 2016 | 613,924                    | 637,226                          | 655,955                           | 333,578                               | 55,863                                     | 2,296,546  |
| Robert D. Ravener,<br>Executive Vice President &<br>Chief People Officer         | 2018 | 578,875                    | 713,436                          | 711,314                           | 416,595                               | 57,157                                     | 2,477,377  |
|  | 2017 | 558,365                    | 711,960                          | 706,865                           | 476,167                               | 58,040                                     | 2,511,397  |
|  | 2016 | 538,841                    | 637,226                          | 655,955                           | 293,012                               | 50,734                                     | 2,175,768  |
| Jason S. Reiser,<br>Executive Vice President &<br>Chief Merchandising<br>Officer | 2018 | 664,488                    | 618,317                          | 616,472                           | 477,456                               | 168,661                                    | 2,545,394  |

(1) Mr. Reiser joined Dollar General in July 2017 but was not a named executive officer for 2017.

(2) Each named executive officer deferred under the CDP and contributed to our 401(k) Plan a portion of salary earned in each of the fiscal years for which salaries are reported above for the applicable named executive officer. The amounts of the fiscal 2018 salary deferrals under the CDP are included in the Nonqualified Deferred Compensation Table.

- (3) The amounts reported represent the aggregate grant date fair value of PSUs awarded in each fiscal year for which compensation is required to be reported in the table for each named executive officer, in each case computed in accordance with FASB ASC Topic 718. The PSUs are subject to performance conditions, and the reported value at the grant date is based upon the probable outcome of such conditions on such date. The values of the PSUs at the grant date assuming that the highest level of performance conditions will be achieved are as follows for each fiscal year required to be reported for each applicable named executive officer:

| <b>Fiscal Year</b> | <b>Mr. Vasos</b> | <b>Mr. Garratt</b> | <b>Mr. Owen</b> | <b>Mr. Ravener</b> | <b>Mr. Reiser</b> |
|--------------------|------------------|--------------------|-----------------|--------------------|-------------------|
|                    | <b>(\$)</b>      | <b>(\$)</b>        | <b>(\$)</b>     | <b>(\$)</b>        | <b>(\$)</b>       |
| 2018               | 11,415,341       | 1,997,768          | 2,140,307       | 2,140,307          | 1,854,951         |
| 2017               | 8,543,092        | 1,993,388          | 1,993,388       | 2,135,879          |                   |
| 2016               | 6,951,492        | 1,911,679          | 1,911,679       | 1,911,679          |                   |

Information regarding the assumptions made in the valuation of these awards is set forth in Note 8 of the annual consolidated financial statements in our 2018 Form 10-K.

- (4) The amounts reported represent the aggregate grant date fair value of stock options awarded in each fiscal year for which compensation is required to be reported in the table for each named executive officer, in each case computed in accordance with FASB ASC Topic 718. Information regarding assumptions made in the valuation of these awards is set forth in Note 8 of the annual consolidated financial statements in our 2018 Form 10-K.
- (5) Represents amounts earned pursuant to our Teamshare bonus program for each fiscal year reported. See the discussion of the Short-Term Cash Incentive Plan in Compensation Discussion and Analysis above. Messrs. Vasos, Garratt and Reiser deferred 5%, 5% and 7%, respectively, of his fiscal 2018 Teamshare bonus payment reported above under the CDP. Mr. Vasos deferred 5% of his fiscal 2017 Teamshare bonus payment reported above under the CDP. Messrs. Vasos and Garratt each deferred 5% of his fiscal 2016 Teamshare bonus payment reported above under the CDP.

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## EXECUTIVE COMPENSATION

(6) Includes the following amounts for each named executive officer:

| Name        | Company Match | Company Match | Premiums for   | Tax Gross-Ups | Aggregate Incremental |
|-------------|---------------|---------------|----------------|---------------|-----------------------|
|             | Contributions | Contributions | Life Insurance | Related       | Cost of               |
|             | CDP           | 401(k)        | Program        | to            | Providing             |
|             | (\$)          | (\$)          | (\$)           | Relocation    | Perquisites/Personal  |
|             |               |               |                |               | Benefits*             |
|             |               |               |                |               | (\$)                  |
| Mr. Vasos   | 45,665        | 14,015        | 2,491          |               | 35,681                |
| Mr. Garratt | 21,363        | 14,190        | 1,488          |               | 26,275                |
| Mr. Owen    | 19,036        | 13,842        | 1,368          |               | 26,021                |
| Mr. Ravener | 15,358        | 13,832        | 1,213          |               | 26,754                |
| Mr. Reiser  | 22,101        | 10,567        | 1,392          | 5,645         | 128,956               |

\* Except for Mr. Reiser, whose aggregate incremental cost of providing perquisites and personal benefits included \$106,290 for costs associated with relocation, none of the named executive officers received any perquisite or personal benefit for which the aggregate incremental cost individually equaled or exceeded the greater of \$25,000 or 10% of total perquisites. The aggregate incremental cost of providing perquisites and personal benefits related to: (1) for each named executive officer, financial and estate planning services, entertainment events, miscellaneous gifts, premiums paid under our group long-term disability program and our accidental death and dismemberment policy, and an administrative fee for coverage under our short-term disability program; (2) for Messrs. Garratt, Owen, Ravener, and Reiser, an executive physical medical examination; (3) for Messrs. Vasos, Garratt, Owen, and Ravener, one or more directed charitable donations; (4) for Messrs. Vasos, Owen, and Ravener, limited personal travel expenses, most often associated with a guest's attendance at business events; and (5) for Mr. Vasos, a security assessment. We also provide each named executive officer with certain perquisites and personal benefits at no aggregate incremental cost to Dollar General, including access to participation in a group umbrella liability insurance program through a third party vendor at a group rate paid by the executive and coverage under our business travel accident insurance for which Dollar General pays a flat fee for the eligible employee population. The aggregate incremental cost associated with Mr. Reiser's relocation included expenses associated with physical movement of his household goods (including automobile), costs incurred in connection with the sale of his former home (such as appraisals, inspections, pre-title expenses, title and deed costs, broker's commission, document preparation fees, recording fees and legal fees), and final move expenses.

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|-----------|-----------------------------|
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## EXECUTIVE COMPENSATION

**Grants of Plan-Based Awards in Fiscal 2018**

The table below shows each named executive officer's fiscal 2018 Teamshare bonus opportunity under Estimated Possible Payouts Under Non-Equity Incentive Plan Awards. Actual amounts earned under the fiscal 2018 Teamshare program are shown in the Summary Compensation Table and, for those who received such payments, represent prorated payment on a graduated scale for financial performance between the threshold and target performance levels. See Short-Term Cash Incentive Plan in Compensation Discussion and Analysis for discussion of such Teamshare program.

The table below also shows information regarding equity awards made to our named executive officers for fiscal 2018, all of which were granted pursuant to our Stock Incentive Plan. The awards listed under Estimated Future Payouts Under Equity Incentive Plan Awards include the threshold, target, and maximum number of PSUs which could be earned by each named executive officer based upon the level of achievement of the applicable financial performance measures. The awards listed under All Other Option Awards include non-qualified stock options that vest over time based upon the applicable named executive officer's continued employment by Dollar General. See Long-Term Equity Incentive Program in Compensation Discussion and Analysis above for further discussion of these awards. We have omitted from this table the column for All Other Stock Awards because it is inapplicable.

| Name        | Grant Date | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards |             |              | Estimated Future Payouts Under Equity Incentive Plan Awards |            |             | All Other Awards: Number of Securities Underlying Options (#) | Exercise Base Price of Option Awards (\$/Sh) <sup>(1)</sup> | Grant Date Fair Value of Stock and Option Awards (\$) <sup>(2)</sup> |
|-------------|------------|---|-------------|--------------|---|------------|-------------|---|---|--|
|             |            | Threshold (\$)  | Target (\$) | Maximum (\$) | Threshold (#)   | Target (#) | Maximum (#) |   |   |  |
| Mr. Vasos   |            | 900,000   | 1,800,000   | 5,400,000    |   |            |             |   |   |  |
|             | 03/21/18   |   |             |              |   |            |             | 157,197   | 92.98   | 3,793,604  |
|             | 03/21/18   |   |             |              | 20,462  | 40,924     | 122,772     |   |   | 3,805,114  |
| Mr. Garratt |            | 271,875   | 543,750     | 1,631,250    |   |            |             |   |   |  |
|             | 03/21/18   |   |             |              |   |            |             | 27,510  | 92.98   | 663,893  |
|             | 03/21/18   |   |             |              | 3,581   | 7,162      | 21,486      |   |   | 665,923  |
| Mr. Owen    |            | 246,191   | 492,383     | 1,477,148    |   |            |             |   |   |  |
|             | 03/21/18   |   |             |              |   |            |             | 29,475  | 92.98   | 711,314  |
|             | 03/21/18   |   |             |              | 3,837   | 7,673      | 23,019      |   |   | 713,436  |
| Mr. Ravener |            | 218,358   | 436,716     | 1,310,148    |   |            |             |   |   |  |



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|            |          |         |         |           |       |        |        |         |         |
|------------|----------|---------|---------|-----------|-------|--------|--------|---------|---------|
|            | 03/21/18 |         |         |           |       | 29,475 | 92.98  | 711,314 |         |
|            | 03/21/18 |         |         |           | 3,837 | 7,673  | 23,019 | 713,436 |         |
| Mr. Reiser |          | 250,258 | 500,516 | 1,501,549 |       |        |        |         |         |
|            | 03/21/18 |         |         |           |       |        | 25,545 | 92.98   | 616,472 |
|            | 03/21/18 |         |         |           | 3,325 | 6,650  | 19,950 | 618,317 |         |

(1) The per share exercise price was calculated based on the closing market price of one share of our common stock on the date of grant as reported by the NYSE.

