DOLLAR GENERAL

EIGHTY YEARS

80

SERVING OTHERS

1939 2019

ANNIVERSARY CELEBRATION

2019 ANNUAL REPORT

AND 2020 PROXY STATMENT

ABOUT DOLLAR GENERAL

DOLLAR GENERAL
EIGHTY YEARS 80 SERVING OTHERS
1939 2019
ANNIVERSARY CELEBRATION

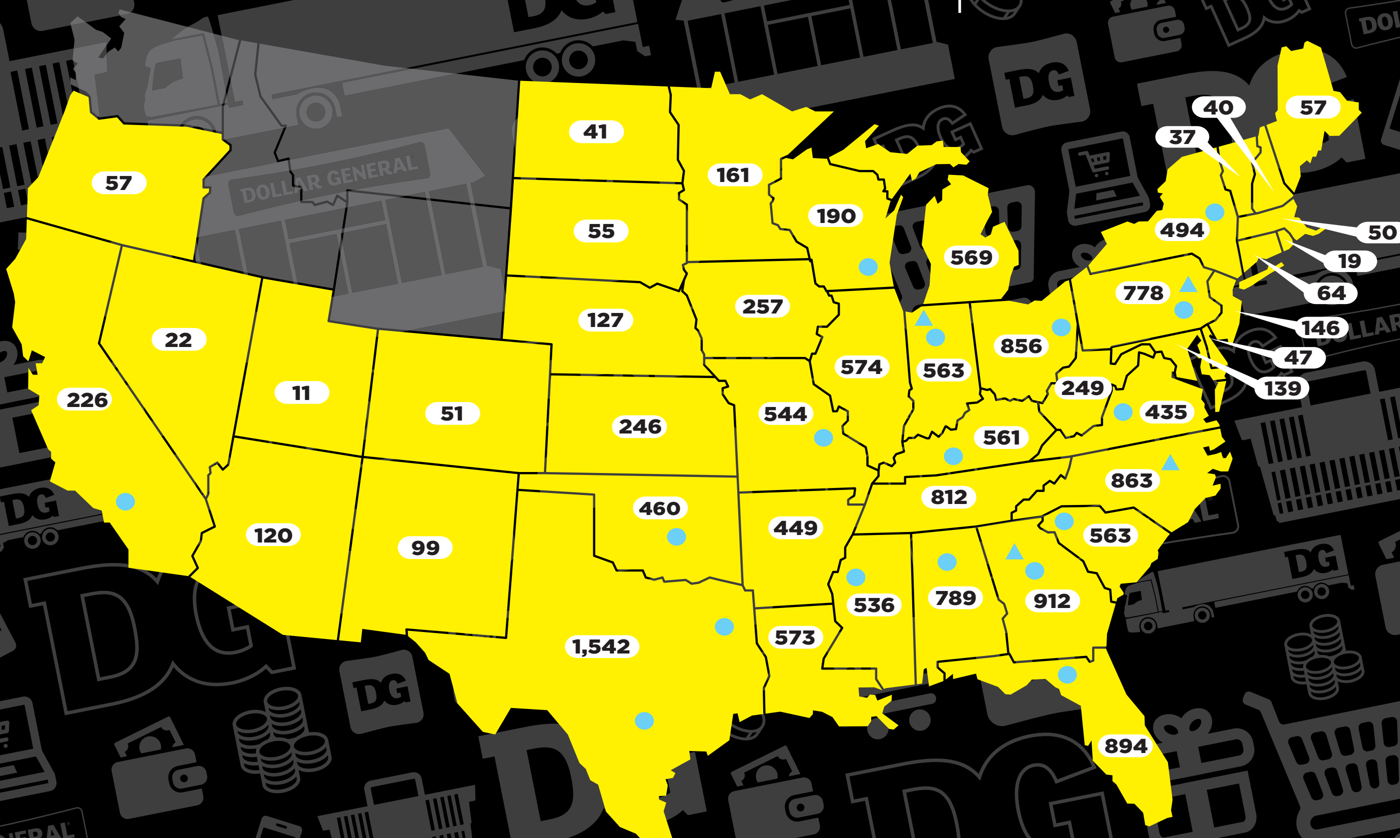
Visit **www.dollargeneral.com** to learn more about Dollar General and shop online.

Dollar General Corporation has been delivering value to shoppers for more than 80 years. 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 operated 16,278 stores in 44 states as of January 31, 2020. In addition to high-quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and PepsiCo.

16,278 STORES IN 44 STATES

AS OF 1/31/2020

STORES
DISTRIBUTION CENTER
FRESH DISTRIBUTION FACILITY



CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS & WEBSITE DISCLAIMER: All forward-looking information in this report should be read with, and is qualified in its entirety by, the Cautionary Disclosure Regarding Forward-Looking Statements and the Risk Factors disclosures set forth in the Introduction and in Item 1A, respectively, of the Form 10-K included elsewhere in this report. The information contained on or connected to our Internet website is not incorporated by reference into this report and should not be considered part of this or any other report that we file with or furnish to the SEC, unless we specifically provide otherwise.

TO OUR FELLOW SHAREHOLDERS, CUSTOMERS & EMPLOYEES:

DOLLAR GENERAL

At Dollar General, our value and convenience proposition, coupled with our unique and growing real estate footprint, has allowed us to serve customers for more than 80 years. In 2019, we made significant progress advancing key strategic initiatives to provide a better life for our customers and employees, and strong returns for our shareholders.

As a mature retailer in growth mode, we achieved several notable milestones in our 80th year of business. We completed 2,099 real estate projects, including the opening of our 16,000th store, while also delivering our 30th consecutive year of same-store sales growth. We continue to focus on execution and innovation to capture additional market share, while further solidifying our position as a leader in the small-box discount retail channel.

Highlights of 2019 Compared to 2018:

- Net sales increased 8.3% to $27.8 billion and same-store sales increased 3.9%.
- Operating profit increased 8.8% to $2.3 billion.
- Net income grew to $1.7 billion, and diluted earnings per share increased 11.2% to $6.64.
- Cash flows from operations were $2.2 billion.
- We returned $1.5 billion to our shareholders through share repurchases and dividends.
- We opened 975 new stores, remodeled 1,024 stores and relocated 100 stores.

We are pleased with our strong results this year, in addition to the important steps taken in advancing our long-term strategic initiatives. In 2019, we expanded our Non-Consumables initiative to approximately 2,400 stores, as we look to improve both sales and margin while enhancing the treasure-hunt experience for our customers.

DG Fresh, which is our strategic multi-phased shift to self-distribution of frozen and refrigerated goods, is primarily aimed at reducing overall product costs, while driving on-shelf availability and providing for greater product assortment over time. We began serving more than 6,000 stores in 2019 from four new DG Fresh facilities, and we are very pleased with the early results.

Our Digital initiative continues to focus on deploying and leveraging technology to further enhance our customers' in-store experience. The DG app now offers customers a wide variety of options to augment their shopping experience, and we will continue to seek ways to leverage technology to offer even greater convenience to our customers, while driving customer traffic to our stores.

Fast Track is focused on increasing labor productivity in our stores, enhancing customer convenience, and further improving on-shelf availability. We completed our rolltainer optimization efforts and launched the pilot of self-checkout in 2019. We are excited about the early results, and believe we can drive even greater convenience for our customers and efficiency in our stores in 2020.

2019 was a pivotal year for these long-term strategic initiatives, and we believe they will continue to strengthen our position as we look to drive sales and improve operating margin over the long term.

In addition to our strategic initiatives, we remain focused on our four key operating priorities:

1. **Driving profitable sales growth:** We are continuing to pursue balanced and profitable sales growth through many sales-driving and gross margin-enhancing initiatives. In 2020, these planned efforts will include further cooler door expansion, private brand enhancements, global sourcing penetration and diversification, and distribution and transportation efficiencies.
2. **Capturing growth opportunities:** Our proven high-return, low-risk real estate growth model, coupled with ongoing format innovation, continues to drive growth that is unmatched in our channel. We have successfully executed thousands of real estate projects in recent years, and in 2020, we plan to open 1,000 new stores, remodel 1,500 mature stores and relocate 80 stores as we seek to continue serving both new and existing customers across the country.
3. **Leveraging and reinforcing our position as a low cost operator:** Our Save to Serve discipline continues to deliver savings across the organization. We are continually pursuing opportunities to drive greater efficiencies and reduce costs, while keeping the customer at the center of everything we do.
4. **Investing in our people as a competitive advantage:** The investments we have made in our people delivered benefits again in 2019 as we saw our lowest store manager turnover on record. We continue to provide world-class training opportunities for our people, and we believe the opportunity to start and develop a career with a growing retailer is a competitive advantage.

Our mission of ***Serving Others*** is foundational to everything we do at Dollar General. In 2019, Dollar General and its Foundations awarded more than $17 million to charitable efforts that extend hope and opportunity to individuals and nonprofit organizations in the communities we call home.

I want to thank our team of approximately 143,000 employees who work hard every day to deliver value and convenience for our customers. I am excited about the opportunities we are pursuing, and I believe we are well-positioned to continue delivering value to our customers, employees and shareholders.

RESPECTFULLY,

TODD J. VASOS
CHIEF EXECUTIVE OFFICER
APRIL 2, 2020

PROXY STATEMENT
& MEETING NOTICE

DEAR FELLOW SHAREHOLDER,

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

The 2020 Annual Meeting of Shareholders of Dollar General Corporation will be held on Wednesday, May 27, 2020, 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 19, 2020 are invited to attend the annual meeting. For security reasons, however, to gain admission to the meeting you must present certain identification and documentation described in the Proxy Statement.

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 2019 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 2, 2020

* We are sensitive to public health and travel concerns related to the coronavirus (COVID-19) and accordingly may announce alternative arrangements for the annual meeting, including holding the annual meeting solely by means of remote communication. If we take this step, we will announce the change(s) in advance, and details on how to participate will be issued by press release, posted on our website (investor.dollargeneral.com) and filed with the Securities and Exchange Commission as additional proxy materials.

DOLLAR GENERAL

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE	TIME	PLACE*
Wednesday May 27, 2020	9:00 a.m. Central Time	Goodlettsville City Hall Auditorium 105 South Main Street Goodlettsville, Tennessee

* We are sensitive to public health and travel concerns related to the coronavirus (COVID-19) and accordingly may announce alternative arrangements for the annual meeting, including holding the annual meeting solely by means of remote communication. If we take this step, we will announce the change(s) in advance, and details on how to participate will be issued by press release, posted on our website (investor.dollargeneral.com) and filed with the Securities and Exchange Commission as additional proxy materials.

ITEMS OF BUSINESS:

- To elect as directors the 9 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 2020
- To consider and approve amendments to our amended and restated charter, as amended, to replace the supermajority voting requirements with a majority voting requirement described in the Proxy Statement
- To consider and approve an amendment to our amended and restated bylaws to replace the supermajority voting requirement with a majority voting requirement described in the Proxy Statement
- 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 19, 2020

By Order of the Board of Directors,

Christine L. Connolly

Goodlettsville, Tennessee
April 2, 2020

Christine L. Connolly
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.

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 (pp. 1 - 2)

MAIL	PHONE	INTERNET	IN PERSON*
Mail your completed, signed, and dated proxy card or voting instruction form	1-800-690-6903	www.proxyvote.com	**May 27, 2020** **9:00 a.m., CT** Goodlettsville City Hall Auditorium 105 South Main Street Goodlettsville, TN

* We are sensitive to public health and travel concerns related to the coronavirus (COVID-19) and accordingly may announce alternative arrangements for the annual meeting, including holding the annual meeting solely by means of remote communication. If we take this step, we will announce the change(s) in advance, and details on how to participate will be issued by press release, posted on our website (investor.dollargeneral.com) and filed with the Securities and Exchange Commission as additional proxy materials.

VOTING MATTERS (pp. 1 - 10, 46, 48, 50 and 51)

2020 PROPOSALS	Board Recommends
Proposal 1: Election of Directors	✓
Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation	✓
Proposal 3: Ratification of Appointment of Auditors	✓
Proposal 4: Vote to Approve Charter Amendments	✓
Proposal 5: Vote to Approve Bylaws Amendment	✓

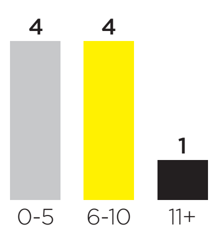
BOARD OF DIRECTORS GROUP DIVERSITY (pp. 4 - 9)

AGE

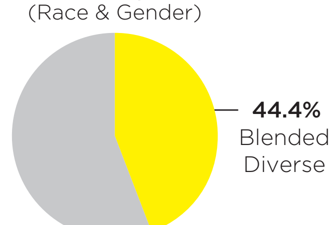
60
DIRECTOR AVERAGE AGE

TENURE

6
YEARS AVERAGE

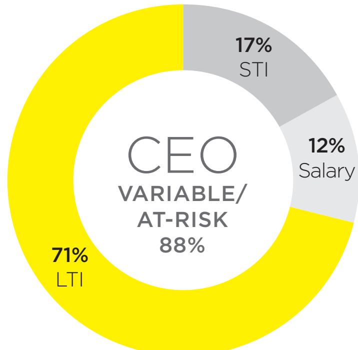


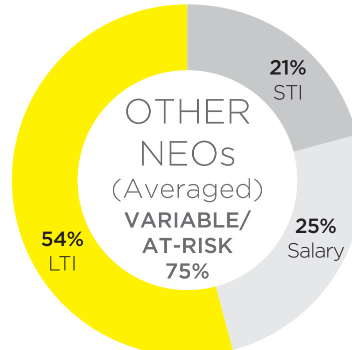
DIVERSITY
(Race & Gender)



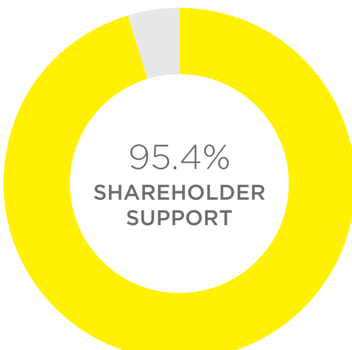
PAY FOR PERFORMANCE (pp. 21 - 22)

Consistent with our philosophy, and as illustrated to the right, a significant portion of annualized total target compensation for our named executive officers in 2019 was variable/at-risk as a result of being either performance-based, linked to changes in our stock price, or both.



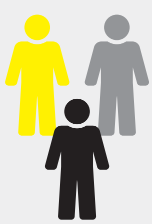


● LTI — Long-Term Equity Incentive (stock options and performance share units)
● STI — Short-Term Cash Incentive (Teamshare bonus program)



The most recent shareholder advisory vote on our named executive officer compensation was held on May 29, 2019. Excluding abstentions and broker non-votes, 95.4% of total votes were cast in support of the program.

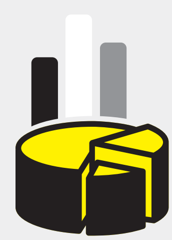
DOLLAR GENERAL AT-A-GLANCE*



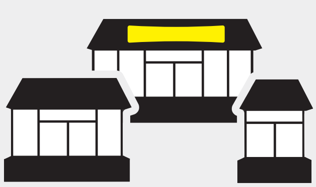
~143,000
EMPLOYEES

16,000+ STORES

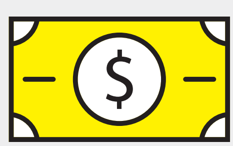
$27.8
BILLION
IN SALES
In fiscal year 2019



MULTIPLE STORE FORMATS TO SERVE OUR CUSTOMERS



LOW-PRICED PRODUCT MODEL
~22% OF PRODUCTS PRICED AT $1 OR LESS



119th RANKING ON THE FORTUNE 500 LIST

* Data as of February 28, 2020 unless otherwise noted.

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DOLLAR GENERAL

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 27, 2020

This Proxy Statement, our 2019 Annual Report and a form of proxy card are available at 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 2019 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.

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 27, 2020. We will begin mailing to shareholders printed copies of this document and the form of proxy or the Notice of Internet Availability on or about April 2, 2020.

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 more than 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 operated 16,368 stores in 45 states as of February 28, 2020. Our principal executive offices are located at 100 Mission Ridge, Goodlettsville, Tennessee 37072.