(2) Represents the aggregate grant date fair value of each equity award, computed in accordance with FASB ASC Topic 718. For equity awards that are subject to performance conditions, the value at the grant date is based upon the probable outcome of such conditions. For information regarding the assumptions made in the valuation of these awards, see Note 8 of the annual consolidated financial statements included in our 2018 Form 10-K.

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## EXECUTIVE COMPENSATION

**Outstanding Equity Awards at 2018 Fiscal Year-End**

The table below sets forth information regarding awards granted under our Stock Incentive Plan and held by our named executive officers as of the end of fiscal 2018. We have omitted from this table the column for Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options because it is inapplicable. All awards included in the table, to the extent they have not vested, are subject to certain accelerated vesting provisions as described in Potential Payments upon Termination or Change in Control. PSUs reported in the table are payable in shares of our common stock on a one-for-one basis.

| Name      | Grant Date | Option Awards   |   |                            |                        | Stock Awards  |   |   |   |
|-----------|------------|---|---|----------------------------|------------------------|---|---|---|---|
|           |            | Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(9)</sup> | Equity Incentive Plan Awards: Number of Unearned Shares, or Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, or Other Rights That Have Not Vested (\$) <sup>(9)</sup> |
| Mr. Vasos | 03/20/2012 | 37,440 <sup>(1)</sup>                                   |   | 45.25                      | 03/20/2022             |   |   |   |   |
|           | 03/18/2013 | 27,492 <sup>(1)</sup>                                   |   | 48.11                      | 03/18/2023             |   |   |   |   |
|           | 12/03/2013 | 2,880 <sup>(1)</sup>                                    |   | 56.48                      | 12/03/2023             |   |   |   |   |
|           | 03/18/2014 | 37,926 <sup>(1)</sup>                                   |   | 57.91                      | 03/18/2024             |   |   |   |   |
|           | 03/17/2015 | 33,590 <sup>(2)</sup>                                   | 11,196 <sup>(2)</sup>                                   | 74.72                      | 03/17/2025             |   |   |   |   |
|           | 06/03/2015 | 85,562 <sup>(3)</sup>                                   | 171,120 <sup>(3)</sup>                                  | 76.00                      | 06/03/2025             |   |   |   |   |
|           | 03/16/2016 | 59,801 <sup>(2)</sup>                                   | 59,798 <sup>(2)</sup>                                   | 84.67                      | 03/16/2026             |   |   |   |   |
|           | 03/16/2016 |   | 85,759 <sup>(3)</sup>                                   | 84.67                      | 03/16/2026             |   |   |   |   |
|           | 03/22/2017 | 40,378 <sup>(2)</sup>                                   | 121,134 <sup>(2)</sup>                                  | 70.68                      | 03/22/2027             |   |   |   |   |
|           | 03/21/2018 |   | 157,197 <sup>(2)</sup>                                  | 92.98                      | 03/21/2028             |   |   |   |   |
|           | 03/16/2016 |   |   |                            |                        | 8,119 <sup>(4)</sup>  | 934,010   |   |   |
|           | 03/22/2017 |   |   |                            |                        | 24,737 <sup>(5)</sup>                                       | 2,845,744   | 20,145 <sup>(6)</sup>   | 2,317,481   |

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|             |            |                       |                       |       |            |                       |           |                       |           |
|-------------|------------|-----------------------|-----------------------|-------|------------|-----------------------|-----------|-----------------------|-----------|
|             | 03/21/2018 |                       |                       |       |            | 20,073 <sup>(7)</sup> | 2,309,198 | 61,386 <sup>(8)</sup> | 7,061,845 |
| Mr. Garratt | 12/03/2014 | 5,031 <sup>(1)</sup>  |                       | 66.69 | 12/03/2024 |                       |           |                       |           |
|             | 03/17/2015 | 7,502 <sup>(2)</sup>  | 2,500 <sup>(2)</sup>  | 74.72 | 03/17/2025 |                       |           |                       |           |
|             | 12/02/2015 | 5,872 <sup>(1)</sup>  | 1,957 <sup>(1)</sup>  | 65.35 | 12/02/2025 |                       |           |                       |           |
|             | 03/16/2016 | 16,446 <sup>(2)</sup> | 16,444 <sup>(2)</sup> | 84.67 | 03/16/2026 |                       |           |                       |           |
|             | 03/22/2017 | 9,423 <sup>(2)</sup>  | 28,263 <sup>(2)</sup> | 70.68 | 03/22/2027 |                       |           |                       |           |
|             | 03/21/2018 |                       | 27,510 <sup>(2)</sup> | 92.98 | 03/21/2028 |                       |           |                       |           |
|             | 03/16/2016 |                       |                       |       |            | 2,232 <sup>(4)</sup>  | 256,769   |                       |           |
|             | 03/22/2017 |                       |                       |       |            | 5,770 <sup>(5)</sup>  | 663,781   | 4,698 <sup>(6)</sup>  | 540,458   |
|             | 03/21/2018 |                       |                       |       |            | 3,513 <sup>(7)</sup>  | 404,136   | 10,743 <sup>(8)</sup> | 1,235,875 |
| Mr. Owen    | 08/25/2015 | 26,778 <sup>(1)</sup> | 8,925 <sup>(1)</sup>  | 73.73 | 08/25/2025 |                       |           |                       |           |
|             | 03/16/2016 | 16,446 <sup>(2)</sup> | 16,444 <sup>(2)</sup> | 84.67 | 03/16/2026 |                       |           |                       |           |
|             | 03/22/2017 | 9,423 <sup>(2)</sup>  | 28,263 <sup>(2)</sup> | 70.68 | 03/22/2027 |                       |           |                       |           |
|             | 03/21/2018 |                       | 29,475 <sup>(2)</sup> | 92.98 | 03/21/2028 |                       |           |                       |           |
|             | 03/16/2016 |                       |                       |       |            | 2,232 <sup>(4)</sup>  | 256,769   |                       |           |
|             | 03/22/2017 |                       |                       |       |            | 5,770 <sup>(5)</sup>  | 663,781   | 4,698 <sup>(6)</sup>  | 540,458   |
|             | 03/21/2018 |                       |                       |       |            | 3,764 <sup>(7)</sup>  | 433,011   | 11,508 <sup>(8)</sup> | 433,011   |

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## EXECUTIVE COMPENSATION

| Name        | Grant Date | Option Awards   |   |                            |                        | Stock Awards  |   |   |   |
|-------------|------------|---|---|----------------------------|------------------------|---|---|---|---|
|             |            | Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(9)</sup> | Equity Incentive Plan Awards: Number of Unearned Shares, or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, or Other Rights That Have Not Vested (\$) <sup>(9)</sup> |
| Mr. Ravener | 03/18/2014 | 27,812 <sup>(1)</sup>                                   |   | 57.91                      | 03/18/2024             |   |   |   |   |
|             | 03/17/2015 | 24,633 <sup>(2)</sup>                                   | 8,210 <sup>(2)</sup>                                    | 74.72                      | 03/17/2025             |   |   |   |   |
|             | 03/16/2016 | 16,446 <sup>(2)</sup>                                   | 16,444 <sup>(2)</sup>                                   | 84.67                      | 03/16/2026             |   |   |   |   |
|             | 03/22/2017 | 10,096 <sup>(2)</sup>                                   | 30,282 <sup>(2)</sup>                                   | 70.68                      | 03/22/2027             |   |   |   |   |
|             | 03/21/2018 |   | 29,475 <sup>(2)</sup>                                   | 92.98                      | 03/21/2028             |   |   |   |   |
|             | 03/16/2016 |   |   |                            |                        | 2,232 <sup>(4)</sup>  | 256,769   |   |   |
|             | 03/22/2017 |   |   |                            |                        | 6,183 <sup>(5)</sup>  | 711,292   | 5,034 <sup>(6)</sup>  | 579,111   |
| 03/21/2018  |            |   |   |                            | 3,764 <sup>(7)</sup>   | 433,011   | 11,508 <sup>(8)</sup>   | 433,011   |   |
| Mr. Reiser  | 08/29/2017 | 11,516 <sup>(1)</sup>                                   | 34,545 <sup>(1)</sup>                                   | 76.89                      | 08/29/2027             |   |   |   |   |
|             | 03/21/2018 |   | 25,545 <sup>(2)</sup>                                   | 92.98                      | 03/21/2028             |   |   |   |   |
|             | 03/21/2018 |   |   |                            |                        | 3,262 <sup>(7)</sup>  | 375,260   | 9,975 <sup>(8)</sup>  | 1,147,524   |

(1) Part of a time-based options grant with a vesting schedule of 25% per year on each of the first four anniversaries of the grant date.

(2) Part of a time-based options grant with a vesting schedule of 25% per year on each of the first four anniversaries of the April 1 following the grant date.

(3) Part of a time-based options grant with a vesting schedule of 33 1/3% per year on each of the third, fourth, and fifth anniversaries of the grant date.

- (4) Part of PSUs earned as a result of our fiscal 2016 adjusted EBITDA and adjusted ROIC performance and scheduled to vest on April 1, 2019.
- (5) Part of a PSU grant, 59% of which were earned as a result of our fiscal 2017 adjusted EBITDA performance and are scheduled to vest 50% per year on each of April 1, 2019 and April 1, 2020 and 41% of which were earned as a result of our fiscal 2017-2018 adjusted ROIC performance and are scheduled to vest on April 1, 2019.
- (6) Part of a PSU grant that is scheduled to vest on April 1, 2020 if the adjusted ROIC performance goal is achieved for fiscal years 2017-2019. The number of PSUs reported in this column assumes achievement of the maximum level of adjusted ROIC performance for the performance period. The actual number of PSUs earned, if any, will be determined based on the actual level of adjusted ROIC performance achieved for the performance period.
- (7) Part of a PSU grant that was earned as a result of our fiscal 2018 adjusted EBITDA performance and is scheduled to vest 33 1/3% per year on each of the first three anniversaries of the April 1 following the grant date.
- (8) Part of a PSU grant that is scheduled to vest on April 1, 2021 if the adjusted ROIC performance goal is achieved for fiscal years 2018-2020. The number of PSUs reported in this column assumes achievement of the maximum level of adjusted ROIC performance for the performance period. The actual number of PSUs earned, if any, will be determined based on the actual level of adjusted ROIC performance achieved for the performance period.
- (9) Computed by multiplying the number of shares or units by the closing market price of one share of our common stock on February 1, 2019 as reported by the NYSE.

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**Option Exercises and Stock Vested During Fiscal 2018**

| <b>Name</b> | <b>Option Awards</b>   |  | <b>Stock Awards</b>   |   |
|-------------|--|--|---|---|
|             | <b>Number of Shares Acquired on Exercise (#)<sup>(1)</sup></b> | <b>Value Realized on Exercise (\$)<sup>(2)</sup></b> | <b>Number of Shares Acquired on Vesting (#)<sup>(3)</sup></b> | <b>Value Realized on Vesting (\$)<sup>(4)</sup></b> |
| Mr. Vasos   |  |  | 32,770  | 3,065,634   |
| Mr. Garratt |  |  | 7,949   | 743,629   |
| Mr. Owen    |  |  | 7,127   | 666,731   |
| Mr. Ravener | 87,107   | 5,659,045  | 10,179  | 952,245   |
| Mr. Reiser  |  |  |   |   |

(1) Represents the gross number of option shares exercised, without deduction for shares that may have been surrendered or withheld to satisfy the exercise price or applicable tax withholding obligations.

(2) Value realized is calculated by multiplying the gross number of options exercised by the difference between the market price of our common stock at exercise as reported by the NYSE and the exercise price.

(3) Represents the gross number of shares acquired upon vesting of PSUs and RSUs, as applicable, without deduction for shares that may have been withheld to satisfy applicable tax withholding obligations.

(4) Value realized is calculated by multiplying the gross number of shares vested by the closing market price of our common stock on the vesting date as reported by the NYSE.

**Pension Benefits Fiscal 2018**

We have omitted the Pension Benefits table because it is inapplicable.

**Non qualified Deferred Compensation Fiscal 2018**

Information regarding each named executive officer's participation in our CDP is included in the following table. The material terms of the CDP are described after the table. Please also see "Benefits and Perquisites" in "Compensation Discussion and Analysis" above. We have omitted from this table the column pertaining to "Aggregate Withdrawals/Distributions" during the fiscal year because it is inapplicable.

| <b>Name</b> | <b>Executive Contributions in Last FY</b><br>(\$) <sup>(1)</sup> | <b>Registrant Contributions in Last FY</b><br>(\$) <sup>(2)</sup> | <b>Aggregate Earnings in Last FY</b><br>(\$) <sup>(3)</sup> | <b>Aggregate Balance at Last FYE</b><br>(\$) <sup>(4)</sup> |
|-------------|--|---|---|---|
| Mr. Vasos   | 155,495  | 45,665  | 2,251   | 1,231,374   |
| Mr. Garratt | 35,326   | 21,363  | (2,090)   | 169,431   |
| Mr. Owen    | 32,633   | 19,036  | (2,852)   | 166,067   |
| Mr. Ravener | 28,944   | 15,358  | (4,716)   | 595,322   |
| Mr. Reiser  | 33,224   | 22,101  | (316)   | 60,356  |

(1) Of the reported amounts, the following are reported in the Summary Compensation Table as "Salary" for 2018: Mr. Vasos (\$59,444); Mr. Garratt (\$35,326); Mr. Owen (\$32,633); Mr. Ravener (\$28,944); and Mr. Reiser (\$33,224).

(2) Reported as "All Other Compensation" in the Summary Compensation Table.

(3) The amounts shown are not reported in the Summary Compensation Table because they do not represent above-market or preferential earnings.

(4) Of the amounts reported, the following were previously reported as compensation for years prior to 2018 in a Summary Compensation Table: Mr. Vasos (\$836,633); Mr. Garratt (\$99,643); Mr. Owen (\$97,556); Mr. Ravener (\$112,887); and Mr. Reiser (\$0).

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Pursuant to the CDP, each named executive officer may annually elect to defer up to 65% of his base salary if his compensation exceeds the limit set forth in Section 401(a)(17) of the Internal Revenue Code, and up to 100% of his bonus pay if his compensation equals or exceeds the highly compensated limit under Section 414(q)(1)(B) of the Internal Revenue Code. We currently match base pay deferrals at a rate of 100%, up to 5% of annual salary, with annual salary offset by the amount of match-eligible salary under the 401(k) Plan. All named executive officers are 100% vested in compensation and matching deferrals and earnings on those deferrals.

The amounts deferred or contributed to the CDP are credited to a liability account, which is then invested at the participant's option in an account that mirrors the performance of a fund or funds selected by the Compensation Committee or its delegate. These funds are identical to the funds offered in our 401(k) Plan.

For a participant who ceases employment with at least 10 years of service or after reaching age 50 and whose CDP account balance exceeds certain dollar thresholds, the account balance will be paid by (a) lump sum, (b) monthly installments over a 5, 10 or 15-year period or (c) a combination of lump sum and installments, pursuant to the participant's election. Otherwise, payment is made in a lump sum. The vested amount will be payable at the time designated by the CDP upon the participant's termination of employment. A participant's CDP benefit normally is payable in the following February if employment ceases during the first 6 months of a calendar year or is payable in the following August if employment ceases during the last 6 months of a calendar year. However, participants may elect to receive an in-service lump sum distribution of vested amounts credited to the CDP account, provided that the date of distribution is no sooner than 5 years after the end of the year in which the amounts were deferred. In addition, a participant who is actively employed may request an unforeseeable emergency hardship in-service lump sum distribution of vested amounts credited to the participant's CDP account. Account balances are payable in cash.

As a result of our change in control which occurred in 2007, the CDP liabilities through July 6, 2007 were fully funded into an irrevocable rabbi trust. We also funded into the rabbi trust deferrals into the CDP between July 6, 2007 and October 15, 2007. All CDP liabilities incurred on or after October 15, 2007 are unfunded.

**Potential Payments upon Termination or Change in Control**

Our agreements with our named executive officers and certain plans and programs in which such officers participate, in each case as in effect at the end of our 2018 fiscal year, provide for benefits or payments upon certain employment termination or change in control events. We discuss these benefits and payments below except to the extent they are available generally to all salaried employees and do not discriminate in favor of our executive officers or to the extent already discussed under "Nonqualified Deferred Compensation Fiscal 2018" above. The discussion of equity awards in each scenario below includes nonqualified stock options outstanding as of the end of our 2018 fiscal year, as well as PSUs awarded in 2016 ( 2016 PSUs ), 2017 ( 2017 PSUs ), and 2018 ( 2018 PSUs ) to each named executive officer employed by us at the time of the applicable award.

**Payments Upon Termination Due to Death or Disability**



***Equity Awards***

If a named executive officer's employment with us terminates due to death or disability (as defined in the governing agreement):

Stock Options. Any outstanding unvested stock option shall become immediately vested and exercisable with respect to 100% of the underlying shares immediately prior to such event, and such vested options may be exercised until the 1<sup>st</sup> anniversary of the termination date but no later than the 10<sup>th</sup> anniversary of the grant date.

Performance Share Units. Except as described below, any unearned or unvested PSUs shall be forfeited and cancelled on the termination date or the last day of the performance period, as applicable.

*2016 PSUs.* Any remaining earned but unvested 2016 PSUs shall become vested and nonforfeitable as of the termination date and shall be paid within 30 days thereafter.