We refer to our company as "we," "us" or "Dollar General." Unless otherwise noted or required by context, "2020," "2019," "2018" and "2017" refer to our fiscal years ending or ended January 29, 2021, January 31, 2020, February 1, 2019, and February 2, 2018, 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 designating someone as a 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 be specially paid for doing so. Solicitation of proxies by mail may be supplemented by telephone, email and other electronic means, advertisements, personal solicitation, news releases issued by Dollar General, postings on our website, or otherwise. Dollar General will pay all expenses of this solicitation.

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 19, 2020 (the "Record Date"). As of that date, there were 251,515,048 shares of Dollar General common stock outstanding and entitled to vote. Each share is entitled to one vote on each matter.

What am I voting on?

You will be asked to vote on:

- the election of the 9 nominees listed in this proxy statement;
- the approval on an advisory basis of our named executive officer compensation as disclosed in this proxy statement;
- the ratification of the appointment of our independent registered public accounting firm (the "independent auditor") for 2020;
- the approval of amendments to our amended and restated charter, as amended (our "Charter"), to replace supermajority voting requirements with a majority vote requirement as described in this proxy statement; and
- the approval of an amendment to our amended and restated bylaws (our "Bylaws") to replace the supermajority voting requirement with a majority vote requirement as described in this proxy statement.

We are unaware of other matters to be acted upon at the annual 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.

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 the Record Date, must exist to conduct business at the annual meeting. If a quorum is not present, the presiding officer at the meeting may adjourn the meeting from time to time until a quorum is present.

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 annual meeting.

If you are a street name holder, your broker, trustee, 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.

In either case, shareholders wishing to attend the meeting must follow the procedures described below under "Who may attend the annual meeting."

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.

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. 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, the persons named on the proxy card will vote your shares in accordance with the recommendations of our Board of Directors. If business other than that described in this proxy statement is properly raised, your proxies have authority to vote as they think best, including to adjourn the meeting.

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 26, 2020; or
- attending the annual meeting and voting in person.

Note that 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.

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 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. Each director standing for 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 Board's size.

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 2020 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.

Each of the proposals to approve the amendments to our Charter and to our Bylaws, in each case to replace supermajority voting provisions with majority voting provisions as described in this proxy statement, will be approved if the applicable proposal receives affirmative votes from the holders of at least eighty percent (80%) of the voting power of all outstanding shares of Dollar General entitled to vote generally in the election of directors.

With respect to each of 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.

How will abstentions and broker non-votes be treated?

Abstentions and broker non-votes 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. Abstentions and broker non-votes will have no effect on the outcome of proposals 1, 2 or 3, but will have the effect of votes against proposals 4 and 5.

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 beneficial owner has not provided voting instructions and the broker either lacks or declines to exercise the authority to vote the shares in its discretion.

Who may attend the annual meeting?

Only shareholders as of the Record Date, their proxy holders and our invited guests may attend the annual meeting. To be admitted to the annual meeting, you must present a government-issued photo identification, such as a driver's license, state-issued ID card, or passport, and proof of share ownership as of the Record Date. To prove ownership, shareholders of record will be verified against our list of registered shareholders, while beneficial shareholders must present an account statement showing the share ownership as of the Record Date; a copy of the voting instruction form provided by, or a valid legal proxy from, the broker, trustee, bank or nominee holding the shares; a letter from a broker, trustee, bank or nominee holding the shares confirming the beneficial owner's ownership as of the Record Date; or other similar evidence of ownership. **We reserve the right to deny admittance to anyone who does not comply with these requirements.**

We will decide in our sole discretion whether your documentation meets the admission requirements. If you hold shares in a joint account, both owners can be admitted to the meeting if proof of joint ownership is provided and you both provide identification.

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.

Will the annual meeting be webcast?

Yes. You may visit the "News and Events—Events and Presentations" section of the "Investor Information" page of our website located at www.dollargeneral.com at 9:00 a.m., Central Time, on May 27, 2020 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.

What happens if a change to the annual meeting is necessary due to exigent circumstances?

We are sensitive to public health and travel concerns related to the coronavirus (COVID-19) and accordingly may announce alternative arrangements for the annual meeting, including holding the annual meeting solely by means of remote communication. If we take this step, we will announce the change(s) in advance, and details on how to participate will be issued by press release, posted on our website (investor.dollargeneral.com) and filed with the SEC as additional proxy materials. A meeting held solely by means of remote communication will have no impact on shareholders' ability to provide their proxy by using the internet or telephone or by completing, signing, dating and mailing their proxy card, each as explained in this proxy statement. As always, we encourage you to vote your shares prior to the annual meeting.

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 9. 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 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. Ms. Debra Sandler, a nominee for election at the annual meeting, was identified as a candidate by the third party search firm.

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 represents 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 periodically assesses this policy's effectiveness as part of its annual self-evaluation. The matrix included below illustrates the diverse experience and composition of our Board.

Board of Directors Experience and Composition Matrix										Total
Retail Industry Experience	✓	✓	✓	✓	✓	✓	✓	✓		8
Senior Leadership (C-Suite) Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Strategic Planning/M&A Experience	✓	✓	✓	✓	✓	✓	✓			7
Public Board Experience	✓	✓	✓	✓	✓	✓				6
Financial Expertise	✓	✓	✓	✓	✓					5
General Independence	✓	✓	✓	✓	✓	✓	✓	✓		8
Global/International Experience (Sourcing or Operations)	✓	✓	✓	✓	✓					5
Branding/Marketing/Consumer Behavior Experience	✓	✓	✓	✓	✓	✓				6
Human Capital Experience	✓									1
E-commerce/Digital/Technology Experience	✓	✓	✓							3
Risk Management Experience	✓	✓	✓	✓	✓	✓	✓	✓		8
Racial/Gender Diversity	✓	✓	✓	✓						4

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 director selection criteria established by the Board and who have not reached 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, experience, and time commitments, as well as our Board's skill needs. With respect to incumbent directors, the Committee also assesses the meeting attendance record and suitability for continued service. The Committee determines that each nominee is in a position to devote adequate time to the effective performance of director duties and possesses 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 our shareholders' long-term interests.

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 2019 annual meeting of shareholders and Ms. Sandler who was appointed to our Board effective April 1, 2020, 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 2021 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.

WARREN F. BRYANT

Age: 74

Director Since: 2009

Biography:

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.

Specific Experience, Qualifications, Attributes, and Skills:

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.

MICHAEL
M. CALBERT

Age: 57

Director Since:
2007

Biography:

Mr. Calbert has served as our Chairman of the Board since January 2016. He joined the private equity firm KKR & Co. L.P. in January 2000 and was directly involved with several KKR portfolio companies until his retirement in January 2014, after which he served as a consultant to KKR until June 2015. Mr. Calbert led KKR's Retail industry team prior to his retirement. He also served as the Chief Financial Officer of Randall's Food Markets from 1997 until it was sold in September 1999 and 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. Mr. Calbert has served as a director of AutoZone, Inc. since May 2019. 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.

Specific Experience, Qualifications, Attributes, and Skills:

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, as well as his current service on the board of another public retail company, 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.

SANDRA
B. COCHRAN

Age: 61

Director Since:
2012

Biography:

Ms. Cochran has served as a director and President and Chief Executive Officer of Cracker Barrel Old Country Store, Inc., a restaurant and retail concept, 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 also held several positions at Books-A Million, Inc., including Chief Executive Officer (February 2004 to April 2009), President (August 1999 to February 2004), Chief Financial Officer (September 1993 to August 1999) and Vice President of Finance (August 1992 to September 1993). Ms. Cochran has served as a director of Lowe's Companies, Inc. since January 2016.

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.

PATRICIA D. FILI-KRUSHEL

Age: 66

Director Since: 2012

Biography:

Ms. Fili-Krushel has served as Chief Executive Officer of the Center for Talent Innovation, a non-profit think tank that focuses on global talent strategies, since September 2018. She previously was Executive Vice President (April 2015 to November 2015) of NBCUniversal, serving as a strategist and key advisor to the CEO; Chairman of NBCUniversal News Group (July 2012 to April 2015); and Executive Vice President of NBCUniversal (January 2011 to July 2012) overseeing the operations and technical services, business strategy, human resources and legal functions. She was Executive Vice President of Administration at Time Warner Inc. (July 2001 to December 2010) overseeing philanthropy, corporate social responsibility, human resources, worldwide recruitment, employee development and growth, compensation and benefits, and security; Chief Executive Officer of WebMD Health Corp. (April 2000 to July 2001); and President of ABC Television Network (July 1998 to April 2000). Ms. Fili-Krushel has served as a director of Chipotle Mexican Grill, Inc. since March 2019.

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 brings additional perspective to our Board.

TIMOTHY I. MCGUIRE

Age: 59

Director Since: 2018

Biography:

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, since October 2018 and as its Chairman of the Board (June 2017 to 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 also held various positions with Procter & Gamble (1983 to 1989), including Marketing Director for the Canadian Food & Beverage division.

Specific Experience, Qualifications, Attributes, and Skills:

Mr. McGuire brings 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 extensive relevant perspectives to our Board as it seeks to consult and advise our CEO and to shape our corporate strategy.

WILLIAM C. RHODES, III

Age: 54

Director Since: 2009

Biography:

Mr. Rhodes was named Chairman of AutoZone, Inc., a specialty retailer and distributor of automotive replacement parts and accessories, in June 2007 and has served as its President and Chief Executive Officer and a director since 2005. He also previously held various other key management positions with AutoZone since joining the company in 1994. Prior to 1994, Mr. Rhodes was a manager with Ernst & Young LLP.

Specific Experience, Qualifications, Attributes, and Skills:

Mr. Rhodes has 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.

DEBRA A. SANDLER

Age: 60

Director Since: 2020

Biography:

Ms. Sandler has served as President and Chief Executive Officer of La Grenade Group, LLC, a marketing consultancy that serves packaged goods companies operating in the health and wellness space, since September 2015. She also has served as Chief Executive Officer of Mavis Foods, LLC, a startup she founded that makes and sells Caribbean sauces and marinades, since April 2018. Ms. Sandler previously served seven years with Mars, Inc., including Chief Health and Wellbeing Officer (July 2014 to July 2015); President, Chocolate North America (April 2012 to July 2014); and Chief Consumer Officer, Chocolate (November 2009 to March 2012). She also held senior leadership positions with Johnson & Johnson from 1999 to 2009, where her last position was Worldwide President for McNeil Nutritionals LLC, a fully integrated business unit within the Johnson & Johnson Consumer Group of Companies. She began her career in 1985 with PepsiCo, Inc., where she served for 13 years in a variety of marketing positions of increasing responsibility. Ms. Sandler has served as a director of Archer Daniels Midland Company since May 2016 and Gannett Co., Inc. since June 2015.

Specific Experience, Qualifications, Attributes, and Skills:

Ms. Sandler has strong marketing and operating experience and a proven record of creating, building, enhancing, and leading well-known consumer brands as a result of the leadership positions she has held with Mars, Johnson & Johnson, and PepsiCo. These positions have required an extensive understanding of consumer behavior and the evolving retail environment. In addition, her launch of Mavis Foods has provided her with valuable e-commerce and strategic planning experience, and her other public company board experience will bring additional perspective to our Board.

RALPH
E. SANTANA

Age: 52

Director Since:
2018

Biography:

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., since April 2013, with responsibility for Harman's worldwide marketing strategy and global design group. Mr. Santana previously served as Senior Vice President and Chief Marketing Officer of Samsung Electronics North America (June 2010 to September 2012), where he was responsible for launching Samsung's U.S. e-commerce business. He also served 16 years at PepsiCo, Inc. (June 1994 to May 2010) in multiple international and domestic leadership roles in marketing, including Vice President of Marketing, North American Beverages, Pepsi-Cola, and held positions with its Frito-Lay's international and North America operations.
Mr. Santana began his career at Beverage Marketing Corporation (July 1989 to June 1992) where he served as a beverage industry consultant designing market entry and expansion strategies.

Specific Experience, Qualifications, Attributes, and Skills:

Mr. Santana has over 25 years of marketing experience spanning multiple technology and food and 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.

TODD
J. VASOS

Age: 58

Director Since:
2015

Biography:

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 and 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 to November 2008) and Senior Vice President and Chief Merchandising Officer (2001 to 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.

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's thorough understanding of all key areas of our business. In addition, Mr. Vasos's 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. 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.

Whether recommending a candidate for our Nominating Committee's consideration or nominating a director for election by shareholders, you must submit a written notice for receipt by our Corporate Secretary at the address and within the deadlines disclosed under "Shareholder Proposals for 2021 Annual Meeting." The notice must contain all information required by our Bylaws about the shareholder proposing the nominee and about the nominee.

We also have a "proxy access" provision in our Bylaws which allows eligible shareholders to nominate candidates for election to our Board and include such candidates 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 2021 annual meeting of shareholders, see "Shareholder Proposals for 2021 Annual Meeting" below. You should consult our Bylaws, posted on the "Investor Information—Corporate Governance" section of our website located at 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.

FOR

The Board of Directors unanimously recommends that Shareholders vote FOR the election of each of the 9 nominees named in this proposal.

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 review of the Board's annual self-evaluation, and participates with the Compensation Committee in the annual CEO performance evaluation. This decision allows our CEO 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, each standing committee, and each individual director are evaluated annually using a process approved by the Nominating Committee. Mr. Calbert, as Chairman of both the Board and the Nominating Committee, discusses the results of the individual evaluations, as well as succession considerations, with each director. The Board and each committee review and discuss the results of the Board and applicable committee evaluations, all with the goal of enhancing Board leadership, effectiveness and oversight.

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
The CEO is annually evaluated under the leadership of the Compensation Committee and the Chairman of the Board. All independent directors 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 various levels of 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 audits as well as engagements of third parties to perform cybersecurity assessments, benchmark our cybersecurity program, and assess how any identified vulnerabilities in the industry might impact our company and would be prevented and/or detected by of our controls and procedures. Management develops action plans to address select identified opportunities for improvement, and the Audit Committee quarterly reviews metrics pertaining to cybersecurity risks and mitigation.

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 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. Current information regarding these committees is set forth below. In addition to the functions outlined below, each 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 & Members	Committee Functions
AUDIT: Mr. Rhodes, Chairperson Mr. Bryant Ms. Cochran	• Selects the independent auditor • 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 • 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

Name of Committee & Members	Committee Functions
COMPENSATION: Ms. Fili-Krushel, Chairperson Mr. Bryant Mr. McGuire	• Reviews and approves corporate goals and objectives relevant to CEO compensation • 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: Mr. Calbert, Chairperson Ms. Fili-Krushel Ms. Sandler Mr. Santana	• Develops and recommends criteria for selecting new directors • Screens and recommends to our Board individuals qualified to serve on our Board • 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 • Evaluates shareholder proposals relating to corporate governance, director nominations, social responsibility or sustainability or other matters unless within the subject matter jurisdiction or expertise of another independent Board committee

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 2019?

During 2019, 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 2019 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, 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 these guidelines and holding requirements. The Compensation Committee establishes the related administrative details.

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 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 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.

DIRECTOR COMPENSATION

Our director compensation program is designed to fairly pay directors for their time and efforts and to align their interests with the long-term interests of our shareholders. The Compensation Committee reviews at least once every two years the form and amount of director compensation in light of these goals and makes recommendations to the Board of Directors for approval. In developing its recommendations, the Committee considers peer group market data as the primary market reference point, industry survey data for a general understanding of compensation practices in the broader market context, and directional recommendations, all as presented by its independent compensation consultant, Pearl Meyer. More information about our peer group and the Pearl Meyer engagement can be found under "Use of Market Data" and "Use of Outside Advisors," respectively, in "Compensation Discussion and Analysis."

Management serves in an administrative and support role for the Compensation Committee and Pearl Meyer, conducting research, compiling data, providing necessary Company-specific information, or otherwise assisting as requested. The Committee also may seek management's viewpoint on Pearl Meyer's analysis and recommendations.