*2017 PSUs.* Any earned but unvested 2017 PSUs subject to the one-year goal (the 2017 Adjusted EBITDA PSUs ) shall become vested and nonforfeitable as of the termination date but shall be paid at the same time as if no termination had occurred. The remaining portion of the 2017 PSUs subject to the Adjusted ROIC goals (the 2017 Adjusted ROIC PSUs ) are allocated to a two-year and a three-year performance period (each an

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ROIC performance period ). For the 2017 Adjusted ROIC PSUs allocated to each such ROIC performance period, if the termination occurs before the end of the applicable ROIC performance period, a pro-rata portion (based on months employed during the applicable ROIC performance period) of the 2017 Adjusted ROIC PSUs earned based on performance during the entire applicable ROIC performance period shall become vested and nonforfeitable as of the applicable April 1 vesting date and shall be paid at the same time as if no termination had occurred. If the termination occurs on or after the end of the applicable ROIC performance period, any remaining earned but unvested 2017 Adjusted ROIC PSUs attributable to such ROIC performance period shall become vested and nonforfeitable as of the termination date but shall be paid at the same time as if no termination had occurred.

*2018 PSUs.* If the termination occurs before the end of the applicable one-year or three-year performance period, a pro-rata portion (based on months employed during the one-year performance period) of one-third of the 2018 PSUs subject to the one-year goal (the 2018 Adjusted EBITDA PSUs ) and a pro-rata portion (based on months employed during the three-year performance period) of the 2018 PSUs subject to the three-year goal (the 2018 Adjusted ROIC PSUs ), in each case earned based on performance during the entire applicable performance period, shall become vested and nonforfeitable as of the end of the applicable performance period and shall be paid at the same time as if no termination had occurred. If the termination occurs on or after the end of the applicable one-year or three-year performance period but before an applicable vesting date, any earned but unvested 2018 PSUs shall become vested and nonforfeitable as of the termination date but shall be paid at the same time as if no termination had occurred.

***Other Payments***

In the event of death, a named executive officer's beneficiary will receive payments under our group life insurance program in an amount, up to a maximum of \$4 million, equal to 2.5 times such officer's annual base salary. In addition, in the event of disability (as defined in the governing document), a named executive officer would receive 60% of covered monthly earnings up to a \$20,000 monthly benefit under our long-term disability insurance program. In the event of death or disability (as defined in the CDP), a named executive officer's CDP benefit will be payable in a lump sum within 60 days after the end of the calendar quarter in which such termination event occurs, provided that we may delay payment in the event of disability until as soon as reasonably practicable after receipt of the disability

determination by the Social Security Administration. Dependent upon the cause of death or loss suffered, a named executive officer may also be eligible to receive payment of up to \$50,000 under our group accidental death & dismemberment program. Additionally, in the event of death on or after the last day of a fiscal year, a named executive officer will receive payment for his incentive bonus earned for that fiscal year under the terms of our Teamshare program (which otherwise generally requires that a participant remain employed on the payment date to be entitled to any incentive bonus earned for that fiscal year).

**Payments Upon Termination Due to Retirement**

Except as provided immediately below with respect to equity awards, retirement (as defined in the applicable governing document) is not treated differently from any other voluntary termination without good reason (as defined in the relevant agreements, and as discussed below under *Payments Upon Voluntary Termination* ) under any of our plans or agreements for named executive officers.

In the event a named executive officer retires:

Stock Options. The portion of the outstanding unvested stock options that would have become vested and exercisable within the one-year period following the retirement date if such officer had remained employed with us shall remain outstanding for a period of one year following the retirement date and shall become vested and exercisable on the anniversary of the grant date that falls within the one-year period following the retirement date. However, if during such one-year period the officer dies or incurs a disability or, for options granted prior to 2016, a change in control occurs, such portion shall instead become immediately vested and exercisable upon such death, disability or change in control. Otherwise, any option which is unvested and unexercisable on the termination date shall immediately expire without payment. The officer may exercise the option to the extent vested and exercisable any time prior to the 5<sup>th</sup> anniversary of the retirement date, but no later than the 10<sup>th</sup> anniversary of the grant date.

Performance Share Units. Except as described below, any unearned or unvested PSUs shall be forfeited and cancelled on the retirement date or the last day of the performance period, as applicable.

*2016 PSUs.* Any remaining earned but unvested 2016 PSUs would become vested and nonforfeitable and would be paid on the retirement date.

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*2017 PSUs.* If the retirement occurs before the next April 1 vesting date, one-third of the earned 2017 Adjusted EBITDA PSUs that would have become vested on the next vesting date shall become vested and nonforfeitable as of the retirement date but shall be paid at the same time as if no retirement had occurred. The vesting and payment of the 2017 Adjusted ROIC PSUs in a retirement scenario is identical to the vesting and payment in the death and disability scenarios discussed above for the 2017 Adjusted ROIC PSUs.

*2018 PSUs.* With the exception outlined below, the vesting and payment of the 2018 PSUs in a retirement scenario before the end of the applicable one-year or three-year performance period and on or after the end of such periods is identical to the vesting and payment in the death and disability scenarios discussed above for the 2018 PSUs during these respective time periods. However, if the retirement occurs on or after the end of the one-year performance period but before an applicable vesting date, one-third of the 2018 Adjusted EBITDA PSUs that would have become vested on the next vesting date shall become vested and nonforfeitable as of the retirement date but shall be paid at the same time as if no retirement had occurred.

See *Payments After a Change in Control* for a discussion of treatment of the 2017 PSUs and the 2018 PSUs if a named executive officer terminates employment due to retirement within two years following a change in control.

**Payments Upon Voluntary Termination**

The payments to be made to a named executive officer upon voluntary termination vary depending upon whether the resignation occurs with or without good reason (as defined in the applicable governing agreement) or after our failure to offer to renew, extend or replace the applicable employment agreement under certain circumstances.

***Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement***

If a named executive officer resigns with good reason (as defined in the applicable equity award agreement), he will forfeit all then unvested equity awards and generally may exercise any outstanding vested options up to 90 days following the resignation date, but no later than the 10<sup>th</sup> anniversary of the grant date. Solely with respect to the special stock option awards granted to Mr. Vasos on June 3, 2015 and March 16, 2016, Mr. Vasos will be required to hold any net shares acquired upon exercise for a period of time ending on

the 5<sup>th</sup> anniversary of the applicable grant date. If a named executive officer resigns under the circumstances described in (2) below, his equity will be treated as described under *Voluntary Termination without Good Reason* below. See *Payments After a Change in Control* for a discussion of treatment of equity awards if a named executive officer resigns with good reason within two years following a change in control.

If a named executive officer resigns (1) with good reason (as defined in the applicable employment agreement) after giving 30 days (90 days in the case of Mr. Vasos) written notice within 30 days after the event purported to give rise

to the claim for good reason and opportunity for us to cure any such claimed event within 30 days after receiving such notice, or (2) within 60 days (90 days in the case of Mr. Vasos) of our failure to offer to renew, extend, or replace his employment agreement before, at, or within 6 months (1 year in the case of Mr. Vasos) after the end of the agreement's term (unless we enter into a mutually acceptable severance arrangement or the resignation is a result of the named executive officer's retirement or termination other than for good reason), then in each case the named executive officer will receive the following benefits generally on or beginning on the 60<sup>th</sup> day after termination of employment but contingent upon the execution and effectiveness of a release of certain claims against us and our affiliates in the form attached to the employment agreement:

Continuation of base salary, generally as in effect immediately before the termination, for 24 months payable in accordance with our normal payroll cycle and procedures.

A lump sum payment of: (1) for Mr. Vasos, two times the amount of his annual target bonus under our annual bonus program for officers in respect of the fiscal year in which his termination occurs; and (2) for each other named executive officer, two times the amount of the average percentage of target bonus paid to the named executive officer under our annual bonus program for officers with respect to our two most recently completed fiscal years (not including a fiscal year for which the Compensation Committee has not yet certified financial performance) for which annual bonuses have been paid to executives under such program multiplied by such officer's (A) target bonus level and (B) base salary (in each case, as applicable as of the date immediately preceding the employment termination or, if the termination is for good reason due to the reduction of such officer's target bonus level or base salary, then his target bonus level and base salary applicable immediately

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prior to such reduction). If no bonus was paid to such officer with respect to one or both of the applicable fiscal years due to Dollar General's performance or individual performance (as opposed to ineligibility due to length of employment), then such bonus amount shall be zero in calculating the average.

Mr. Vasos also will receive a lump sum payment, payable when annual bonuses are paid to our other senior executives, of a pro-rata portion of the annual bonus, if any, that he would have been entitled to receive for the fiscal year of termination, if such termination had not occurred, based on our performance for the fiscal year in which his employment terminates, multiplied by a fraction, the numerator of which is the number of days during which he was employed by us in the fiscal year and the denominator of which is 365.

A lump sum payment of two times our annual contribution that would have been made in respect of the plan year in which such termination occurs for the named executive officer's participation in our pharmacy, medical, dental, and vision benefits programs.

Reasonable outplacement services until the earlier of one year or subsequent employment.

Note that any amounts owed to a named executive officer in the form of salary continuation that would otherwise have been paid during the 60-day period after termination will instead be payable in a single lump sum on the 60<sup>th</sup> day after such termination and the remainder will be paid in the form of salary continuation payments over the remaining 24-month period as set forth above.

In certain cases, some or all of the payments and benefits provided on termination of employment may be delayed for six months following termination to comply with the requirements of Section 409A of the Internal Revenue Code. Any payment required to be delayed would be paid at the end of the six-month period in a lump sum, and any payments due after the six-month period would be paid at the normal payment date provided for under the applicable employment agreement.

To the extent permitted by applicable law, in the event we reasonably believe that the named executive officer engaged in conduct during employment that would have resulted in his termination for cause, any unpaid severance amounts under the applicable employment agreement may be forfeited and we may seek to recover such portion of any severance amounts paid under the applicable employment agreement.

The named executive officer will forfeit any unpaid severance amounts, and we retain any other rights we have available under law or equity, upon a material breach of any continuing obligation under the applicable employment agreement or the release, which include the following business protection provisions:

The named executive officer must maintain the confidentiality of, and refrain from disclosing or using, our (a) trade secrets for any period of time as the information remains a trade secret under applicable law and (b) confidential information for a period of two years following the termination date.

For a period of two years after the termination date, the named executive officer may not accept or work in a competitive position within any state in which we maintain stores at the time of his termination date or any state in which we have specific plans to open stores within six months of that date. For this purpose, competitive position means any employment, consulting, advisory, directorship, agency, promotional, or independent contractor arrangement between the named executive officer and any person engaged wholly or in material part in the business in which we are engaged (including, but not limited to, those entities identified in the applicable employment agreement), or any person then planning to enter the discount consumable basics retail business, if such officer is required to perform services which are substantially similar to those he provided or directed at any time while employed by us.

For a period of two years after the termination date, the named executive officer may not actively recruit or induce any of our exempt employees to cease employment with us.

For a period of two years after the termination date, the named executive officer may not solicit or communicate with any person or entity who has a business relationship with us and with whom such officer had contact while employed by us, if it would likely interfere with our business relationships or result in an unfair competitive advantage over us.

In addition, each named executive officer's rights, payments, and benefits with respect to any incentive compensation (in the form of cash or equity) shall be subject to any reduction, cancellation, forfeiture, or recoupment, in whole or in part, upon the occurrence of certain specified events, as may be required by any applicable law, rule or regulation, by any applicable national exchange, or by a separate Dollar General clawback or recoupment policy.

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***Voluntary Termination without Good Reason***

If a named executive officer resigns without good reason, he will forfeit all then unvested equity awards and generally may exercise any outstanding vested options up to 90 days following the resignation date, but no later than the 10<sup>th</sup> anniversary of the grant date. Solely with respect to the special stock option awards granted to Mr. Vasos on June 3, 2015 and March 16, 2016, Mr. Vasos will be required to hold any net shares acquired upon exercise for a period of time ending on the 5<sup>th</sup> anniversary of the applicable grant date.

**Payments Upon Involuntary Termination**

The payments to be made to a named executive officer upon involuntary termination vary depending upon whether termination is with or without cause (as defined in the applicable governing agreement).

***Involuntary Termination with Cause***

Upon an involuntary termination with cause, a named executive officer will forfeit all unvested equity awards, all vested but unpaid PSUs and all vested but unexercised options.

***Involuntary Termination without Cause***

Upon an involuntary termination without cause, a named executive officer:

Will forfeit all then unvested equity awards.

Generally may exercise any outstanding vested options up to 90 days following the termination date, but no later than the 10<sup>th</sup> anniversary of the grant date. Solely with respect to the special stock option awards granted to Mr. Vasos on June 3, 2015 and March 16, 2016, Mr. Vasos will be required to hold any net shares acquired upon exercise for a period of time ending on the 5<sup>th</sup> anniversary of the applicable grant date.

Will receive the same severance payments and benefits on the same terms and conditions (except for the notice and cure provisions) as described under Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement above.

See Payments After a Change in Control for a discussion of the treatment of equity awards if a named executive officer is involuntarily terminated without cause within two years following a change in control.

**Payments After a Change in Control**



Upon a change in control (as defined under the applicable governing document), regardless of whether the named executive officer's employment terminates:

All outstanding unvested options awarded prior to 2016 will vest and become immediately exercisable as to 100% of the underlying shares immediately prior to the change in control.

If the change in control occurs on or before the end of the applicable performance period, and the named executive officer has remained continuously employed until the change in control, the target number of the applicable unvested PSUs shall be deemed earned but otherwise continue to be subject to the service and payment provisions, including applicable pro-rata requirements, of the applicable award agreement.

A named executive officer will have one year from the termination date (but no later than the 10<sup>th</sup> anniversary of the grant date) in which to exercise outstanding vested options that were granted prior to 2016 if he resigns or is involuntarily terminated within two years following the change in control under any scenario other than retirement or involuntary termination with cause, in which respective cases, he will have five years from the retirement date (but no later than the 10<sup>th</sup> anniversary of the grant date) to exercise such vested options and will forfeit any vested but unexercised options held at the time of the termination with cause.

Upon the named executive officer's qualifying termination, which includes involuntary termination without cause or resignation with good reason (unless cause to terminate exists), in each case as defined in the applicable equity award agreement, as well as voluntary resignation due to retirement (unless cause to terminate exists) as defined in the applicable equity award agreement in the case of 2017 PSUs and 2018 PSUs, in each case within two years following a change in control (provided that the officer was continuously employed by us until the change in control) and in the case of 2017 PSUs and 2018 PSUs if the termination also constitutes a separation from service within the meaning of Section 409A of the Internal Revenue Code: (1) all of his outstanding unvested options awarded after 2015 will immediately vest and become exercisable as to 100% of the shares underlying such options on the termination date and the officer may exercise any outstanding vested options up to three years following the termination date, but no later than the 10<sup>th</sup> anniversary of the grant date; and (2) all of his previously earned, or deemed earned, but unvested PSUs that have not been previously forfeited will immediately vest, become nonforfeitable, and be paid

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on the termination date subject, in the case of the 2017 PSUs and 2018 PSUs, to a six-month delay if applicable to comply with Section 409A of the Internal Revenue Code. To qualify as a resignation with good reason for this purpose, the officer must have provided written notice of the existence of the circumstances providing grounds for resignation with good reason within 30 days of the initial existence of such grounds and must have given Dollar General at least 30 days from receipt of such notice to cure such condition. In addition, the resignation must have become effective no later than one year after the initial existence of the condition constituting good reason.

Except as otherwise described above with respect to equity awards, upon an involuntary termination without cause or a resignation with good reason following the change in control, a named executive officer will receive the same severance payments and benefits as described above under Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement.

In the event of a change in control as defined in Section 280G of the Internal Revenue Code, each named executive officer's employment agreement provides for capped payments (taking into consideration all payments and benefits covered by such Section 280G) of \$1 less than the amount that would trigger the golden parachute excise tax under federal income tax rules (the excise tax) unless he signs a release and the

after-tax benefit would be at least \$50,000 more than it would be without capping the payments. In such case, such officer's payments and benefits would not be capped and he would be responsible for the excise tax payment. We would not pay any additional amount to cover the excise tax. The table below reflects the uncapped amounts, subject to reduction in the circumstances described in this paragraph.

The following table reflects potential payments to each named executive officer in various termination and change in control scenarios based on compensation, benefit, and equity levels in effect on, and assuming the scenario was effective as of, February 1, 2019. For stock valuations, we have used the closing price of our stock on the NYSE on February 1, 2019 (\$115.04). The table below reports only amounts that are increased, accelerated, or otherwise paid or owed as a result of the applicable scenario and, as a result, exclude earned but unpaid base salary through the employment termination date and equity awards and CDP benefits that had vested prior to the event. For more information regarding the CDP benefits, see Nonqualified Deferred Compensation Fiscal 2018 above. The table also excludes any amounts that are available generally to all salaried employees and do not discriminate in favor of our executive officers. The amounts shown are merely estimates. We cannot determine actual amounts to be paid until a termination or change in control scenario occurs.

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## EXECUTIVE COMPENSATION

**Potential Payments to Named Executive Officers Upon Occurrence of  
Various Termination Events or Change in Control as of February 1, 2019**