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 2019. Ms. Sandler is not included in the table below because she did not serve on our Board during 2019 and accordingly did not earn or receive compensation for 2019. Mr. Vasos, whose executive compensation is discussed under "Executive Compensation" below, was not separately compensated for his service on the Board. 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 2019 Director Compensation

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	All Other Compensation ($)(4)	Total ($)
Warren F. Bryant	95,000	144,701	—	1,678	241,379
Michael M. Calbert	97,837	360,835	—	4,058	462,730
Sandra B. Cochran	109,633	144,701	—	1,678	256,012
Patricia D. Fili-Krushel	115,000	144,701	—	1,678	261,379
Timothy I. McGuire	95,000	144,701	—	1,678	241,379
William C. Rhodes, III	120,000	144,701	—	1,678	266,379
Ralph E. Santana	95,000	144,701	—	1,678	241,379

(1) In addition to the annual Board retainer, Mss. Cochran and Fili-Krushel and Messrs. Calbert and Rhodes earned annual retainers, pro-rated as applicable, for service as committee chairpersons during all or part of fiscal 2019.

(2) Represents the grant date fair value of restricted stock units ("RSUs") awarded to Mr. Calbert on February 4, 2019 ($216,134) for his annual Chairman of the Board retainer, as well as to each director (including Mr. Calbert) on May 29, 2019 ($144,701), 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 9 of the annual consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended January 31, 2020, filed with the SEC on March 19, 2020 (our "2019 Form 10-K"). As of January 31, 2020, 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 (1,229); and Mr. Calbert (3,098).

(3) The Board eliminated the use of stock option awards as part of director compensation beginning in fiscal 2015. As of January 31, 2020, each of the persons listed in the table above had the following total unexercised stock options outstanding (whether or not then exercisable): Each of Messrs. Bryant, Calbert and Rhodes (16,207); Ms. Cochran (13,120); Ms. Fili-Krushel (12,892); and each of Messrs. McGuire and Santana (0).

(4) Represents the dollar value of dividends paid, accumulated or credited on unvested RSUs. Perquisites and personal benefits, if any, totaled less than $10,000 per director and therefore are not included in the table.

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:

Fiscal Year	Board Retainer ($)	Audit Committee Chairperson Retainer ($)	Compensation Committee Chairperson Retainer ($)	Nominating Committee Chairperson Retainer ($)	Estimated Value of Equity Award ($)
2019	95,000	25,000	20,000	17,500	150,000(1)

(1) For annual equity awards granted in fiscal year 2020, the estimated value of equity awards has been increased to $165,000 as a result of the Committee's review of market data and the recommendations of the Committee's compensation consultant.

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, Pearl Meyer, and, for the additional equity award to the Chairman of the Board, 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 100% of all net after-tax shares granted by Dollar General until reaching the share ownership target. As of January 31, 2020, each of our Board members was in compliance with our share ownership and holding requirement policy either because he or she met the guideline or was within the allotted grace period.

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. All members of the Audit Committee, the Compensation Committee and the Nominating Committee also must be independent 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 using guidelines it has adopted, which include all elements of independence in the NYSE listing standards and SEC rules as well as certain Board-adopted categorical independence standards. You may find these guidelines within our Corporate Governance Guidelines posted on the "Investor Information—Corporate Governance" section of our website located at 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 falls 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, Debra A. Sandler, and Ralph E. Santana is independent under both the NYSE listing standards and our additional independence standards. Except as described below, any relationship between an independent director or nominee 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. There is no person currently serving or who served in 2019 on the Audit Committee, the Compensation Committee or the Nominating Committee that does or did not meet, 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 her 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.

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 listed below. In addition, at least annually using 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 reviews a list of any such transactions, subject to the exceptions listed below. The related party may not participate in 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 providing the 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 Dollar General share ownership 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 depositary 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 otherwise have been approved by the Board or an authorized committee.

What related-party transactions existed in 2019 or are planned for 2020?

Ms. Cochran's brother, Stephen Brophy, has been employed by the Company since 2009 and currently serves as our Vice President of Government and Public Relations, a non-executive officer position. For 2019, Mr. Brophy earned from Dollar General total cash compensation (comprised of his base salary and bonus compensation) of less than $360,000 and received an annual equity award consisting of 1,926 non-qualified stock options, 256 RSUs and 256 PSUs. In March 2020, Mr. Brophy received an annual equity award consisting of 1,783 non-qualified stock options, 190 RSUs, and 190 PSUs, in each case on terms consistent with annual equity awards received by all Dollar General employees at Mr. Brophy's job grade level 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 2020 to not exceed $370,000. 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.

SHAREHOLDER ENGAGEMENT

Does the Board of Directors engage with shareholders?

Yes. Our Board of Directors values shareholder feedback and seeks to build and maintain relationships with shareholders to ensure that shareholder perspectives are incorporated into the Board decision-making process. In furtherance of this goal, we conduct year-round outreach through our senior management, investor relations and legal teams to ensure that we understand and consider issues of importance to our shareholders. We further enhanced our shareholder engagement efforts in 2019 with a focus on environmental, social and governance ("ESG") matters, inviting shareholders representing in the aggregate more than 66% of our outstanding shares to share their perspectives on these matters with our Board.

In general, shareholders that elected to participate in this ESG outreach program expressed strong support for our governance and executive compensation practices. Shareholders also generally appreciated our efforts and initiatives on environmental and social issues, including the publication of the "Serving Others" report that details the numerous ways in which Dollar General strives to serve our customers, employees, communities, and ultimately shareholders, in responsible and sustainable ways. Feedback from these meetings was provided to our Board and informed decisions with respect to our next iteration of our "Serving Others" report and committee memberships.

These discussions also were part of the data that helped inform the Board's decision to recommend the corporate governance proposals (proposals 4 and 5 in this proxy statement) to replace the supermajority vote requirements in our Charter and Bylaws with a majority of outstanding shares vote requirement.

EXECUTIVE COMPENSATION

This section provides details of fiscal 2019 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, Chief Operating Officer; Jason S. Reiser, Executive Vice President and Chief Merchandising Officer; and Rhonda M. Taylor, Executive Vice President and General Counsel.

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.

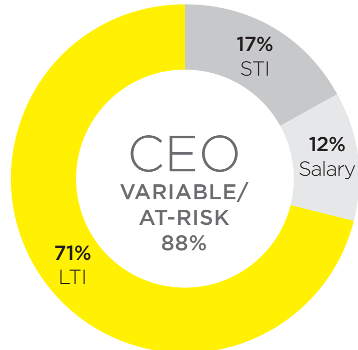
Compensation Best Practices

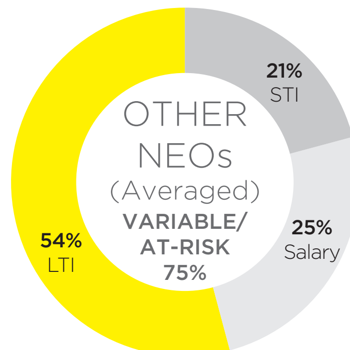
We strive to align our executives' interests with those of our shareholders and to follow sound corporate governance practices.

Compensation Practice	Dollar General Policy
Pay for performance	A significant portion of 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."
Clawback policy	Our annual equity awards and Teamshare bonus program allow for the clawback of performance-based incentive compensation paid or awarded to a named executive officer 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.
No hedging or pledging Dollar General securities or holding Dollar General securities in margin accounts	Our policy prohibits executive officers and Board members (and certain of their family members, entities and trusts) from hedging against any decrease in the market value of Dollar General equity securities awarded by our company and held by them, and from pledging as collateral or holding in a margin account any securities issued by Dollar General. See "Hedging and Pledging Policies."
No excise tax gross-ups and minimal income tax gross-ups	We do not provide tax gross-up payments to named executive officers other than on relocation-related items.
Double-trigger provisions	All equity awards granted to named executive officers since March 2016 include a "double-trigger" vesting provision upon a change in control.
No repricing or cash buyout of underwater stock options without shareholder approval	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.
Annual compensation risk assessment	At least annually, our Compensation Committee assesses the risk of our compensation program.

Pay for Performance

Consistent with our philosophy, and as illustrated to the right, a significant portion of annualized total target compensation for our named executive officers in 2019 was variable/at-risk as a result of being either performance-based, linked to changes in our stock price, or both.





LTI — Long-Term Equity Incentive (stock options and performance share units)

STI — Short-Term Cash Incentive (Teamshare bonus program)

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 2019 Teamshare bonus program, we achieved 2019 adjusted EBIT (as defined and calculated for purposes of the Teamshare bonus program) of $2.373 billion, or 103.89% of the adjusted EBIT target, which resulted in a 2019 Teamshare payout to each named executive officer of 138.92% of his or her target Teamshare bonus percentage opportunity (see "Short-Term Cash Incentive Plan").
- **Performance Share Units**
  The portion of the awards granted in March 2019 subject to 2019 adjusted EBITDA performance was earned at 123.7% of target, based on achieving adjusted EBITDA of $2.873 billion, or 102.4% of the adjusted EBITDA target, and the portion of the awards granted in March 2017 subject to 2017-2019 adjusted ROIC performance was earned at 162.0% of target based on achieving adjusted ROIC of 18.49%, or 101.7% of the adjusted ROIC three-year 2017-2019 target, in each case as defined and calculated in the PSU award agreements (see "Long-Term Equity Incentive Program").

Shareholder Response

The most recent shareholder advisory vote on our named executive officer compensation was held on May 29, 2019. Excluding abstentions and broker non-votes, 95.4% 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 if required for tax or other reasons, in each case consisting entirely of independent directors, determines and approves the compensation of our named executive officers. Throughout this "Compensation Discussion and Analysis," the use of the term Compensation Committee (or Committee) means either the entire committee or a subcommittee thereof if required for tax or other reasons, 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 Chairperson) 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.

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 are the same as those in such financial plans and approved by our Compensation Committee. Our CEO and our Chief People Officer, as well as non-executive members of the human resources group, provide assistance to the 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, our 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

Each member of the Board of Directors is asked to provide feedback to the Chairman of the Board regarding the CEO's overall performance. The Chairman of the Board shares such information with the Compensation Committee. The Compensation Committee, together with the Chairman of the Board, then 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 annual base salary increases and may directly impact the amount of such increases. 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 depending upon the named executive officer's individual performance or other factors.

An unsatisfactory performance rating will reduce the number of, or completely eliminate, stock options awarded to the named executive officer in the following year. In addition, individual performance and other factors, such as company and department performance, tenure, retention, and succession, are used as part of a subjective assessment to determine each named executive officer's equity award value within a previously determined range of values.

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 target compensation, and periodically when considering structural changes to our executive compensation program.

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. The peer group used for 2019 compensation decisions consisted of:

Aramark	Kohl's	Sysco
AutoZone	L Brands	Target
Best Buy	Lowe's	TJX Companies
CarMax	Ross Stores	Tractor Supply
Dollar Tree	Starbucks	Yum! Brands
Genuine Parts		

Pearl Meyer annually provides peer group 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. In 2019, Pearl Meyer provided peer group data for all 2019 CEO and non-CEO 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. Decisions regarding each named executive officer's 2019 compensation are discussed below, followed by a description of each element of compensation and the related applicable programs, as well as applicable financial performance results certified with respect to performance periods that ended in 2019.

2019 Compensation Generally

The Compensation Committee considered the annual compensation of each named executive officer in March 2019 and later determined Mr. Owen's additional compensation upon his promotion to Chief Operating Officer in August 2019.

(a) 2019 Compensation Decisions for Mr. Vasos

In March 2019, 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 target compensation, in each case in comparison to the peer group data (see "Use of Market Data"). After considering the peer group data, as well as Mr. Vasos's and the Company's fiscal 2018 performance (see "Use of Performance Evaluations"), and Mr. Vasos's experience and tenure in the CEO role, the Committee determined to increase Mr. Vasos's base salary to $1,300,000, effective April 1, 2019 (8.33% increase from his prior year's base salary), and to maintain his target short-term incentive bonus percentage opportunity (150% of base salary) and his 2019 equity grant value ($8.0 million) at his 2018 levels. The Committee believed that such actions placed each component of Mr. Vasos's 2019 compensation as well as his 2019 total target compensation within a reasonable range of the median of the peer group data. See "Short-Term Cash Incentive Plan" and "Long-Term Equity Incentive Program" for a description of such programs.

(b) 2019 Compensation Decisions for Other Named Executive Officers

In March 2019, the Compensation Committee considered the base salary, short-term incentive, and long-term incentive components, as well as total target compensation of the non-CEO named executive officers, in each case in comparison to the peer group data (see "Use of Market Data"), as well as each such officer's performance (see "Use of Performance Evaluations"). The Committee made no change to any such officer's target short-term incentive bonus percentage opportunity (in each case, 75% of base salary) from the prior year's level, which the Committee concluded remained reasonably aligned with the peer group data. See "Short-Term Cash Incentive Plan" for a description of the bonus program.

However, beginning in 2019, the Committee incorporated the use of an equity grant value range to determine each non-CEO named executive officer's equity grant value level, rather than using the same target value for all non-CEO named executive officer positions, to achieve better market alignment at the individual position level while continuing to allow for subjective performance differentiation and sufficiently incenting and retaining such officers. The Committee determined the equity grant value range based on the peer group data and then determined each such named executive officer's actual grant value within the range based on a subjective assessment of a variety of factors outlined above under "Use of Performance Evaluations." Each such named executive officer's March 2019 equity grant values were: each of Messrs. Garratt and Reiser ($1.35 million), Mr. Owen ($1.55 million), and Ms. Taylor ($1.4 million). See "Long-Term Equity Incentive Program" for a description of the equity awards.

In addition, the Committee approved base salary merit increases in accordance with each such officer's 2018 performance rating within the limitations of the 3% overall U.S. merit budget increase for 2019, resulting in a base salary increase of 2.82% for each non-CEO named executive officer, effective April 1, 2019. The Committee determined that each such named executive officer's total target compensation for 2019 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 and thus no additional base salary adjustments were made. See "Use of Performance Evaluations."

(c) 2019 Compensation Decisions for Mr. Owen's Promotion to Chief Operating Officer

In August 2019, our Board created the new position of Chief Operating Officer and promoted Mr. Owen from Executive Vice President, Store Operations, to such new position. In determining Mr. Owen's related compensation, the Compensation Committee considered the peer group data, Mr. Owen's existing level of compensation, prior equity awards (including the size of such awards compared to other executive officers), level of experience and qualifications, as well as the responsibilities of the position, and increased his base salary to $800,000 (19% increase from his prior 2019 base salary), increased his target short-term incentive bonus percentage opportunity from 75% to 100% of base salary (prorated for the portion of 2019 that he served as Chief Operating Officer), and awarded equity with a grant value of $300,000 delivered in the form of stock options (consistent with the vehicle the Committee uses to deliver other employees' promotion equity awards), all effective on August 27, 2019. The options were granted with a per share exercise price equal to the fair market value of one share of our common stock on the grant date. These options vest 25% annually on each of the first four anniversaries of the grant date, subject to Mr. Owen's continued employment with us and certain accelerated vesting provisions, and have a ten-year term. The Committee determined that Mr. Owen's total compensation after promotion was within a reasonable range of the market median given his experience, the position and his qualifications.

Base Salary

Base salary promotes our recruiting and retention objectives by reflecting the salaries for comparable positions in the competitive marketplace, recognizing 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.

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 level of 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) 2019 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 2019 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 2019 adjusted EBIT performance goal at approximately $2.284 billion, which was the adjusted EBIT target amount in our Board-approved 2019 annual financial plan. The threshold (below which no bonus may be earned) and maximum (above which no further bonus may be earned) performance levels are 90% and 120% of the target level, respectively, as the Committee believes such levels appropriately align pay and performance and are reasonably consistent with the practices of our peer group. Payouts for financial performance are based on actual adjusted EBIT results and are interpolated on a straight-line basis between the threshold and target levels and between the target and maximum levels.

The bonus payable to each named executive officer upon achieving the target level of financial performance is equal to the officer's applicable percentage of base salary disclosed under "2019 Compensation Generally," unless the Committee elects to consider other factors as allowed under the program as described above under "Use of Performance Evaluations". 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) 2019 Teamshare Results

The Compensation Committee certified the adjusted EBIT performance result at $2.373 billion (103.89% of the adjusted EBIT target) which resulted in 2019 Teamshare payouts to each of the named executive officers of 138.92% of each named executive officer's target Teamshare bonus percentage opportunity. 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) 2019 Annual Equity Award Structure

The Compensation Committee delivers the annual equity awards to named executive officers 50% in options and 50% in PSUs, believing that this mix appropriately incents a long-term focus while aligning the interests of management with those of shareholders.