| <b>Name/Item</b>                           | <b>Death<br/>(\$)<sup>(3)</sup></b> | <b>Disability<br/>(\$)<sup>(3)</sup></b> | <b>Retirement<br/>(\$)<sup>(4)</sup></b> | <b>Reason<br/>(\$)</b> | <b>Involuntary<br/>Without<br/>Cause or<br/>Voluntary<br/>With Good<br/>Reason<br/>(\$)</b> | <b>Involuntary<br/>Termination<br/>With Cause<br/>(\$)</b> | <b>Change in<br/>Control<br/>Without<br/>Qualifying<br/>Termination<br/>(\$)</b> | <b>Change in<br/>Control With<br/>Qualifying<br/>Termination<br/>(\$)</b> |
|--|-------------------------------------|--|--|------------------------|---|--|--|---|
| <b>Mr. Vasos</b>                           |                                     |  |  |                        |   |  |  |   |
| Equity Vesting Due to Event <sup>(1)</sup> | 28,297,377                          | 28,297,377                               | n/a                                      | n/a                    | n/a   | n/a  | 7,131,948  | 27,425,489  |
| Cash Severance                             | 1,717,068                           | n/a                                      | n/a                                      | n/a                    | 7,717,068   | n/a  | n/a  | 7,717,068   |
| Health Payment                             | n/a                                 | n/a                                      | n/a                                      | n/a                    | 13,060  | n/a  | n/a  | 13,060  |
| Outplacement <sup>(2)</sup>                | n/a                                 | n/a                                      | n/a                                      | n/a                    | 8,500   | n/a  | n/a  | 8,500   |
| Life Insurance Proceeds                    | 3,000,000                           | n/a                                      | n/a                                      | n/a                    | n/a   | n/a  | n/a  | n/a   |
| <b>Total</b>                               | <b>33,014,445</b>                   | <b>28,297,377</b>                        | <b>n/a</b>                               | <b>n/a</b>             | <b>7,738,628</b>  | <b>n/a</b>   | <b>7,131,948</b>   | <b>35,164,117</b>   |
| <b>Mr. Garratt</b>                         |                                     |  |  |                        |   |  |  |   |
| Equity Vesting Due to Event <sup>(1)</sup> | 4,260,312                           | 4,260,312                                | n/a                                      | n/a                    | n/a   | n/a  | 198,043  | 4,054,390   |
| Cash Severance                             | 518,698                             | n/a                                      | n/a                                      | n/a                    | 2,517,132   | n/a  | n/a  | 2,517,132   |
| Health Payment                             | n/a                                 | n/a                                      | n/a                                      | n/a                    | 21,639  | n/a  | n/a  | 21,639  |
| Outplacement <sup>(2)</sup>                | n/a                                 | n/a                                      | n/a                                      | n/a                    | 8,500   | n/a  | n/a  | 8,500   |
| Life Insurance Proceeds                    | 1,813,000                           | n/a                                      | n/a                                      | n/a                    | n/a   | n/a  | n/a  | n/a   |
| <b>Total</b>                               | <b>6,592,010</b>                    | <b>4,260,312</b>                         | <b>n/a</b>                               | <b>n/a</b>             | <b>2,547,271</b>  | <b>n/a</b>   | <b>198,043</b>   | <b>6,601,661</b>  |
| <b>Mr. Owen</b>                            |                                     |  |  |                        |   |  |  |   |
| Equity Vesting Due to Event <sup>(1)</sup> | 4,512,962                           | 4,512,962                                | n/a                                      | n/a                    | n/a   | n/a  | 368,692  | 4,307,615   |
| Cash Severance                             | 469,697                             | n/a                                      | n/a                                      | n/a                    | 2,279,341   | n/a  | n/a  | 2,279,341   |
| Health Payment                             | n/a                                 | n/a                                      | n/a                                      | n/a                    | 21,639  | n/a  | n/a  | 21,639  |
| Outplacement <sup>(2)</sup>                | n/a                                 | n/a                                      | n/a                                      | n/a                    | 8,500   | n/a  | n/a  | 8,500   |
| Life Insurance Proceeds                    | 1,642,000                           | n/a                                      | n/a                                      | n/a                    | n/a   | n/a  | n/a  | n/a   |

|  |                  |                  |            |            |                  |            |                |                  |
|--|------------------|------------------|------------|------------|------------------|------------|----------------|------------------|
| <b>Total</b>                               | <b>6,624,659</b> | <b>4,512,962</b> | <b>n/a</b> | <b>n/a</b> | <b>2,309,480</b> | <b>n/a</b> | <b>368,692</b> | <b>6,617,095</b> |
| <b>Mr. Ravener</b>                         |                  |                  |            |            |                  |            |                |                  |
| Equity Vesting Due to Event <sup>(1)</sup> | 4,629,512        | 4,629,512        | n/a        | n/a        | n/a              | n/a        | 331,027        | 4,408,866        |
| Cash Severance                             | 416,595          | n/a              | n/a        | n/a        | 2,021,649        | n/a        | n/a            | 2,021,649        |
| Health Payment                             | n/a              | n/a              | n/a        | n/a        | 21,639           | n/a        | n/a            | 21,639           |
| Outplacement <sup>(2)</sup>                | n/a              | n/a              | n/a        | n/a        | 8,500            | n/a        | n/a            | 8,500            |
| Life Insurance Proceeds                    | 1,456,000        | n/a              | n/a        | n/a        | n/a              | n/a        | n/a            | n/a              |
| <b>Total</b>                               | <b>6,502,107</b> | <b>4,629,512</b> | <b>n/a</b> | <b>n/a</b> | <b>2,051,789</b> | <b>n/a</b> | <b>331,027</b> | <b>6,460,654</b> |
| <b>Mr. Reiser</b>                          |                  |                  |            |            |                  |            |                |                  |
| Equity Vesting Due to Event <sup>(1)</sup> | 2,384,139        | 2,384,139        | n/a        | n/a        | n/a              | n/a        | n/a            | 2,391,387        |
| Cash Severance                             | 477,456          | n/a              | n/a        | n/a        | 2,466,226        | n/a        | n/a            | 2,466,226        |
| Health Payment                             | n/a              | n/a              | n/a        | n/a        | 21,639           | n/a        | n/a            | 21,639           |
| Outplacement <sup>(2)</sup>                | n/a              | n/a              | n/a        | n/a        | 8,500            | n/a        | n/a            | 8,500            |
| Life Insurance Proceeds                    | 1,669,000        | n/a              | n/a        | n/a        | n/a              | n/a        | n/a            | n/a              |
| <b>Total</b>                               | <b>4,530,595</b> | <b>2,384,139</b> | <b>n/a</b> | <b>n/a</b> | <b>2,496,365</b> | <b>n/a</b> | <b>n/a</b>     | <b>4,887,752</b> |

(1) For the portion of the 2017 and 2018 PSUs that are subject to performance for periods ending after February 1, 2019, the value included in the Death and Disability columns assumes a maximum payout of 300%, prorated for a death or disability termination scenario occurring on February 1, 2019.

(2) Estimated based on information provided by our outplacement services provider.

(3) In addition to the amounts reported above, dependent upon the cause of death or the loss suffered, a named executive officer also may be eligible to receive payment of up to \$50,000 under our group accidental death & dismemberment program.

(4) None of the named executive officers were eligible for retirement on February 1, 2019.

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### EXECUTIVE COMPENSATION

#### **Compensation Committee Interlocks and Insider Participation**

None of Ms. Fili-Krushel or Messrs. Bryant, Rhodes, and McGuire, each of whom was a member of our Compensation Committee during all or a portion of 2018: (1) was at any time during 2018 an officer or employee, or was at any time prior to 2018 an officer, of Dollar General or any of our subsidiaries; or (2) had any relationship requiring disclosure under Transactions with Management and Others. Also, none of our executive officers serves, or in the past fiscal year has served, as a director or compensation committee (or equivalent committee) member of any entity that has an executive officer serving as a Dollar General director or Compensation Committee member.

#### **Compensation Risk Considerations**

In March 2019, our Compensation Committee, with input from its compensation consultant and management, conducted a risk assessment of our compensation program for employees, including executive officers. The assessment included a review of our compensation programs for certain design features which could potentially encourage excessive risk-taking or otherwise create risk to Dollar General. The Committee concluded, after considering the degree to which risk-aggravating factors were offset by risk-mitigating factors, that the net risks created by our overall compensation program are not reasonably likely to have a material adverse effect on Dollar General.

#### **Pay Ratio Disclosure**

As required by Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our

employees and our Chief Executive Officer (our CEO). This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described below.

The 2018 annual total compensation of the median compensated employee (a part-time store associate) of our temporary, part-time, and full-time employee base who were employed as of the last day of our 2018 fiscal year (February 1, 2019), other than our CEO, was \$13,773; our CEO's 2018 annual total compensation was \$10,602,517; and the ratio of these amounts is 1:770.

As of February 1, 2019, our total population consisted of 130,094 compensated employees, of which 73 were located in non-U.S. jurisdictions as follows: Hong Kong (21); China (50); Mexico (1); and Turkey (1). Pursuant to SEC rules, we excluded all such 73 non-U.S. employees. After applying this exemption, the employee population used to identify the median employee consisted of 130,021 temporary, part-time, and full-time employees located solely in the U.S.

To identify the median compensated employee, we used W-2 Box 5 Medicare wages for the period from February 3, 2018 (the first day of our 2018 fiscal year) through February 1, 2019 (the last day of our 2018 fiscal year), with such amounts annualized for those permanent employees who did not work for the full year.

The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates, and assumptions in calculating their own pay ratios.

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**Table of Contents****SECURITY OWNERSHIP**

The following tables show the amount of our common stock beneficially owned by the listed persons as of March 21, 2019. For purposes of such tables, a person beneficially owns a security if that person has or shares voting or investment power or has the right to acquire beneficial ownership within 60 days. Unless otherwise noted, to our knowledge these persons have sole voting and investment power over the shares listed. Percentage computations are based on 259,178,169 shares of our common stock outstanding as of March 21, 2019.

**Security Ownership of Certain Beneficial Owners**

The following table pertains to beneficial ownership by those known by us to beneficially own more than 5% of our common stock.

| <b>Name and Address of Beneficial Owner</b>             | <b>Amount and Nature of Beneficial Ownership</b> | <b>Percent of Class</b> |
|---|--|-------------------------|
| T. Rowe Price Associates, Inc. <sup>(1)</sup>           | 25,102,029                                       | 9.7%                    |
| BlackRock, Inc. <sup>(2)</sup>                          | 22,207,042                                       | 8.6%                    |
| The Vanguard Group <sup>(3)</sup>                       | 19,414,565                                       | 7.5%                    |
| Barrow, Hanley, Mewhinney & Strauss, LLC <sup>(4)</sup> | 14,226,902                                       | 5.5%                    |

(1) T. Rowe Price Associates, Inc. has sole power to vote or direct the vote of 9,222,624 shares and sole power to dispose or direct the disposition of 25,102,029 shares. The address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, Maryland 21202. All information is based solely on Amendment No. 3 to Statement on Schedule 13G filed on February 14, 2019.

(2) BlackRock, Inc., through various subsidiaries, has sole power to vote or direct the vote of 19,842,840 shares and sole power to dispose or direct the disposition of 22,207,042 shares. The address of BlackRock, Inc. is 55 East 52<sup>nd</sup> Street, New York, New York 10055. All information is based solely on Amendment No. 4 to Statement on Schedule 13G filed on February 4, 2019.

(3) The Vanguard Group has sole power to vote or direct the vote of 322,416 shares, shared power to vote or direct the vote of 77,325 shares, sole power to dispose or direct the disposition of 19,018,878 shares, and shared power to dispose or direct the disposition of 395,687 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 241,241 shares as a result of its serving as investment manager of collective trust accounts, and Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 232,500 shares as a result of its serving as



investment manager of Australian investment offerings. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355. All information is based solely on Amendment No. 5 to Statement on Schedule 13G filed on February 11, 2019.

- (4) Barrow, Hanley, Mewhinney & Strauss, LLC has sole power to vote or direct the vote of 5,194,706 shares, shared power to vote or direct the vote of 9,032,196 shares, and sole power to dispose or direct the disposition of 14,226,902 shares. The address of Barrow, Hanley, Mewhinney & Strauss, LLC is 2200 Ross Avenue, 31st Floor, Dallas, Texas 75201-2761. All information is based solely on Statement on Schedule 13G filed on February 11, 2019.

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## SECURITY OWNERSHIP

**Security Ownership of Officers and Directors**

The following table pertains to beneficial ownership of our current directors and our named executive officers individually and to our current directors and all of our current executive officers as a group. These persons may be contacted at our executive offices.

| <b>Name of Beneficial Owner</b>   | <b>Amount and Nature of Beneficial Ownership</b> | <b>Percent of Class</b> |
|---|--|-------------------------|
| Warren F. Bryant <sup>(1)(2)</sup>  | 37,009   | *                       |
| Michael M. Calbert <sup>(1)(2)(3)</sup>   | 103,065  | *                       |
| Sandra B. Cochran <sup>(1)(2)</sup>   | 24,867   | *                       |
| Patricia D. Fili-Kruschel <sup>(1)(2)(4)</sup>  | 23,434   | *                       |
| Timothy I. McGuire <sup>(1)(2)</sup>  | 3,847  | *                       |
| William C. Rhodes, III <sup>(1)(2)(5)</sup>   | 59,076   | *                       |
| Ralph E. Santana  |  |                         |
| Todd J. Vasos <sup>(1)</sup>  | 588,160  | *                       |
| John W. Garratt <sup>(1)</sup>  | 87,178   | *                       |
| Jeffery C. Owen <sup>(1)</sup>  | 92,911   | *                       |
| Robert D. Ravener <sup>(1)</sup>  | 143,182  | *                       |
| Jason S. Reiser <sup>(1)</sup>  | 18,991   | *                       |
| All current directors and executive officers as a group (16 persons) <sup>(1)(2)(3)(4)(5)</sup> | 1,427,961  | *                       |

\* Denotes less than 1% of class.

(1) Includes the following number of shares (1) underlying RSUs (including RSUs credited, where applicable, as a result of dividend equivalents earned with respect to the RSUs) and earned PSUs that are or could be settleable within 60 days of March 21, 2019 over which the person will not have voting or investment power until the applicable RSUs and PSUs are settled, and (2) subject to options exercisable either currently or within 60 days of March 21, 2019 over which the person will not have voting or investment power until exercised: Mr. Bryant (3,574 RSUs; 16,207 options); Mr. Calbert (15,356 RSUs; 21,756 options); Ms. Cochran (1,572 RSUs; 13,120 options); Ms. Fili-Kruschel (1,572 RSUs; 12,892 options); Mr. McGuire (1,572 RSUs); Mr. Rhodes (1,572 RSUs; 21,756 options); Mr. Vasos (32,282 PSUs; 474,429 options); Mr. Garratt (7,478 PSUs; 71,296 options); Mr. Owen (7,563 PSUs; 77,661 options); Mr. Ravener (7,855 PSUs; 112,884 options); Mr. Reiser (1,088 PSUs; 17,903 options); and all current directors and executive officers as a group (27,444 RSUs; 66,983 PSUs; 1,041,651

options). Such shares are considered outstanding for computing the percentage owned by each named person and by the group but not for any other person.

- (2) Share totals have been rounded to the nearest whole share.
- (3) Mr. Calbert shares voting and investment power over 51,000 shares with his spouse, Barbara Calbert, as co-trustee of The Michael and Barbara Calbert 2007 Joint Revocable Trust.
- (4) Ms. Fili-Krushel shares voting and investment power over 2,500 shares with her spouse, Kenneth Krushel.
- (5) Mr. Rhodes shares voting and investment power over 23,597 shares with his spouse, Amy Rhodes, as power of attorney of The Amy Plunkett Rhodes Revocable Living Trust, dated July 30, 2014.

**Section 16(a) Beneficial Ownership Reporting Compliance**

The U.S. securities laws require our executive officers, directors, and greater than 10% shareholders to file reports of ownership and changes in ownership on Forms 3, 4, and 5 with the SEC. Based solely upon a review of these reports

furnished to us during and with respect to 2018, or written representations that no Form 5 reports were required, we believe that each of those persons filed, on a timely basis, the reports required by Section 16(a) of the Exchange Act.

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**PROPOSAL 2: Advisory Vote to Approve Named Executive Officer Compensation**

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended, we provide our shareholders each year with an opportunity to vote on an advisory basis on compensation paid to our named executive officers as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K. Accordingly, we are asking our shareholders to provide an advisory, nonbinding vote to approve the compensation of such officers as we have described it in Compensation Discussion and Analysis and in the accompanying compensation tables and related narrative discussion in the Executive Compensation section of this proxy statement.

As discussed in detail in the Compensation Discussion and Analysis section above, the Compensation Committee actively oversees our executive compensation program, adopting changes to the program and awarding compensation as appropriate to reflect Dollar General's circumstances and to promote the main objectives of the program. Our compensation programs are designed to attract, retain, and motivate persons with superior ability, to reward outstanding performance, and to align the long-term interests of our named executive officers with those of our shareholders. Under these programs, our named executive officers are rewarded for the achievement of specific annual and long-term goals and the realization of increased shareholder value. We firmly believe that the information

we have provided in this proxy statement demonstrates that our executive compensation program was designed appropriately and is working to ensure that management's interests are aligned with our shareholders' interests to support long-term value creation.

Our Board of Directors is asking our shareholders to indicate their support for our named executive officer compensation as described in this proxy statement in accordance with SEC rules by voting for this proposal. Because the vote on this proposal is advisory in nature, it will not affect any compensation already paid or awarded to any such officer and will not be binding on or overrule any decisions by the Compensation Committee or the Board. Nonetheless, our Board and the Compensation Committee value our shareholders' views and intend to consider the outcome of the vote, along with other relevant factors, when making future compensation decisions for our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers. This advisory vote is not a vote on the compensation of our Board, as described under Director Compensation, or on our compensation policies as they relate to risk management, as described under Compensation Risk Considerations in the Executive Compensation section above.

**The Board of Directors unanimously recommends that Shareholders vote FOR the approval of the compensation of our named executive officers as disclosed in this proxy statement.**

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AUDIT COMMITTEE REPORT

The Audit Committee of our Board of Directors has:

reviewed and discussed with management the audited financial statements for the fiscal year ended February 1, 2019,

discussed with Ernst & Young LLP, our independent registered public accounting firm, the matters required to be discussed by the Statement on Auditing Standards No. 1301, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board,

received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and

discussed with Ernst & Young LLP its independence from Dollar General and its management.

Based on these reviews and discussions, the Audit Committee unanimously recommended to the Board of Directors that Dollar General's audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended February 1, 2019 for filing with the SEC.

While the Audit Committee has the responsibilities and powers set forth in its charter, the Audit Committee does not have the duty to plan or conduct audits or to determine that Dollar General's financial statements are complete, accurate, or in accordance with generally accepted accounting principles. Dollar General's management and independent auditor have this responsibility.

This report has been furnished by the members of the Audit Committee:

William C. Rhodes, III, Chairman

Warren F. Bryant

Sandra B. Cochran

*The above Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Dollar General filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Dollar General specifically incorporates this report by reference therein.*

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**PROPOSAL 3: Ratification of Appointment of Auditors**

**Who is responsible for the selection of the independent auditor?**

The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the independent auditor that is retained to audit our financial statements.