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, 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 continued employment with us and certain accelerated vesting provisions, and have a ten-year term. The PSUs can be earned if specified financial 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 such targets. The Committee selected adjusted EBITDA and adjusted ROIC as the financial performance measures for the 2019 PSUs. Half of the award is subject to adjusted EBITDA performance and half of the award is subject to adjusted ROIC performance. The Committee continues to believe 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 2019 PSU awards, a one-year performance period corresponding to our 2019 fiscal year was established for the PSUs which are subject to the adjusted EBITDA performance measure. The adjusted EBITDA performance goal of approximately $2.807 billion was the target amount set forth in our Board-approved 2019 annual financial plan. Further increasing 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 2019 fiscal year and extending through the last day of our 2021 fiscal year. The adjusted ROIC performance goal of 20.68% 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 2019 Teamshare program adjusted EBIT calculation outlined above.

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) single lease cost, minus (y) taxes, divided by (b) the result of (x) the sum of the averages of: (i) total assets, including any assets associated with the adoption of new lease accounting standards in 2019 not otherwise reflected in our balance sheet, 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, but excludes the impact of all items excluded from the 2019 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 2019 adjusted EBITDA performance result and the number of PSUs earned by each named executive officer as a result of such performance.

	Adjusted EBITDA (2019)		
Level*	**Result v. Target (%)**	**EBITDA Result ($) (in billions)**	**PSUs Earned (% of Target)**
Below Threshold	<90	<2.526	0
Threshold	90	2.526	50
Target	100	2.807	100
Maximum	120	3.368	300
2019 Results	**102.4**	**2.873**	**123.7**

* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2019 Teamshare bonus program.

Name	2019 PSUs Earned (Adjusted EBITDA)
Mr. Vasos	21,106
Mr. Garratt	3,561
Mr. Owen	4,090
Mr. Reiser	3,561
Ms. Taylor	3,694

	Adjusted ROIC (2019-2021)		
Level*	**Result v. Target (%)**	**ROIC Result (%)**	**PSUs Earned (% of Target)**
Below Threshold	**<95.2**	**<19.68**	**0**
Threshold	**95.2**	**19.68**	**50**
Target	**100.0**	**20.68**	**100**
Maximum	**104.8**	**21.68**	**300**

* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2019 Teamshare bonus program.

The PSUs earned by each named executive officer for fiscal 2019 adjusted EBITDA performance will vest in equal one-third installments on April 1, 2020, April 1, 2021, and April 1, 2022, 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, 2022, 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.

(b) 2017 PSU Awards – Completed 2017-2019 Performance Period

Certain of the PSUs awarded in 2017 were subject to an adjusted ROIC performance measure for a three-year performance period beginning on the first day of our 2017 fiscal year and extending through the last day of our 2019 fiscal year, based on the average adjusted ROIC for each fiscal year within the three-year period. The average adjusted ROIC was derived from our three-year financial plan in place at the time of the award and 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 2017 and 2018 and single lease cost for 2019, 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 2017 and 2018 and 8x single lease cost for 2019 (with all of the foregoing terms as determined per our financial statements for each fiscal year), but excluding the impact of (a) any 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 any security offering; (b) disaster-related charges; (c) any gains or losses associated with our LIFO computation; (d) in 2019, impacts related to lease accounting rules; and (e) unless the Compensation 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), net of related unplanned gains, of a non-recurring nature, provided that in the case of each of (i) and (ii) such amount equals or exceeds $1 million for a single loss or net loss, as applicable, and $10 million in the aggregate.

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, 2018 and 2019.

	Adjusted ROIC (2017-2019)		
Level*	**Result v. Target (%)**	**ROIC Result (%)**	**PSUs Earned (% of Target)**
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
2017-2019 Results	**101.7**	**18.49**	**162.0**

* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2019 Teamshare bonus program.

Name	2017 – 2019 PSUs Earned (Adjusted ROIC)
Mr. Vasos	10,878
Mr. Garratt	2,537
Mr. Owen	2,537
Ms. Taylor	2,628

(c) 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.

Officer Level	Multiple of Base Salary
CEO	6X
COO	4X
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. As of January 31, 2020, each of our named executive officers was in compliance with our share ownership and holding requirement policy either because he or she met the guideline or was within the allotted grace period.

(d) Hedging and Pledging Policies

Our policy prohibits Board members, executive officers, and their Controlled Persons 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 awarded 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 (also known as swap funds) or other derivative instruments related to Dollar General equity securities. All other employees, as well as their Controlled Persons are strongly discouraged from entering into these types of transactions. Controlled Persons include the Board member's, executive officer's or employee's respective spouses, immediate family members sharing their home or that are economically dependent on them, entities that they control, and trusts in which they serve as a trustee or are a beneficiary.

Benefits and Perquisites

Our named executive officers participate in certain benefits on the same terms that are offered to all of our salaried employees. 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") and, for named executive officers hired or promoted prior to May 28, 2008, a defined contribution Supplemental Executive Retirement Plan (the "SERP," and together with the CDP, the "CDP/SERP Plan") as discussed in more detail under "Nonqualified Deferred Compensation Fiscal 2019".
- 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.

Employment Agreements and Severance Arrangements

We have an employment agreement with each of our named executive officers, each of which has a three-year term and is subject to certain automatic extensions. These agreements promote executive continuity, aid in retention, and, in return for granting such executives certain severance and other rights upon a termination of employment, secure valuable protections for Dollar General, such as non-compete, non-solicitation, and confidentiality obligations, and facilitate implementation of our clawback policy.

We believe that reasonable severance benefits are appropriate to protect the named executive officer against circumstances over which he or she 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 both a termination event and 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 2019, 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.

Summary Compensation Table

The following table summarizes compensation paid to or earned by our named executive officers in each of the 2019, 2018 and 2017 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(1)	Year	Salary ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(5)	All Other Compensation ($)(6)	Total ($)
Todd J. Vasos, *Chief Executive Officer*	2019	1,283,383	3,996,944	3,927,168	2,708,936	91,628	12,008,059
	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
John W. Garratt, *Executive Vice President & Chief Financial Officer*	2019	742,091	674,435	662,705	776,709	66,524	2,922,464
	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
Jeffery C. Owen, *Chief Operating Officer*	2019	725,972	774,346	1,058,485	880,443	65,770	3,505,016
	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
Jason S. Reiser, *Executive Vice President & Chief Merchandising Officer*	2019	683,087	674,435	662,705	714,953	60,331	2,795,511
	2018	664,488	618,317	616,472	477,456	168,661	2,545,394
Rhonda M. Taylor, *Executive Vice President & General Counsel*	2019	585,150	699,500	687,265	612,447	104,940	2,689,302
	2018	569,217	665,923	663,893	409,001	117,030	2,425,064
	2017	554,396	688,211	683,302	472,039	92,365	2,490,313

(1) Mr. Owen served as Executive Vice President, Store Operations, from June 2015 until his promotion to Chief Operating Officer in August 2019. 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 2019 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:

Fiscal Year	Mr. Vasos ($)	Mr. Garratt ($)	Mr. Owen ($)	Mr. Reiser ($)	Ms. Taylor ($)
2019	11,990,832	2,023,304	2,323,039	2,023,304	2,098,501
2018	11,415,341	1,997,768	2,140,307	1,854,951	1,997,768
2017	8,543,092	1,993,388	1,993,388	—	2,064,633

Information regarding the assumptions made in the valuation of these awards is set forth in Note 9 of the annual consolidated financial statements in our 2019 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 9 of the annual consolidated financial statements in our 2019 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 and Ms. Taylor deferred 5%, 5%, 7% and 25%, respectively, of his or her fiscal 2019 Teamshare bonus payment reported above under the CDP. 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.

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

Name	Company Match Contributions – 401(k) ($)	Company Match Contributions – CDP ($)	Company Match Contributions – SERP ($)	Premiums for Life Insurance Program ($)	Aggregate Incremental Cost of Providing Perquisites/Personal Benefits* ($)
Mr. Vasos	14,396	49,753	—	2,690	24,789
Mr. Garratt	14,081	23,019	—	1,555	27,869
Mr. Owen	14,568	21,701	—	1,521	27,980
Mr. Reiser	13,860	20,076	—	1,431	24,964
Ms. Taylor	14,064	15,190	74,460	1,226	—

* Perquisites and personal benefits for Ms. Taylor totaled less than $10,000 and accordingly the incremental cost is not included in the table or detailed in this footnote. 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 to Messrs. Vasos, Garratt, Owen and Reiser related to: (1) for each such named executive officer, financial and estate planning services, entertainment events, miscellaneous gifts, limited personal travel expenses associated with a guest's attendance at business events, 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. Owen and Reiser, an executive physical medical examination; and (3) for Messrs. Garratt and Owen, one or more directed charitable donations. 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.

Grants of Plan-Based Awards in Fiscal 2019

The table below shows each named executive officer's fiscal 2019 Teamshare bonus opportunity under "Estimated Possible Payouts Under Non-Equity Incentive Plan Awards." Actual amounts earned under the fiscal 2019 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 target and maximum 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 2019, 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 Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)(1)	Grant Date Fair Value of Stock and Option Awards ($)(2)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)			
Mr. Vasos	—	975,000	1,950,000	5,850,000	—	—	—	—	—	—
	03/20/19	—	—	—	—	—	—	128,398	117.13	3,927,168
	03/20/19	—	—	—	17,062	34,124	102,372	—	—	3,996,944
Mr. Garratt	—	279,553	559,106	1,677,319	—	—	—	—	—	—
	03/20/19	—	—	—	—	—	—	21,667	117.13	662,705
	03/20/19	—	—	—	2,879	5,758	17,274	—	—	674,435
Mr. Owen	—	316,889	633,778	1,901,334	—	—	—	—	—	—
	03/20/19	—	—	—	—	—	—	24,877	117.13	760,885
	03/20/19	—	—	—	3,306	6,611	19,833	—	—	774,346
	08/27/19	—	—	—	—	—	—	9,632	138.75	297,600
Mr. Reiser	—	257,326	514,652	1,543,955	—	—	—	—	—	—
	03/20/19	—	—	—	—	—	—	21,667	117.13	662,705
	03/20/19	—	—	—	2,879	5,758	17,274	—	—	674,435
Ms. Taylor	—	220,432	440,864	1,322,591	—	—	—	—	—	—
	03/20/19	—	—	—	—	—	—	22,470	117.13	687,265
	03/20/19	—	—	—	2,986	5,972	17,916	—	—	699,500

(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 9 of the annual consolidated financial statements included in our 2019 Form 10-K.

Outstanding Equity Awards at 2019 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 2019. 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.

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[9]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[9]
Mr. Vasos	03/20/2012	37,440[1]	—	45.25	03/20/2022	—	—	—	—
	03/18/2013	27,492[1]	—	48.11	03/18/2023	—	—	—	—
	12/03/2013	2,880[1]	—	56.48	12/03/2023	—	—	—	—
	03/18/2014	37,926[1]	—	57.91	03/18/2024	—	—	—	—
	03/17/2015	44,786[2]	—	74.72	03/17/2025	—	—	—	—
	06/03/2015	171,122[3]	85,560[3]	76.00	06/03/2025	—	—	—	—
	03/16/2016	89,700[2]	29,899[2]	84.67	03/16/2026	—	—	—	—
	03/16/2016	28,587[3]	57,172[3]	84.67	03/16/2026	—	—	—	—
	03/22/2017	80,756[2]	80,756[2]	70.68	03/22/2027	—	—	—	—
	03/21/2018	39,300[2]	117,897[2]	92.98	03/21/2028	—	—	—	—
	03/20/2019	—	128,398[2]	117.13	03/20/2029	—	—	—	—
	03/22/2017	—	—	—	—	18,143[4]	2,783,318	—	—
	03/21/2018	—	—	—	—	13,382[5]	2,052,933	61,386[6]	9,417,226
	03/20/2019	—	—	—	—	21,106[7]	3,237,871	51,186[8]	7,852,444
Mr. Garratt	12/03/2014	5,031[1]	—	66.69	12/03/2024	—	—	—	—
	03/17/2015	10,002[2]	—	74.72	03/17/2025	—	—	—	—
	12/02/2015	7,829[1]	—	65.35	12/02/2025	—	—	—	—
	03/16/2016	24,668[2]	8,222[2]	84.67	03/16/2026	—	—	—	—
	03/22/2017	18,844[2]	18,842[2]	70.68	03/22/2027	—	—	—	—
	03/21/2018	6,879[2]	20,631[2]	92.98	03/21/2028	—	—	—	—
	03/20/2019	—	21,667[2]	117.13	03/20/2029	—	—	—	—
	03/22/2017	—	—	—	—	4,232[4]	649,231	—	—
	03/21/2018	—	—	—	—	2,342[5]	359,286	10,743[6]	1,648,084
	03/20/2019	—	—	—	—	3,561[7]	546,293	8,637[8]	1,325,002
Mr. Owen	08/25/2015	35,703[1]	—	73.73	08/25/2025	—	—	—	—
	03/16/2016	24,668[2]	8,222[2]	84.67	03/16/2026	—	—	—	—
	03/22/2017	18,844[2]	18,842[2]	70.68	03/22/2027	—	—	—	—
	03/21/2018	7,371[2]	22,104[2]	92.98	03/21/2028	—	—	—	—
	03/20/2019	—	24,877[2]	117.13	03/20/2029	—	—	—	—
	08/27/2019	—	9,632[1]	138.75	08/27/2029	—	—	—	—
	03/22/2017	—	—	—	—	4,232[4]	649,231	—	—
	03/21/2018	—	—	—	—	2,508[5]	384,752	11,508[6]	1,765,442
	03/20/2019	—	—	—	—	4,090[7]	627,447	9,915[8]	1,521,060

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(9)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(9)
Mr. Reiser	08/29/2017	23,031(1)	23,030(1)	76.89	08/29/2027	—	—	—	—
	03/21/2018	6,387(2)	19,158(2)	92.98	03/21/2028	—	—	—	—
	03/20/2019	—	21,667(2)	117.13	03/20/2029	—	—	—	—
	03/21/2018	—	—	—	—	2,174(5)	333,513	9,975(6)	1,530,265
	03/20/2019	—	—	—	—	3,561(7)	546,293	8,637(8)	1,325,002
Ms. Taylor	03/18/2014	8,470(1)	—	57.91	03/18/2024	—	—	—	—
	03/17/2015	32,843(2)	—	74.72	03/17/2025	—	—	—	—
	03/16/2016	24,668(2)	8,222(2)	84.67	03/16/2026	—	—	—	—
	03/22/2017	19,516(2)	19,516(2)	70.68	03/22/2027	—	—	—	—
	03/21/2018	6,879(2)	20,631(2)	92.98	03/21/2028	—	—	—	—
	03/20/2019	—	22,470(2)	117.13	03/20/2029	—	—	—	—
	03/22/2017	—	—	—	—	4,384(4)	672,549	—	—
	03/21/2018	—	—	—	—	2,342(5)	359,286	10,743(6)	1,648,084
	03/20/2019	—	—	—	—	3,694(7)	566,697	8,958(8)	1,374,247

(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 a PSU grant, 40% of which were earned as a result of our fiscal 2017 adjusted EBITDA performance and 60% of which were earned as a result of our fiscal 2017-2019 adjusted ROIC performance, and in each case are scheduled to vest on April 1, 2020.

(5) Part of a PSU grant that was earned as a result of our fiscal 2018 adjusted EBITDA performance and is scheduled to vest 50% per year on each of April 1, 2020 and April 1, 2021.

(6) 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.

(7) Part of a PSU grant that was earned as a result of our fiscal 2019 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, 2022 if the adjusted ROIC performance goal is achieved for fiscal years 2019-2021. 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 January 31, 2020 as reported by the NYSE.

Option Exercises and Stock Vested During Fiscal 2019

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)(1)	Value Realized on Exercise ($)(2)	Number of Shares Acquired on Vesting (#)(3)	Value Realized on Vesting ($)(4)
Mr. Vasos	—	—	32,282	3,819,929
Mr. Garratt	—	—	7,478	884,872
Mr. Owen	—	—	7,563	894,930
Mr. Reiser	—	—	1,088	128,743
Ms. Taylor	14,636	1,015,992	7,624	902,148

(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, 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 2019

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

Nonqualified Deferred Compensation Fiscal 2019

Information regarding each named executive officer's participation in our CDP/SERP Plan is included in the following table. The material terms of the CDP/SERP Plan 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.

Name	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)(2)	Aggregate Earnings in Last FY ($)(3)	Aggregate Balance at Last FYE ($)(4)
Mr. Vasos	150,023	49,753	104,408	1,535,557
Mr. Garratt	63,039	23,019	25,917	281,407
Mr. Owen	36,299	21,701	29,984	254,051
Mr. Reiser	67,576	20,076	16,586	164,594
Ms. Taylor	29,258	89,651	89,079	829,209

(1) Of the reported amounts, the following are reported in the Summary Compensation Table as "Salary" for 2019: Mr. Vasos ($64,169); Mr. Garratt ($37,105); Mr. Owen ($36,299); Mr. Reiser ($34,154); and Ms. Taylor ($29,258).

(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 2019 in a Summary Compensation Table: Mr. Vasos ($1,027,595); Mr. Garratt ($182,267); Mr. Owen ($149,225); Mr. Reiser ($88,747); and Ms. Taylor ($268,187).

Pursuant to the CDP, each named executive officer may annually elect to defer up to 65% of his or her base salary if his or her compensation exceeds the limit set forth in Section 401(a)(17) of the Internal Revenue Code, and up to 100% of his or her bonus pay if his or her 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.

Pursuant to the SERP, we make an annual contribution equal to a certain percentage of a participant's annual salary and bonus to eligible participants who are actively employed in an eligible job grade on January 1 and continue to be employed as of December 31 of a given year. The contribution percentage is based on age, years of service, and job grade. Persons hired after May 27, 2008 are not eligible to participate in the SERP. The fiscal 2019 contribution percentage was 7.5% for Ms. Taylor, and she is 100% vested in her SERP account. No other named executive officer was eligible to participate in the SERP in 2019.

The amounts deferred or contributed to the CDP/SERP Plan 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 or SERP 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/SERP Plan upon the participant's termination of employment. A participant's CDP/SERP Plan 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/SERP Plan liabilities through July 6, 2007 were fully funded into an irrevocable rabbi trust. We also funded into the rabbi trust deferrals into the CDP/SERP Plan between July 6, 2007 and October 15, 2007. All CDP/SERP Plan 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 2019 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 2019" above. The discussion of equity awards in each scenario below includes nonqualified stock options outstanding as of the end of our 2019 fiscal year, as well as PSUs awarded in 2017 ("2017 PSUs"), 2018 ("2018 PSUs") and 2019 ("2019 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 1st anniversary of the termination date but no later than the 10th 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.
  - ✓ *2017 PSUs*. Any earned but unvested 2017 PSUs subject to the one-year Adjusted EBITDA performance 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. If the termination occurs before the end of the three-year performance period, a pro-rata portion (based on months employed during the three-year performance period) of any 2017 PSUs subject to the three-year Adjusted ROIC performance goal (the "2017 Adjusted ROIC PSUs") that are earned as a result of Adjusted ROIC performance versus the three-year Adjusted ROIC performance goal 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 three-year performance period, any remaining earned but unvested 2017 Adjusted ROIC PSUs attributable to the three-year 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 and 2019 PSUs*. If the termination occurs on or after the end of the applicable one-year or three-year performance period associated with each of the 2018 PSUs and the 2019 PSUs but before an applicable vesting date, any earned but unvested 2018 PSUs and 2019 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. For the 2019 PSUs, if the termination occurs before the end of the one-year performance period, a pro-rata portion (based on months employed during such performance period) of one-third of the 2019 PSUs subject to the one-year Adjusted EBITDA performance goal (the "2019 Adjusted EBITDA PSUs") earned based on performance during such performance period shall become vested and nonforfeitable as of the end of such performance period and shall be paid at the same time as if no termination had occurred. For the 2018 PSUs and the 2019 PSUs, if the termination occurs before the end of the applicable three-year performance period, a pro-rata portion (based on months employed during such applicable performance period) of the 2018 PSUs subject to the three-year Adjusted ROIC performance goal (the "2018 Adjusted ROIC PSUs") and of the 2019 PSUs subject to the three-year Adjusted ROIC performance goal (the "2019 Adjusted ROIC PSUs") earned based on performance during such applicable performance period shall become vested and nonforfeitable as of the end of such applicable performance period and 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 and, in the event of death on or after the last day of a fiscal year, payment for such officer's incentive bonus earned for that fiscal year under the terms of our Teamshare program (which otherwise generally requires a participant to remain employed on the payment date to receive any such bonus). In addition, in the event of disability (as defined in the governing document), a named executive officer will 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/SERP Plan), a named executive officer's CDP/SERP Plan 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 and dismemberment program.

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 one-year period following the retirement date and shall become vested and exercisable on the anniversary of the grant date that falls within such one-year period. 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

5th anniversary of the retirement date, but no later than the 10th 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.
  - ✓ *2017 PSUs*. If the retirement occurs before the next April 1 vesting date, the remaining earned but unvested 2017 Adjusted EBITDA PSUs 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 and 2019 PSUs*. With the exception outlined below, the vesting and payment of the 2018 PSUs and the 2019 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 and the 2019 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 PSUs subject to the Adjusted EBITDA goals (the "2018 Adjusted EBITDA PSUs") and the 2019 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, 2018 PSUs and 2019 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 10th 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 5th anniversary of the applicable grant date. If a named executive officer resigns under the circumstances described in (2) below, his or her 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 or her 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 60th 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 or her target bonus level and base salary applicable immediately 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 60th 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 or her 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 or her 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.

Voluntary Termination without Good Reason

If a named executive officer otherwise resigns without good reason, he or she 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 10th 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 5th 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 10th 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 5th 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-ration requirements, of the applicable award agreement.

A named executive officer will have one year from the termination date (but no later than the 10th anniversary of the grant date) in which to exercise outstanding vested options that were granted prior to 2016 if he or she 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 or she will have five years from the retirement date (but no later than the 10th 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 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 if the termination also constitutes a "separation from service" within the meaning of Section 409A of the Internal Revenue Code: (1) all of his or her 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 10th anniversary of the grant date; and (2) all of his or her previously earned, or deemed earned, but unvested PSUs that have not been previously forfeited will immediately vest, become nonforfeitable and be paid on the termination date subject 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, January 31, 2020. For stock valuations, we have used the closing price of our stock on the NYSE on January 31, 2020 ($153.41). 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/SERP Plan benefits that had vested prior to the event. For more information regarding the CDP/SERP Plan benefits, see "Nonqualified Deferred Compensation Fiscal 2019" 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.

Potential Payments to Named Executive Officers Upon Occurrence of Various Termination Events or Change in Control as of January 31, 2020

Name/Item	Death ($)[3]	Disability ($)[3]	Retirement ($)[4]	Voluntary Without Good Reason ($)	Involuntary Without Cause or Voluntary With Good Reason ($)	Involuntary With Cause ($)	Change in Control Without Qualifying Termination ($)	Change in Control With Qualifying Termination ($)
Mr. Vasos								
Equity Vesting Due to Event[1]	48,041,953	48,041,953	n/a	n/a	n/a	n/a	6,623,200	41,491,039
Cash Severance	2,708,936	n/a	n/a	n/a	9,208,936	n/a	n/a	9,208,936
Health Payment	n/a	n/a	n/a	n/a	22,325	n/a	n/a	22,325
Outplacement[2]	n/a	n/a	n/a	n/a	8,350	n/a	n/a	8,350
Life Insurance Proceeds	3,250,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	**54,000,889**	**48,041,953**	**n/a**	**n/a**	**9,239,611**	**n/a**	**6,623,200**	**50,730,650**
Mr. Garratt								
Equity Vesting Due to Event[1]	7,251,989	7,251,989	n/a	n/a	n/a	n/a	n/a	6,120,437
Cash Severance	776,709	n/a	n/a	n/a	2,656,282	n/a	n/a	2,656,282
Health Payment	n/a	n/a	n/a	n/a	14,817	n/a	n/a	14,817
Outplacement[2]	n/a	n/a	n/a	n/a	8,350	n/a	n/a	8,350
Life Insurance Proceeds	1,864,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	**9,892,698**	**7,251,989**	**n/a**	**n/a**	**2,679,449**	**n/a**	**n/a**	**8,799,886**
Mr. Owen								
Equity Vesting Due to Event[1]	7,848,878	7,848,878	n/a	n/a	n/a	n/a	n/a	6,605,950
Cash Severance	880,443	n/a	n/a	n/a	3,267,421	n/a	n/a	3,267,421
Health Payment	n/a	n/a	n/a	n/a	23,005	n/a	n/a	23,005
Outplacement[2]	n/a	n/a	n/a	n/a	8,350	n/a	n/a	8,350
Life Insurance Proceeds	2,000,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	**10,729,321**	**7,848,878**	**n/a**	**n/a**	**3,298,776**	**n/a**	**n/a**	**9,904,726**
Mr. Reiser								
Equity Vesting Due to Event[1]	6,047,703	6,047,703	n/a	n/a	n/a	n/a	n/a	4,968,617
Cash Severance	714,953	n/a	n/a	n/a	2,445,080	n/a	n/a	2,445,080
Health Payment	n/a	n/a	n/a	n/a	23,005	n/a	n/a	23,005
Outplacement[2]	n/a	n/a	n/a	n/a	8,350	n/a	n/a	8,350
Life Insurance Proceeds	1,716,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	**8,478,656**	**6,047,703**	**n/a**	**n/a**	**2,476,435**	**n/a**	**n/a**	**7,445,051**
Ms. Taylor								
Equity Vesting Due to Event[1]	7,397,019	7,397,019	n/a	n/a	n/a	n/a	n/a	6,250,432
Cash Severance	612,447	n/a	n/a	n/a	2,094,517	n/a	n/a	2,094,517
Health Payment	n/a	n/a	n/a	n/a	22,386	n/a	n/a	22,386
Outplacement[2]	n/a	n/a	n/a	n/a	8,350	n/a	n/a	8,350
Life Insurance Proceeds	1,470,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	**9,479,466**	**7,397,019**	**n/a**	**n/a**	**2,125,253**	**n/a**	**n/a**	**8,375,685**

(1) For the portion of the 2018 and 2019 PSUs that are subject to performance for periods ending after January 31, 2020, 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 January 31, 2020.

(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 January 31, 2020.

Compensation Committee Interlocks and Insider Participation

None of Ms. Fili-Krushel or Messrs. Bryant and McGuire, each of whom was a member of our Compensation Committee during all or a portion of 2019: (1) was at any time during 2019 an officer or employee, or was at any time prior to 2019 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 2020, 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 2019 annual total compensation of the median compensated employee (a store associate who was promoted from part-time to full-time during our 2019 fiscal year) of our temporary, part-time and full-time employee base who were employed as of the last day of our 2019 fiscal year (January 31, 2020), other than our CEO, was $14,571; our CEO's 2019 annual total compensation was $12,008,059; and the ratio of these amounts is 1:824.

As of January 31, 2020, our total population consisted of 137,357 compensated employees, of which 85 were located in non-U.S. jurisdictions as follows: Hong Kong (15); China (68); Mexico (1); and Turkey (1). Pursuant to SEC rules, we excluded all such 85 non-U.S. employees. After applying this exemption, the employee population used to identify the median employee consisted of 137,272 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 2, 2019 (the first day of our 2019 fiscal year) through January 31, 2020 (the last day of our 2019 fiscal year), with such amounts annualized for those permanent employees who did not work for the full year. Our determination of the median compensated employee yielded two potential median compensated employees because the median population we used had an even number of employees. From the two employees, we selected as the median compensated employee the employee who worked more of the year than the other.

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.

SECURITY OWNERSHIP

The following tables show the amount of our common stock beneficially owned by the listed persons as of February 28, 2020. 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 251,941,230 shares of our common stock outstanding as of February 28, 2020.

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.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc.(1)	25,304,398	10.0%
T. Rowe Price Associates, Inc.(2)	25,260,085	10.0%
The Vanguard Group(3)	19,923,621	7.9%

(1) BlackRock, Inc., through various subsidiaries, has sole power to vote or direct the vote of 22,357,630 shares and sole power to dispose or direct the disposition of 25,304,398 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055. All information is based solely on Amendment No. 5 to Statement on Schedule 13G filed on February 5, 2020.

(2) T. Rowe Price Associates, Inc. has sole power to vote or direct the vote of 9,599,409 shares and sole power to dispose or direct the disposition of 25,260,085 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. 5 to Statement on Schedule 13G filed on February 14, 2020.

(3) The Vanguard Group has sole power to vote or direct the vote of 395,838 shares, shared power to vote or direct the vote of 80,048 shares, sole power to dispose or direct the disposition of 19,471,593 shares, and shared power to dispose or direct the disposition of 452,028 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 304,065 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 235,258 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. 6 to Statement on Schedule 13G filed on February 12, 2020.

Security Ownership of Officers and Directors

The following table pertains to beneficial ownership of our current directors, nominees and 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.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)(2)	Percent of Class
Warren F. Bryant	38,259	*
Michael M. Calbert(3)	106,299	*
Sandra B. Cochran	26,099	*
Patricia D. Fili-Krushel(4)	24,713	*
Timothy I. McGuire	5,079	*
William C. Rhodes, III(5)	60,308	*
Debra A. Sandler	—	—
Ralph E. Santana	—	—
Todd J. Vasos	863,149	*
John W. Garratt	123,363	*
Jeffery C. Owen	137,611	*
Jason S. Reiser	44,320	*
Rhonda M. Taylor	149,324	*
All current directors and executive officers as a group (18 persons)(3)(4)(5)	1,804,054	*

* Denotes less than 1% of class.

(1) Share totals have been rounded to the nearest whole share.

(2) 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 February 28, 2020 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 February 28, 2020 over which the person will not have voting or investment power until exercised: Mr. Bryant (3,249 RSUs; 16,207 options); Mr. Calbert (18,590 RSUs; 16,207 options); Ms. Cochran (1,229 RSUs; 13,120 options); Ms. Fili-Krushel (1,229 RSUs; 12,892 options); Mr. McGuire (1,229 RSUs); Mr. Rhodes (1,229 RSUs; 16,207 options); Mr. Vasos (31,870 PSUs; 730,252 options); Mr. Garratt (6,590 PSUs; 103,192 options); Mr. Owen (6,850 PSUs; 117,817 options); Mr. Reiser (2,274 PSUs; 41,223 options); Ms. Taylor (6,787 PSUs; 122,852 options); and all current directors and executive officers as a group (29,908 RSUs; 60,397 PSUs; 1,382,710 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. Excludes shares underlying RSUs that are vested but deferred at the election of Ms. Fili-Krushel and Mr, Santana, but over which such persons will not have voting or investment power until the applicable RSUs are settled on a date that is later than 60 days of February 28, 2020.

(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 2,528 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.

Delinquent Section 16(a) Reports

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 2019, 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, except that Ms. Fili-Krushel filed a Form 4 in 2019 for six late Forms 4 (representing a total of 12 transactions during 2015 and 2016) that were not reported on a timely basis.

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 the compensation paid to our named executive officers as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K. Accordingly, you may vote on the following resolution at the annual meeting: "**RESOLVED, that the shareholders approve, on an advisory basis, the compensation of Dollar General's named executive officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosures in this proxy statement.**"

As discussed in detail in the "Compensation Discussion and Analysis" section, the Compensation Committee actively oversees our executive compensation program, adopting changes 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 alignment of management's and shareholders' interests to support long-term value creation. At our 2019 annual meeting of shareholders, over 95% of shareholder votes were cast in support of our executive compensation program.

This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers. This vote also is not a vote on director compensation, 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.

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 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 named executive officer compensation decisions.