**Was the Audit Committee involved in the lead audit partner selection process?**

Yes. Prior to the selection of the current lead audit partner, the Chairman of the Audit Committee interviewed the lead audit partner candidates, and the Audit Committee discussed with management such candidates' qualifications and experience.

**Does the Audit Committee evaluate the independent auditor and the lead audit partner?**

Yes. The Audit Committee annually evaluates the lead audit partner, as well as the independent auditor's qualifications, performance, and independence. The evaluation, which includes the input of management, entails consideration of a broad range of factors, including the quality of services and sufficiency of resources that have been provided; the skills, knowledge, and experience of the firm and the audit team; the effectiveness and sufficiency of communications and interactions; independence and level of objectivity and professional skepticism; reasonableness of fees; and other factors.

**Who has the Audit Committee selected as the independent registered public accounting firm?**

After conducting the evaluation process discussed above, the Audit Committee selected Ernst & Young LLP as our independent auditor for the 2019 fiscal year. Ernst & Young LLP has served in that capacity since October 2001. The Audit Committee and the Board of Directors believe that the continued retention of Ernst & Young LLP is in the best interests of Dollar General and our shareholders.

**Will representatives of Ernst & Young LLP attend the annual meeting?**

Representatives of Ernst & Young LLP have been requested and are expected to attend the annual meeting. These representatives will have the opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

**What if shareholders do not ratify the appointment?**

The Audit Committee is not bound by a vote either for or against the firm. If the shareholders do not ratify this appointment, our Audit Committee will consider that result in selecting our independent auditor in the future.



**The Board of Directors unanimously recommends that Shareholders vote FOR the ratification of Ernst & Young LLP as our independent auditor for the 2019 fiscal year.**

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**Table of Contents****FEES PAID TO AUDITORS**

The table below lists the aggregate fees for professional audit services rendered to us by Ernst & Young LLP for the audit of our consolidated financial statements for the past two fiscal years and fees billed for other services rendered by Ernst & Young LLP during the past

two fiscal years. Information related to audit fees for 2018 includes amounts billed through February 1, 2019, and additional amounts estimated to be billed for the 2018 period for audit services rendered.

| <b>Service</b>                    | <b>2018 Aggregate Fees Billed (\$)</b> | <b>2017 Aggregate Fees Billed (\$)</b> |
|-----------------------------------|--|--|
| Audit Fees <sup>(1)</sup>         | 2,898,361                              | 2,743,085                              |
| Audit-Related Fees <sup>(2)</sup> | 35,000                                 | 35,000                                 |
| Tax Fees <sup>(3)</sup>           | 2,431,222                              | 1,804,562                              |
| All Other Fees <sup>(4)</sup>     | 7,120                                  | 1,995                                  |

(1) Represents for each fiscal year the aggregate fees billed for professional services for the audit of our annual financial statements and review of financial statements included in our Forms 10-Q and services that are normally provided in connection with statutory and regulatory filings or engagements. 2017 fees increased from the prior year's disclosure by \$67,961 due to invoices received subsequent to the filing of the proxy statement that were greater than the original amount estimated.

(2) Represents for each fiscal year the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. The fees for each year relate to the employee benefit plan audit.

(3) 2018 and 2017 fees relate primarily to tax compliance services, which represented \$2,181,222 and \$1,649,562 in 2018 and 2017, respectively, for work related to work opportunity tax credit assistance, foreign sourcing offices tax compliance, state tax credit assistance, and, for 2018 only, for long-term unemployed credits and hurricane zone credit assistance. The remaining tax fees for each such year are for tax advisory services related to inventory, and, for 2018 only, for tax reform advisory services.

(4) 2018 and 2017 fees are for a subscription fee to an on-line accounting research tool.

The Audit Committee pre-approves all audit and permissible non-audit services provided by our independent auditor. Where feasible, the Committee considers and, when appropriate, pre-approves services at regularly scheduled meetings after disclosure by management and the independent auditor of the nature of the proposed services, the estimated fees (when available), and their opinions that the services will not

impair the independence of the independent auditor. The Committee's Chairman (or any Committee member if the Chairman is unavailable) may pre-approve such services between Committee meetings, and must report to the Committee at its next meeting with respect to all services so pre-approved. The Committee pre-approved 100% of the services provided by Ernst & Young LLP during 2018 and 2017.

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**SHAREHOLDER PROPOSALS FOR 2020 ANNUAL MEETING**

All shareholder proposals and notices discussed below must be mailed to Corporate Secretary, Dollar General Corporation, 100 Mission Ridge, Goodlettsville, Tennessee 37072. Shareholder proposals and director nominations that are not included in our proxy materials will not be considered at any annual meeting of shareholders unless such proposals have complied with the requirements of our amended and restated Bylaws.

**Shareholder Proposals**

To be considered for inclusion in our proxy materials relating to the 2020 annual meeting of shareholders (the 2020 Annual Meeting), eligible shareholders must submit proposals that comply with Rule 14a-8 under the Exchange Act and other relevant SEC regulations for our receipt by December 6, 2019.

**New Business at 2020 Annual Meeting**

To introduce other new business, including the nomination of directors (other than a proxy access nomination, which is described below) at the 2020 Annual Meeting, you must deliver written notice to us no earlier than the close of business on January 30, 2020 and no later than the close of business on February 29, 2020, and comply with the advance notice provisions of our amended and restated Bylaws. If we do not receive

a properly submitted shareholder proposal by February 29, 2020, then the proxies held by our management may provide the discretion to vote against such shareholder proposal even though the proposal is not discussed in our proxy materials sent in connection with the 2020 Annual Meeting.

**Proxy Access**

Our amended and restated Bylaws contain proxy access provisions that permit a shareholder, or a group of up to 20 shareholders, owning 3% or more of our stock continuously for at least three years, to nominate and include in our proxy materials candidates for election as directors. Such shareholder or group may nominate up to 20% of our Board, provided that the shareholder or group and the nominee(s) satisfy the requirements specified in our amended and restated Bylaws. In order to be properly brought before our 2020 Annual Meeting, an eligible shareholder's notice of nomination of a director candidate pursuant to the proxy access provisions of our amended and restated Bylaws must be received by us no earlier than the close of business on November 6, 2019 and no later than the close of business on December 6, 2019, and comply with the other relevant provisions of our amended and restated Bylaws pertaining to proxy access nominees.



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***DOLLAR GENERAL CORPORATION***

***ATTN: INVESTOR RELATIONS***

***100 MISSION RIDGE***

***GOODLETTSVILLE, TN 37072***

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information until 11:59 P.M. Eastern Time on May 28, 2019. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions until 11:59 P.M. Eastern Time on May 28, 2019. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

IF YOU ARE NOT VOTING BY INTERNET OR  
PHONE,

TO VOTE, MARK BLOCKS BELOW IN BLUE OR E55603-P16936 KEEP THIS PORTION FOR YOUR  
BLACK INK AS FOLLOWS: RECORDS

DETACH AND RETURN THIS PORTION ONLY  
**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**DOLLAR GENERAL CORPORATION**

**The Board of Directors recommends you vote FOR each of the listed nominees.**

1. Election of Directors

| <b>Nominees:</b> | <b>For</b> | <b>Against</b> | <b>Abstain</b> |
|------------------|------------|----------------|----------------|
|------------------|------------|----------------|----------------|

1a. Warren F. Bryant

1b. Michael M. Calbert

1c. Sandra B. Cochran

1d. Patricia D. Fili-Krushel

1e. Timothy I. McGuire

1f. William C. Rhodes, III

1g. Ralph E. Santana

1h. Todd J. Vasos

**The Board of Directors recommends you vote FOR Proposals 2 and 3.**

| <b>For</b> | <b>Against</b> | <b>Abstain</b> |
|------------|----------------|----------------|
|------------|----------------|----------------|

2. To approve, on an advisory (non-binding) basis, the compensation of Dollar General Corporation's named executive officers as disclosed in the proxy

statement.

3. To ratify the appointment of Ernst & Young LLP as Dollar General Corporation's independent registered public accounting firm for fiscal 2019.

In the discretion of the proxies named herein, such other business as may properly come before the meeting or any adjournment(s) thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN  
WITHIN BOX]      Date

Signature (Joint Owners)      Date



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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

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**DOLLAR GENERAL CORPORATION**

**Proxy solicited by and on behalf of the Board of Directors for the**

**Annual Meeting of Shareholders to be held on May 29, 2019**

The undersigned shareholder(s) of Dollar General Corporation, a Tennessee corporation (the Company), hereby acknowledge(s) receipt of the Notice of Annual Meeting of Shareholders and Proxy Statement dated April 4, 2019, and hereby appoint(s) Christine L. Connolly and Elizabeth S. Inman, or either of them, proxies, each with full power of substitution, and authorize(s) them to represent and to vote, as designated on the reverse side of this proxy card, all shares of common stock of the Company that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders of the Company to be held May 29, 2019 at 9:00 A.M. Central Time, in the Goodlettsville City Hall Auditorium, located at 105 South Main Street, Goodlettsville, Tennessee, and at any adjournment(s) thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted FOR each of the nominees for director in Proposal 1, FOR Proposals 2 and 3, and in the discretion of the proxies upon such other business as may properly come before the meeting or any adjournment(s) thereof.**

**Continued and to be signed on reverse side**