FOR

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.

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 January 31, 2020,
- discussed with Ernst & Young LLP, our independent registered public accounting firm, the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC,
- 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 the independence of Ernst & Young LLP.

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 January 31, 2020 for filing with the SEC.

While the Audit Committee has the responsibilities 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.

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.

Is the Audit Committee involved in the lead audit partner selection process?

Yes. Prior to the selection of a lead audit partner, the Chairperson of the Audit Committee, typically one additional Audit Committee member, and the Chairman of the Board interview the candidates. Following the interviews, the Audit Committee discusses each candidate's credentials, experience level and independence prior to making the final selection.

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 auditor?

After conducting the evaluation process discussed above, the Audit Committee selected Ernst & Young LLP as our independent auditor for the 2020 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.

FOR

The Board of Directors unanimously recommends that Shareholders vote FOR the ratification of Ernst & Young LLP as our independent auditor for the 2020 fiscal year.

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 2019 includes amounts billed through January 31, 2020, and additional amounts estimated to be billed for the 2019 period for services rendered.

Service	2019 Aggregate Fees Billed ($)	2018 Aggregate Fees Billed ($)
Audit Fees(1)	2,700,625	2,898,361
Audit-Related Fees(2)	—	35,000
Tax Fees(3)	1,563,430	2,431,222
All Other Fees(4)	7,100	7,120

(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.

(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 2018 relate to the employee benefit plan audit.

(3) Represents for each fiscal year the aggregate fees billed for professional services for tax compliance, tax advice, and tax planning. 2019 and 2018 fees relate primarily to tax compliance services, which represented $1,438,430 and $2,181,222 in 2019 and 2018, respectively, for work related to work opportunity tax credit assistance, foreign sourcing offices' tax compliance, state tax credit assistance, long-term unemployed credits and, for 2018 only, hurricane zone credit assistance. The remaining tax fees for each such year are for tax advisory services related to inventory, as well as income tax advisory services for 2019 only and tax reform advisory services for 2018 only.

(4) Represents for each fiscal year the aggregate fees billed for other products and services, which in each year consisted solely of subscription fees 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 Chairperson (or any Committee member if the Chairperson 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 2019 and 2018.

PROPOSAL 4: **VOTE TO APPROVE CHARTER AMENDMENTS TO REPLACE THE SUPERMAJORITY VOTING REQUIREMENTS CONTAINED THEREIN WITH A MAJORITY VOTING REQUIREMENT**

What are Shareholders Being Asked to Approve?

After careful consideration and upon the recommendation of the Nominating Committee, our Board of Directors voted to approve, and to recommend that our shareholders approve, amendments to our Charter to remove existing supermajority voting standards required for our common stock and to replace them with the majority voting standard described below.

Why is the Board of Directors Recommending the Amendments?

In evaluating the current voting requirements contained in our Charter, the Nominating Committee and our Board of Directors considered, among other matters, certain of the principal positions for and against the current voting standards imposed by our Charter and the viewpoints regarding supermajority voting provisions expressed by our shareholders, and reviewed trends and best practices in corporate governance, as well as the corporate governance practices and policies of a number of other corporations. Supermajority voting requirements like those contained in our Charter are intended to facilitate corporate governance stability and provide protection against self-interested action by large shareholders by requiring broad shareholder consensus to make certain fundamental changes. However, while such protection can be beneficial to shareholders, the Board is aware that some shareholders oppose these provisions, viewing supermajority provisions as limiting the Board's accountability to shareholders and the ability of shareholders to participate in corporate governance.

What are the Proposed Amendments?

Currently, Article 9 of our Charter provides that the affirmative vote of holders of eighty percent (80%) of the voting power of the shares entitled to vote at an election of directors, voting together as a single class, is required to amend or repeal Article 9 of our Charter or to amend, alter, change or repeal, or to adopt any provisions of our Charter or of our Bylaws in a manner that is inconsistent with the purpose and intent of Article 9 of our Charter. Article 9 of our Charter deals with matters relating to our Board, including the method of fixing the size of the Board and the terms of directors, authority to fill director vacancies, and authority to remove directors from office.

Similarly, Article 14 of our Charter currently provides that the affirmative vote of holders of eighty percent (80%) of the voting power of the shares entitled to vote at an election of directors, voting together as a single class, is required to amend or repeal Article 14 of our Charter or to amend, alter, change or repeal, or to adopt any provisions of our Charter or of our Bylaws in a manner that is inconsistent with the purpose and intent of Article 14 of our Charter. Article 14 of our Charter deals with authority to call special meetings of our shareholders.

If this Proposal is approved by a sufficient number of shareholders, only a majority of the voting power of all outstanding shares of the Company entitled to vote at an election of directors, voting together as a single class, would be required to approve any future (1) amendment or repeal of Article 9 and Article 14 of our Charter; and (2) amendment, alteration, change, repeal or adoption of any provision of our Charter or of our Bylaws in a manner that is inconsistent with the purpose and intent of Article 9 or Article 14 of our Charter.

The summary of the proposed amendments to our Charter set forth above is qualified in its entirety by the text of the proposed amendments, which are attached as **Appendix A** to this proxy statement. Additions of text to our Charter contained in **Appendix A** are indicated by underlining and deletions of text are struck through.

When Would the Amendments Become Effective?

If the required shareholder approval is obtained, we would file promptly with the Secretary of State of the State of Tennessee the amendments to our Charter following the annual meeting. If such approval is not obtained, our Charter will not be so amended.

FOR

The Board of Directors unanimously recommends that Shareholders vote FOR the approval of the amendments to the Charter to replace the supermajority voting requirements contained therein with the majority voting requirement described in this proxy statement.

PROPOSAL 5: **VOTE TO APPROVE BYLAWS AMENDMENT TO REPLACE THE SUPERMAJORITY VOTING REQUIREMENT CONTAINED THEREIN WITH A MAJORITY VOTING REQUIREMENT**

What are Shareholders Being Asked to Approve?

After careful consideration and upon the recommendation of the Nominating Committee, our Board of Directors voted to approve, and to recommend that our shareholders approve, an amendment to our Bylaws to remove the existing supermajority voting standard required for our common stock and to replace it with the majority voting standard described below.

Why is the Board of Directors Recommending the Amendment?

In evaluating the current voting requirement contained in our Bylaws, the Nominating Committee and our Board of Directors considered, among other matters, certain of the principal positions for and against the current voting standard imposed by our Bylaws and the viewpoints regarding supermajority voting provisions expressed by our shareholders, and reviewed trends and best practices in corporate governance, as well as the corporate governance practices and policies of a number of other corporations. Supermajority voting requirements like that contained in our Bylaws are intended to facilitate corporate governance stability and provide protection against self-interested action by large shareholders by requiring broad shareholder consensus to make certain fundamental changes. However, while such protection can be beneficial to shareholders, the Board is aware that some shareholders oppose these provisions, viewing supermajority provisions as limiting the Board's accountability to shareholders and the ability of shareholders to participate in corporate governance.

What is the Proposed Amendment?

Currently, Article V, Section 4 of our Bylaws provides that the affirmative vote of holders of at least eighty percent (80%) of the voting power of all the outstanding shares of the Company entitled to vote generally in an election of directors, voting together as a single class, is required to alter, amend, or repeal, or to adopt new, Bylaws.

If this Proposal is approved by a sufficient number of shareholders, only a majority of the voting power of all outstanding shares of the Company entitled to vote in an election of directors, voting together as a single class, would be required to approve any future (1) adoption of new Bylaws; and (2) alteration, amendment or repeal of our Bylaws.

The summary of the proposed amendment to our Bylaws set forth above is qualified in its entirety by the text of the proposed amendment, which is attached as **Appendix B** to this proxy statement. Additions of text to our Bylaws contained in **Appendix B** are indicated by underlining, and deletions of text are struck through.

When Would the Amendment Become Effective?

If the required shareholder approval is obtained, the amendment to our Bylaws would become effective immediately following the annual meeting. If such approval is not obtained, our Bylaws will not be so amended.

FOR

The Board of Directors unanimously recommends that Shareholders vote FOR the approval of the amendment to the Bylaws to replace the supermajority voting requirement contained therein with the majority voting requirement described in this proxy statement.

SHAREHOLDER PROPOSALS FOR 2021 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 Bylaws.

Shareholder Proposals

To be considered for inclusion in our proxy materials relating to the 2021 annual meeting of shareholders (the "2021 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 3, 2020.

New Business at 2021 Annual Meeting

To introduce new business outside of the Rule 14-8 process or to nominate directors (other than a proxy access nomination, which is described below) at the 2021 Annual Meeting, or to recommend a candidate for our Nominating Committee's consideration, you must deliver written notice to us no earlier than the close of business on January 27, 2021 and no later than the close of business on February 26, 2021, and comply with the advance notice provisions of our Bylaws. If we do not receive a properly submitted shareholder proposal by February 26, 2021, 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 2021 Annual Meeting.

Proxy Access

Our 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 Bylaws. In order to be properly brought before our 2021 Annual Meeting, an eligible shareholder's notice of nomination of a director candidate pursuant to the proxy access provisions of our Bylaws must be received by us no earlier than the close of business on November 3, 2020 and no later than the close of business on December 3, 2020, and comply with the other relevant provisions of our Bylaws pertaining to proxy access nominees.

Proposed Charter Amendments

Article 9:

The business and affairs of the corporation shall be managed by a Board of Directors. The number of Directors and their terms shall be established in accordance with the Bylaws of the corporation. A director shall hold office until the annual meeting of shareholders for the year in which his or her term expires and until his or her successor shall be elected and shall qualify; subject, however, to prior death, resignation, retirement, disqualification, or removal from office. Any vacancy on the Board of Directors, including a vacancy that results from an increase in the number of directors or a vacancy that results from the removal of a director with cause, may be filled only by the Board of Directors.

Subject to the rights of any voting group established either in the corporation's Bylaws or by any applicable shareholders' agreement, any director may be removed from office but only for cause and only by (a) the affirmative vote of the holders of a majority of the voting power of the shares entitled to vote in the election of directors, considered for this purpose as one class, or (b) the affirmative vote of a majority of the entire Board of Directors then in office.

Notwithstanding any other provision of this Charter, the affirmative vote of holders of a majority ~~eighty percent (80%)~~ of the voting power of the shares entitled to vote at an election of directors, voting together as a single class, shall be required to amend or repeal this Article 9 of this Charter, or to amend, alter, change or repeal, or to adopt any provisions of this Charter or of the corporation's Bylaws in a manner that is inconsistent with the purpose and intent of this Article 9.

Article 14:

Special meetings of shareholders may be called at any time, but only by the Chairman of the Board of Directors, the Chief Executive Officer of the corporation, or upon a resolution by or affirmative vote of the Board of Directors, and not by the shareholders.

Notwithstanding any other provision of this Charter, the affirmative vote of holders of a majority ~~eighty percent (80%)~~ of the voting power of the shares entitled to vote at an election of directors, voting together as a single class, shall be required to amend or repeal this Article 14 of this Charter, or to amend, alter, change or repeal, or to adopt any provisions of this Charter or of the corporation's Bylaws in a manner that is inconsistent with the purpose and intent of this Article 14.

Proposed Bylaws Amendment

Article V

General Provisions

. . .

Section 4. Amendment of Bylaws. Subject to the provisions of the Charter of the Corporation, these Bylaws may be altered, amended, or repealed or new bylaws may be adopted by the majority vote of the entire Board of Directors at any regular or special meeting of the Board of Directors. Subject to the provisions of the Charter of the Corporation and notwithstanding any other provisions of these Bylaws or any provision of law which might otherwise permit a lesser vote of the shareholders, these Bylaws may be altered, amended, or repealed or new bylaws may be adopted by the affirmative vote of the holders of at least a majority~~80%~~ of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

10-K

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

FORM 10-K

(Mark One)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended January 31, 2020, or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ________ to ________

Commission file number: 001-11421

DOLLAR GENERAL CORPORATION
(Exact name of registrant as specified in its charter)

TENNESSEE *(State or other jurisdiction of incorporation or organization)*	**61-0502302** *(I.R.S. Employer Identification No.)*

100 MISSION RIDGE
GOODLETTSVILLE, TN 37072
(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: **(615) 855-4000**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.875 per share	DG	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock outstanding and held by non-affiliates as of August 2, 2019 was $34.3 billion calculated using the closing market price of the registrant's common stock as reported on the NYSE on such date ($133.69). For this purpose, directors, executive officers and greater than 10% record shareholders are considered the affiliates of the registrant.

The registrant had 251,941,312 shares of common stock outstanding as of March 12, 2020.

DOCUMENTS INCORPORATED BY REFERENCE

Certain of the information required in Part III of this Form 10-K is incorporated by reference to the registrant's definitive proxy statement to be filed for the Annual Meeting of Shareholders to be held on May 27, 2020.

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INTRODUCTION

General

This report contains references to years 2020, 2019, 2018, 2017, 2016, and 2015, which represent fiscal years ending or ended January 29, 2021, January 31, 2020, February 1, 2019, February 2, 2018, February 3, 2017, and January 29, 2016, respectively. Our fiscal year ends on the Friday closest to January 31. Our 2016 fiscal year consisted of 53 weeks, while each of the remaining years listed consists of 52 weeks. All of the discussion and analysis in this report should be read with, and is qualified in its entirety by, the Consolidated Financial Statements and related notes.

Solely for convenience, our trademarks and tradenames may appear in this report without the ® or TM symbol which is not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights or the right to these trademarks and tradenames.

Cautionary Disclosure Regarding Forward-Looking Statements

We include "forward-looking statements" within the meaning of the federal securities laws throughout this report, particularly under the headings "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Note 7 – Commitments and Contingencies," among others. You can identify these statements because they are not limited to historical fact or they use words such as "may," "will," "should," "could," "can," "would," "believe," "anticipate," "project," "plan," "expect," "estimate," "goal," "seek," "ensure," "potential," "opportunity," "objective," "intend," "predict," "committed," "likely," "continue," "strive," "aim," "scheduled," "focused on," or "subject to" and similar expressions that concern our strategies, plans, initiatives, intentions or beliefs about future occurrences or results. For example, all statements relating to, among others, our estimated and projected expenditures, cash flows, results of operations, financial condition and liquidity; our plans and objectives for, and expectations regarding, future operations, economic and competitive market conditions, growth or initiatives, including but not limited to the number of planned store openings, remodels and relocations, store formats, progress of merchandising and other initiatives, trends in sales of consumable and non-consumable products, and level of future costs and expenses; potential future stock repurchases and cash dividends; anticipated borrowing under our unsecured revolving credit agreement and commercial paper program; potential impact of legal or regulatory changes and our responses thereto, including the potential impact of tariffs imposed by the U.S. government; potential impact of the COVID-19 outbreak; anticipated impact of new accounting standards; efforts to improve distribution and transportation efficiencies, including self-distribution; efforts to improve our in-stock position, customer convenience proposition and store labor productivity; or expected outcome or effect of pending or threatened legal disputes, litigation or audits are forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and other factors that may cause our actual results to differ materially from those which we expected. Many of these statements are derived from our operating budgets and forecasts, which are based on many detailed assumptions that we believe are reasonable. However, it is very difficult to predict the effect of known factors, and we cannot anticipate all factors that could affect future results.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in our forward-looking statements are disclosed under "Risk Factors" in Part I, Item 1A and elsewhere in this document (including, without limitation, in conjunction with the forward-looking statements themselves and under the heading "Critical Accounting Policies and Estimates"). All forward-looking statements are qualified in their entirety by these and other cautionary statements that we make from time to time in our other SEC filings and public communications. You should evaluate forward-looking statements in the context of these risks and uncertainties and are cautioned not to place undue reliance on such statements. These factors may not contain all of the factors that are important to you. We cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. Forward-looking statements in this report are made only as of the date hereof. We undertake no obligation, and specifically disclaim any duty, to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as may be required by law.

PART I

ITEM 1. BUSINESS

General

We are among the largest discount retailers in the United States by number of stores, with 16,368 stores located in 45 states as of February 28, 2020, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. We offer a broad selection of merchandise, including consumable items, seasonal items, home products and apparel. Our merchandise includes national brands from leading manufacturers, as well as our own private brand selections with prices at substantial discounts to national brands. We offer our customers these national brand and private brand products at everyday low prices (typically $10 or less) in our convenient small-box locations.

Our History

J.L. Turner founded our Company in 1939 as J.L. Turner and Son, Wholesale. We were incorporated as a Kentucky corporation under the name J.L. Turner & Son, Inc. in 1955, when we opened our first Dollar General store. We changed our name to Dollar General Corporation in 1968 and reincorporated in 1998 as a Tennessee corporation. Our common stock was publicly traded from 1968 until July 2007, when we merged with an entity controlled by investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P., or KKR. In November 2009 our common stock again became publicly traded on the New York Stock Exchange under the symbol “DG”, and in December 2013 the entity controlled by investment funds affiliated with KKR sold its remaining shares of our common stock.

Our Business Model

Our long history of profitable growth is founded on a commitment to a relatively simple business model: providing a broad base of customers with their basic everyday and household needs, supplemented with a variety of general merchandise items, at everyday low prices in conveniently located, small-box stores. We continually evaluate the needs and demands of our customers and modify our merchandise selections and pricing accordingly, while remaining focused on increasing profitability, cash generation and returns for our shareholders.

Our long-term operating priorities remain: 1) driving profitable sales growth, 2) capturing growth opportunities, 3) enhancing our position as a low-cost operator, and 4) investing in our people as a competitive advantage. For more information on these operating priorities, see the “Executive Overview” section of Management’s Discussion and Analysis of Financial Condition and Results of Operations, included in Part II, Item 7 of this report.

In 2019, we achieved our 30th consecutive year of positive same-store sales growth. We believe that this growth, which has taken place in a variety of economic conditions, is a result of our compelling value and convenience proposition, although no assurances can be given that we will continue to achieve positive same-store sales growth in any given year.

Compelling Value and Convenience Proposition. Our ability to deliver highly competitive prices in convenient locations and our easy “in and out” shopping format create a compelling shopping experience that we believe distinguishes us from other discount retailers as well as convenience, drug, grocery, online and mass merchant retailers. Our slogan “Save time. Save money. Every day!” summarizes our appeal to customers. We believe our ability to effectively deliver both value and convenience allows us to succeed in small markets with limited shopping alternatives, as well as in larger and more competitive markets. Our value and convenience proposition is evidenced by the following attributes of our business model:

- *Everyday Low Prices on Quality Merchandise.* Our research indicates that we offer a price advantage over most food and drug retailers and that our prices are competitive with even the largest discount retailers. Our ability to offer everyday low prices on quality merchandise is supported by our low-cost operating structure and our strategy to maintain a limited number of items per merchandise category, which we believe helps us maintain strong purchasing power. We offer nationally advertised brands at these everyday low prices in addition to offering our own private brands at substantially lower prices.

- *Convenient Locations.* Our stores are conveniently located in a variety of rural, suburban and urban communities. We seek to locate our stores in close proximity to our customers, which helps drive customer loyalty and trip frequency and makes us an attractive alternative to large discount and other large-box retail and grocery stores.

- *Time-Saving Shopping Experience.* We strive to provide customers with a highly convenient, easy to navigate shopping experience. Our small-box stores make it easier to get in and out quickly. Our product offering includes most necessities, such as basic packaged and refrigerated or frozen food and dairy products, cleaning supplies, paper products, health and beauty care items, tobacco products, greeting cards and other stationery items, basic apparel, housewares, hardware and automotive supplies, among others. Our convenient hours and broad merchandise offering allow our customers to fulfill their requirements for basic goods and minimize their need to shop elsewhere.

Substantial Growth Opportunities. We believe we have substantial long-term growth potential in the U.S., and we have identified significant opportunities to add new stores in both existing and new markets. In addition, we have opportunities to relocate or remodel locations within our existing store base to better serve our customers. Our attractive store economics, including a relatively low initial investment and simple, low-cost operating model, have allowed us to grow our store base to current levels and provide us significant opportunities to continue our profitable store growth strategy.

Our Merchandise

We offer a focused assortment of everyday necessities, which we believe helps to drive frequent customer visits, and key items in a broad range of general merchandise categories. Our product assortment provides the opportunity for our customers to address most of their basic shopping needs with one trip. We offer a wide selection of nationally advertised brands from leading manufacturers. Additionally, our private brand products offer even greater value with options to purchase both products that are of comparable quality to national brands as well as opening price point items, each at substantial discounts to the national brands.

Consumables is our largest merchandise category and has continued to become a larger percentage of our total sales as indicated in the table below. Consumables include paper and cleaning products (such as paper towels, bath tissue, paper dinnerware, trash and storage bags, and laundry); packaged food (such as cereals, canned soups and vegetables, condiments, spices, sugar and flour); perishables (such as milk, eggs, bread, refrigerated and frozen food, beer and wine); snacks (such as candy, cookies, crackers, salty snacks and carbonated beverages); health and beauty (such as over-the-counter medicines and personal care products including soap, body wash, shampoo, cosmetics, dental hygiene and foot care products); pet (such as pet supplies and pet food); and tobacco products.

Seasonal products include holiday items, toys, batteries, small electronics, greeting cards, stationery, prepaid phones and accessories, gardening supplies, hardware, automotive and home office supplies.

Home products include kitchen supplies, cookware, small appliances, light bulbs, storage containers, frames, candles, craft supplies and kitchen, bed and bath soft goods.

Apparel includes casual everyday apparel for infants, toddlers, girls, boys, women and men, as well as socks, underwear, disposable diapers, shoes and accessories.

The percentage of net sales of each of our four categories of merchandise for the fiscal years indicated below was as follows:

	2019	2018	2017
Consumables	78.0 %	77.5 %	76.9 %
Seasonal	11.7 %	11.9 %	12.1 %
Home products	5.8 %	5.9 %	6.0 %
Apparel	4.5 %	4.7 %	5.0 %

Our seasonal and home products categories typically account for the highest gross profit margins, and the consumables category typically accounts for the lowest gross profit margin.

The Dollar General Store

The typical Dollar General store is operated by a store manager, one or more assistant store managers, and three or more sales associates. Our stores generally feature a low-cost, no frills building with limited maintenance capital, low operating costs, and a focused merchandise offering within a broad range of categories, allowing us to deliver low retail prices while generating strong cash flows and capital investment returns. Our stores average approximately 7,400 square feet of selling space, and approximately 75% of our stores are located in towns of 20,000 or fewer people. We generally have had good success in locating suitable store sites in the past, and we believe that there is ample opportunity for new store growth in existing and new markets. In addition, we believe we have significant opportunities available for our relocation and remodel programs.

Our store growth over the past three years is summarized in the following table:

Year	Stores at Beginning of Year	Stores Opened	Stores Closed	Net Store Increase	Stores at End of Year
2017	13,320	1,315	101	1,214	14,534
2018	14,534	900	64	836	15,370
2019	15,370	975	67	908	16,278

Our Customers

Our customers seek value and convenience. Depending on their financial situation and geographic proximity, customers' reliance on Dollar General varies from fill-in shopping, to making periodic trips to stock up on household items, to making weekly or more frequent trips to meet most essential needs. We generally locate our stores and plan our merchandise selections to best serve the needs of our core customers, the low and fixed income households often underserved by other retailers, and we are focused on helping them make the most of their spending dollars. At the same time, however, Dollar General shoppers from a wide range of income brackets and life stages appreciate our quality merchandise as well as our attractive value and convenience proposition.

Our Suppliers

We purchase merchandise from a wide variety of suppliers and maintain direct buying relationships with many producers of national brand merchandise. Despite our broad offering, we maintain only a limited number of items per category, allowing us to keep our average costs low. Our two largest suppliers each accounted for approximately 8% of our purchases in 2019. Our private brands come from a wide variety of suppliers. We directly imported approximately 6% of our purchases at cost in 2019.

We consistently have been able to obtain sufficient quantities of core merchandise and believe that, if one or more of our current sources of supply became unavailable, we generally would be able to obtain alternative sources; however, such alternative sources could increase our merchandise costs and supply chain lead time and expenses, result in a temporary reduction in store inventory levels, reduce our selection, or reduce the quality of our merchandise, and an inability to obtain alternative sources could adversely affect our sales.

Distribution and Transportation

Our stores are currently supported by distribution centers for non-refrigerated merchandise located strategically throughout our geographic footprint. We lease additional temporary warehouse space as necessary to support our distribution needs. In addition to our traditional distribution centers, we now operate multiple temperature-controlled distribution facilities in support of "DG Fresh", our strategic, multi-phased shift to self-distribution of frozen and refrigerated goods, such as dairy, deli and frozen products. We regularly analyze and rebalance the network to ensure that it remains efficient and provides the service levels our stores require. See "—Properties" below for additional information pertaining to our distribution centers.

Most of our merchandise flows through our distribution centers and is delivered to our stores by third-party trucking firms, utilizing our trailers. We also own more than 300 semi-trailer trucks with which we transport our merchandise. In addition, vendors or third-party distributors deliver or ship certain food items and other merchandise directly to our stores.

Seasonality

Our business is somewhat seasonal. Generally, our most profitable sales mix occurs in the fourth quarter, which includes the Christmas selling season. In addition, our quarterly results can be affected by the timing of certain holidays, new store openings, remodels, relocations and store closings. We typically purchase substantial amounts of inventory and incur higher shipping and payroll costs in the third quarter in anticipation of increased sales activity during the fourth quarter. See Note 12 to the consolidated financial statements for additional information.

Our Competition

We operate in the basic discount consumer goods market, which is highly competitive with respect to price, customers, store location, merchandise quality, assortment and presentation, service offerings, in-stock consistency, customer service, promotional activity, employees, and market share. We compete with discount stores and many other retailers, including mass merchandise, warehouse club, grocery, drug, convenience, variety, online, and certain specialty stores. These other retail companies operate stores in many of the areas where we operate, and many of them engage in extensive advertising and marketing efforts. Our direct competitors include Family Dollar, Dollar Tree, Big Lots, 99 Cents Only and various local, independent operators, as well as Walmart, Target, Kroger, Aldi, Lidl, Walgreens, CVS, and RiteAid, among others. Certain of our competitors have greater financial, distribution, marketing and other resources than we do and may be able to secure better arrangements from suppliers than we can. Competition is intense and we believe it will continue to be so, with certain competitors reducing their store locations while others move into or increase their presence in our geographic and product markets and increase the availability of mobile, web-based and other digital technology to facilitate a more convenient and competitive customer online and in-store shopping experience.

We believe that we differentiate ourselves from other forms of retailing by offering consistently low prices in a convenient, small-store format. We are able to maintain competitive prices due in part to our low-cost operating structure and the relatively limited assortment of products offered. Purchasing large volumes of merchandise within our focused assortment in each merchandise category allows us to keep our average product costs low, contributing to our ability to offer competitive everyday low prices to our customers. See "—Our Business Model" above for further discussion of our competitive situation.

Our Employees

As of February 28, 2020, we employed approximately 143,000 full-time and part-time employees, including divisional and regional managers, district managers, store managers, other store personnel and distribution center and administrative personnel. We have increasingly focused on recruiting, training, motivating and retaining employees, and we believe that the quality, performance and morale of our employees continue to be an important part of our success in recent years. We believe our overall relationship with our employees is good.

Our Trademarks

We own marks that are registered with the United States Patent and Trademark Office and are protected under applicable intellectual property laws. We attempt to obtain registration of our trademarks whenever practicable and to pursue vigorously any infringement of those marks. Our trademark registrations have various expiration dates; however, assuming that the trademark registrations are properly renewed, they have a perpetual duration. We also hold an exclusive license to the Rexall brand through at least March 5, 2026 and the Believe Beauty brand through at least March 23, 2022.

Available Information

Our Internet website address is www.dollargeneral.com. The information on our website is not incorporated by reference into, and is not a part of, this Form 10-K. We file with or furnish to the Securities and Exchange Commission (the "SEC") annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, proxy statements and annual reports to shareholders, and, from time to time, registration statements and other documents. These documents are available free of charge to investors on or through the Investor Information section of our website as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. The SEC also maintains an internet site that contains reports, proxy and information statements and other information regarding issuers, such as Dollar General, that file electronically with the SEC. The address of that website is http://www.sec.gov.

ITEM 1A. RISK FACTORS

Investment in our Company involves risks. You should carefully consider the risks described below and the other information in this report and other filings that we make from time to time with the SEC, including our consolidated financial statements and accompanying notes. Any of the following risks could materially and adversely affect our business, financial condition, results of operations or liquidity. These risks are not the only risks we face. Our business, financial condition, results of operations or liquidity could also be adversely affected by additional factors that apply to all companies generally or by risks not currently known to us or that we currently view to be immaterial. We can provide no assurance and make no representation that our risk mitigation efforts, although we believe they are reasonable, will be successful.

Economic factors may reduce our customers' spending, impair our ability to execute our strategies and initiatives, and increase our costs and expenses, which could result in materially decreased sales or profitability.

Many of our customers have fixed or low incomes and limited discretionary spending dollars. Any factor that could adversely affect their disposable income could decrease our customers' spending or cause them to shift their spending to our lower margin product choices, which could result in materially decreased sales and profitability. Factors that could reduce our customers' disposable income include but are not limited to high unemployment or underemployment levels or decline in real wages; inflation; higher fuel, energy, healthcare and housing costs, interest rates, consumer debt levels, and tax rates; tax law changes that negatively affect credits and refunds; lack of available credit; and decreases in, or elimination of, government subsidies such as unemployment and food assistance programs.

Many of the economic factors listed above, as well as commodity rates; transportation, lease and insurance costs; wage rates; foreign exchange rate fluctuations; measures that create barriers to or increase the costs of international trade (including increased import duties or tariffs); changes in applicable laws and regulations; and other economic factors, also could impair our ability to successfully execute our strategies and initiatives, as well as increase our cost of goods sold and selling, general and administrative expenses (including real estate costs), and may have other adverse consequences that we are unable to fully anticipate or control, all of which may materially decrease our sales or profitability.

Our plans depend significantly on strategies and initiatives designed to increase sales and profitability and improve the efficiencies, costs and effectiveness of our operations, and failure to achieve or sustain these plans could materially affect our results of operations.

We have short-term and long-term strategies and initiatives (such as those relating to merchandising, real estate and new store development, store formats, digital, shrink, sourcing, private brand, inventory management, supply chain, store operations, expense reduction, and technology) in various stages of testing, evaluation, and implementation, which are designed to continue to improve our results of operations and financial condition. The effectiveness of these initiatives is inherently uncertain, even when tested successfully, and is dependent on consistency of training and execution, workforce stability, ease of execution, and the absence of offsetting factors that can influence results adversely. Many of these factors are made even more challenging by the number and diverse geographic locations of our stores and distribution centers and our decentralized field management. Other risk factors described herein also could negatively affect general implementation. Failure to achieve successful or cost-effective implementation of our initiatives could materially adversely affect our business, results of operations and financial condition.

The success of our merchandising initiatives, particularly our non-consumable initiatives and efforts to increase sales of higher margin products within the consumables category, further depends in part upon our ability to predict the products that our customers will demand and to identify and timely respond to evolving trends in demographic mixes in our markets and consumer preferences. If we are unable to select and timely obtain products that are attractive to customers and at costs that allow us to sell them at an acceptable profit, or to effectively market such products, it could result in materially decreased sales and profitability.

The success of our DG Fresh initiative, our cold chain self-distribution initiative, further depends in part on our ability to effectively transition these distribution operations from our current service providers without business disruption, as well as on the availability of certain supply chain resources, including temperature-controlled distribution centers, refrigerated transportation equipment, and drivers. The success of our Fast Track initiative, which is designed to enhance our in-store labor productivity, on-shelf availability and customer convenience, further depends in part on customer interest and adoption of self-checkout, our ability to gain cost efficiencies and control shrink levels from the initiative, vendor cooperation, and successful implementation and maintenance of the necessary technology.

If we cannot timely and cost-effectively execute our real estate projects and meet our financial expectations, or if we do not anticipate or successfully address the challenges imposed by our expansion, including into new states or urban areas, it could materially impede our planned future growth and our profitability.

Delays in or failure to complete a significant portion of our real estate projects, or failure to meet our financial expectations for these projects, could materially adversely affect our growth and our profitability. Our ability to timely open, relocate and remodel profitable stores and expand into additional market areas is a key component of our planned future growth and may depend in part on: the availability of suitable store locations and capital funding; the absence of entitlement process or occupancy delays, including zoning restrictions and moratoria on small box discount retail development passed by local governments; the ability to negotiate acceptable lease and development terms (for example, real estate development requirements and cost of building materials and labor), to cost-effectively hire and train new personnel, especially store managers, and to identify and accurately assess sufficient customer demand; and general economic conditions.

We also may not anticipate or successfully address all of the challenges imposed by the expansion of our operations, including into new states or urban areas where we have limited or no meaningful experience or brand recognition. Those areas may have different competitive and market conditions, consumer tastes and discretionary spending patterns than our existing markets, as well as higher cost of entry and operating costs. These factors may cause our new stores to be less profitable than stores in our existing markets, which could slow future growth in these areas. In addition, many new stores will be located in areas where we have existing stores, which inadvertently may temporarily or permanently divert a larger than anticipated number of customers and sales from our existing stores, thereby adversely affecting our overall financial performance.

We face intense competition that could limit our growth opportunities and materially adversely affect our results of operations and financial condition.

The retail business is highly competitive with respect to price, customers, store location, merchandise quality, product assortment and presentation, service offerings, in-stock consistency, customer service, ease of shopping experience, promotional activity, employees, and market share. We compete with discount stores and many other retailers, including mass merchandise, warehouse club, grocery, drug, convenience, variety, online retailers, and certain specialty stores. To maintain our competitive position, we may be required to lower prices, either temporarily or permanently, and may have limited ability to increase prices in response to increased costs, resulting in lower margins and reduced profitability. Certain of our competitors have greater financial, distribution, marketing and other resources, and may be able to secure better arrangements with suppliers, than we can.

Competition is intense, and is expected to continue to be so, with certain competitors reducing their store locations while others enter or increase their presence in our geographic and product markets (including through the expansion of availability of delivery services) and expand availability of mobile, web-based and other digital technologies to facilitate a more convenient and competitive online and in-store shopping experience. If our competitors or others were to enter our industry in a significant way, including through alliances or other business combinations, it could significantly alter the competitive dynamics of the retail marketplace and result in competitors with greatly improved competitive positions, which could materially affect our financial performance. Our ability to effectively compete will depend substantially upon our continued ability to develop and execute compelling and cost-effective strategies and initiatives. If we fail to anticipate or respond effectively to competitive pressures and industry changes, it could materially affect our results of operations and financial condition.

Inventory shrinkage may negatively affect our results of operations and financial condition.

We experience significant inventory shrinkage. Although some level of inventory shrinkage is an unavoidable cost of doing business, higher rates of inventory shrinkage or increased security or other costs to combat inventory theft could adversely affect our results of operations and financial condition. There can be no assurance that we will be successful in our efforts to reduce inventory shrinkage.

Our cash flows from operations, profitability and financial condition may be negatively affected if we are not successful in managing our inventory balances.

Our inventory balance represented approximately 55% of our total assets exclusive of goodwill, operating lease assets, and other intangible assets as of January 31, 2020. Efficient inventory management is a key component of our business success and profitability. We must maintain sufficient inventory levels and an appropriate product mix to meet our customers' demands without allowing those levels to increase such that the costs to store and hold the goods unduly impacts our financial results or increases the risk of inventory shrinkage. If we do not accurately predict customer trends, spending levels, or price sensitivity, we may have to take unanticipated markdowns to dispose of the excess inventory, which also can adversely affect our financial results. We continue to focus on ways to reduce these risks, but we cannot make assurances that we will be successful in our inventory management. If we are not successful in managing our inventory balances, our cash flows from operations and financial condition may be negatively affected.

Failure to maintain the security of our business, customer, employee or vendor information or to comply with privacy laws could expose us to litigation, government enforcement actions and costly response measures, and could materially harm our reputation and affect our business and financial performance.

In connection with sales, we transmit confidential credit and debit card information which is encrypted using point-to-point encryption. We also have access to, collect or maintain certain private or confidential information regarding our customers, employees and their dependents, and vendors, as well as our business. Some of this information is stored electronically in connection with our e-commerce and mobile applications, some of which may leverage third-party service providers. Additionally, we may share information with select vendors that assist us in conducting our business. While we have implemented procedures and technology intended to protect such information and require appropriate controls of our service providers, cyberattackers could compromise such controls and obtain such information, as cyberattacks are becoming increasingly sophisticated and do not always immediately produce signs of intrusion. Moreover, inadvertent or malicious employee actions could result in a defeat of security measures and compromise our or our third-party vendors' information systems. Like other retailers, we and our vendors have experienced threats to data and systems, including by perpetrators of attempted random or targeted malicious cyberattacks, computer viruses, worms, bot attacks or other destructive or disruptive software and attempts to misappropriate our information and cause system failures and disruptions. If cyberattackers obtain customer, employee or vendor passwords through unrelated third-party breaches, these passwords could be used to gain access to their information or accounts with us.

Because we accept debit and credit cards for payment, we are subject to industry data protection standards and protocols, such as the Payment Card Industry Data Security Standards, issued by the Payment Card

Industry Security Standards Council. Nonetheless, we may be vulnerable to, and unable to detect and appropriately respond to, data security breaches and data loss, including cybersecurity attacks or other breaches of cardholder data.

A significant security breach of any kind experienced by us or one of our vendors, which could be undetected for a period of time, or a significant failure by us or one of our vendors to comply with applicable privacy and information security laws, regulations and standards could expose us to risks of data loss, litigation, government enforcement actions, fines or penalties, credit card brand assessments, negative publicity and reputational harm, business disruption and costly response measures (for example, providing notification to, and credit monitoring services for, affected individuals, as well as further upgrades to our security measures) which may not be covered by or may exceed the coverage limits of our insurance policies, and could materially disrupt our operations. Any resulting negative publicity could significantly harm our reputation which could cause us to lose market share as a result of customers discontinuing the use of our e-commerce and mobile applications or debit or credit cards in our stores or not shopping in our stores altogether and could materially adversely affect our business and financial performance.

Material damage or interruptions to our information systems as a result of external factors, staffing shortages or challenges in maintaining or updating our existing technology or developing or implementing new technology could materially adversely affect our business and results of operations.

We depend on a variety of information technology systems, including systems owned and managed by third-party vendors, for the efficient functioning of our business, including, without limitation, transaction processing and the management of our employees, facilities, logistics, inventories, stores and customer-facing digital applications and operations. Our technology initiatives may not deliver desired results or may do so on a delayed schedule. Additionally, such systems are subject to damage or interruption from power surges and outages, facility damage, physical theft, computer and telecommunications failures, inadequate or ineffective redundancy, malicious code (including computer viruses, worms, ransomware, or similar), cyberattacks (including account compromise; phishing; denial of service attacks; and application, network or system vulnerability exploitation), software upgrade failures or code defects, natural disasters and human error. Design defects or damage or interruption to these systems may require a significant investment to fix or replace, disrupt our operations, result in the loss or corruption of critical data, and harm our reputation, all of which could materially adversely affect our business or results of operations.

We also rely heavily on our information technology staff. Failure to meet these staffing needs may negatively affect our ability to fulfill our technology initiatives while continuing to provide maintenance on existing systems. We rely on third parties to maintain and periodically upgrade many of these systems so that they can continue to support our business. We license the software programs supporting many of our systems from independent software developers. The inability of these vendors, developers or us to continue to maintain and upgrade these systems and software programs could disrupt or reduce the efficiency of our operations if we were unable to convert to alternate systems in an efficient and timely manner and could expose us to greater risk of a cyberattack. In addition, costs and delays associated with the implementation of new or upgraded systems and technology, including the migration of applications to the cloud, or with maintenance or adequate support of existing systems also could disrupt or reduce the efficiency of our operations, fail to operate as designed, result in the potential loss or corruption of data or information, disrupt operations and affect our ability to meet business and reporting requirements and adversely affect our profitability.

A significant disruption to our distribution network, the capacity of our distribution centers or the timely receipt of inventory could adversely affect sales or increase our transportation costs, which would decrease our profitability.

We rely on our distribution and transportation network to provide goods to our stores timely and cost-effectively. Using various transportation modes, including ocean, rail, and truck, we and our vendors move goods from vendor locations to our distribution centers and our stores. Any disruption, unanticipated or unusual expense or operational failure related to this process (for example, delivery delays, including as a result of pandemic outbreaks, or increases in transportation costs, including increased fuel costs, import freight costs, carrier or driver wages as a result of driver shortages; a decrease in transportation capacity for overseas shipments; labor shortages; or work stoppages for slowdowns) could negatively impact sales and profits. Labor shortages or work stoppages in the transportation industry or disruptions to the national and international transportation infrastructure that lead to delivery delays or that necessitate our securing alternative labor or shipping suppliers could also increase our costs or otherwise negatively affect our business. The recent outbreak of the strain of COVID-19 has led various governments to take precautionary measures to limit the spread of the virus, including port closures and other restrictions, which could disrupt the global transportation and distribution of goods resulting in product delivery delays or higher delivery prices. As of the date of this filing, we do not anticipate that supply chain disruptions either known or experienced to date as a result of the COVID-19 outbreak are likely to have a material impact on our financial results in 2020. However, the extent to which the COVID-19 outbreak may impact our distribution network, results of operations (including sales) or business in the future is uncertain as the situation continues to evolve, and such impact could be more significant.

We maintain a network of distribution facilities and are moving forward with plans to build or lease new facilities to support our growth objectives and strategic initiatives. Delays in opening such facilities could adversely affect our financial performance by slowing store growth or the rollout of certain strategic initiatives such as our DG Fresh initiative, which may in turn reduce revenue growth, or by increasing transportation and product costs. In addition, distribution-related construction or expansion projects entail risks that could cause delays and cost overruns, such as: shortages of materials or skilled labor; work stoppages; unforeseen construction, scheduling, engineering, environmental or geological problems; weather interference; fires or other casualty losses; and unanticipated cost increases. For these reasons, the completion date and ultimate cost of these projects could differ significantly from initial expectations, and we cannot guarantee that any project will be completed on time or within established budgets.

Risks associated with or faced by our suppliers could adversely affect our financial performance.

We source our merchandise from a wide variety of domestic and international suppliers, and we depend on them to supply merchandise in a timely and efficient manner. In 2019, our two largest suppliers each accounted for approximately 8% of our purchases. If one or more of our current sources of supply became unavailable, we believe we generally would be able to obtain alternative sources, but it could increase our merchandise costs and supply chain lead time, result in a temporary reduction in store inventory levels, and reduce the selection and quality of our merchandise. An inability to obtain alternative sources could materially decrease our sales. Additionally, if a supplier fails to deliver on its commitments, we could experience merchandise out-of-stocks that could lead to lost sales and reputational harm. Further, failure of suppliers to meet our compliance protocols could prolong our procurement lead time, resulting in lost sales and adverse margin impact.

We directly imported approximately 6% of our purchases (measured at cost) in 2019, but many of our domestic vendors directly import their products or components of their products. Changes to the prices and flow of these goods for any reason, such as political unrest, acts of war, currency fluctuations, disruptions in maritime lanes, port labor disputes, economic conditions and instability in countries in which foreign suppliers are located, the financial instability of suppliers, failure to meet our standards, issues with our suppliers' labor practices or labor problems they may experience (such as strikes, stoppages or slowdowns, which could also increase labor costs during and following the disruption), the availability and cost of raw materials, pandemic outbreaks, merchandise quality or safety issues, transport availability and cost, increases in wage rates and taxes, transport security, inflation, and other factors relating to suppliers and the countries in which they are located or from which they import, often are beyond our control and could adversely affect our operations and profitability.

While we are working to diversify our sources of imported goods, a substantial amount of our imported merchandise comes from China, and thus, a change in the Chinese leadership, the effects of pandemic outbreaks including COVID-19, economic and market conditions, internal economic stimulus actions, or currency or other policies, as well as trade relations between China and the United States and increases in costs of labor and wage taxes, could negatively impact our merchandise costs. We currently expect delays in the receipt of certain goods as a result of the COVID-19 outbreak, but as of the date of this filing, we do not anticipate that these known supply chain disruptions experienced to date as a result of the COVID-19 outbreak are likely to have a material impact on our financial results in 2020. However, the extent to which the COVID-19 outbreak may impact our supply chain, results of operations (including sales) or business in the future is uncertain as the situation continues to evolve, and such impact could be more significant. In addition, the United States' foreign trade policies, duties, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries (particularly China), import limitations on certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade and port labor agreements are beyond our control. These and other factors affecting our suppliers and our access to products could adversely affect our business and financial performance. If we increase our product imports from foreign vendors, the risks associated with these imports also will increase, and we may be exposed to additional or different risks as we increase imports of goods produced in countries other than China.

Product liability, product recall or other product safety or labeling claims could adversely affect our business, reputation and financial performance.

We are dependent on our vendors to ensure that the products we buy from them comply with applicable product safety and labeling laws and regulations and to inform us of all applicable restrictions on the sale of such products. Nonetheless, product liability, personal injury or other claims may be asserted against us relating to product contamination, tampering, expiration, mislabeling, recall and other safety or labeling issues, including those relating to products that we may self-distribute through our DG Fresh initiative.

We seek but may not be successful in obtaining contractual indemnification and insurance coverage from our vendors. If we do not have adequate contractual indemnification or insurance available, such claims could materially adversely affect our business, financial condition and results of operations. Our ability to obtain indemnification from foreign vendors may be hindered by our ability to obtain jurisdiction over them to enforce contractual obligations. Even with adequate insurance and indemnification, such claims could significantly harm our reputation and consumer confidence in our products and we could incur significant litigation expenses, which also could materially affect our results of operations even if a product liability claim is unsuccessful or not fully pursued.

A significant change in governmental regulations and requirements could materially increase our cost of doing business, and noncompliance with governmental regulations could materially adversely affect our financial performance.

We routinely incur significant costs in complying with numerous and frequently changing laws and regulations. The complexity of this regulatory environment and related compliance costs are increasing due to additional legal and regulatory requirements, our expanding operations, and increased regulatory scrutiny and enforcement efforts. New or revised laws, regulations, policies and related interpretations and enforcement practices, particularly those dealing with environmental compliance, product and food safety or labeling, information security and privacy, labor and employment, employee wages, and those governing the sale of products, may significantly increase our expenses or require extensive system and operating changes that could materially increase our cost of doing business. Violations of applicable laws and regulations or untimely or incomplete execution of a required product recall can result in significant penalties (including loss of licenses, eligibility to accept certain government benefits such as SNAP or significant fines), class action or other litigation, and reputational damage. Additionally, changes in tax laws, the interpretation of existing laws, or our failure to sustain our reporting positions on examination could adversely affect our overall effective tax rate.

Legal proceedings may adversely affect our reputation, business, results of operations and financial condition.

Our business is subject to the risk of litigation or other legal proceedings by employees, consumers, suppliers, competitors, shareholders, government agencies and others through private actions, class actions, multi-district litigation, arbitrations, derivative actions, administrative proceedings, regulatory actions or other litigation. For example, we are involved in certain legal proceedings as discussed in Note 7 to the consolidated financial statements. The outcome of legal proceedings, particularly class action or multi-district litigation or mass arbitrations and regulatory actions, can be difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss may remain unknown for lengthy periods. In addition, certain of these matters, if decided adversely to us or settled by us, may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required, and sometimes these developments are unanticipated. Legal proceedings in general, and class actions, multi-district litigation and derivative actions in particular, can be expensive and disruptive, and adverse publicity could harm our reputation, regardless of the validity of the allegations. As a result, legal proceedings may adversely affect our business, results of operations and financial condition. See also Note 7 to the consolidated financial statements.

Our current insurance program may expose us to unexpected costs and negatively affect our financial performance.

Our insurance coverage reflects deductibles, self-insured retentions, limits of liability and similar provisions that we believe are prudent based on our operations. However, there are types of losses we may incur but against which we cannot be insured or which we believe are not economically reasonable to insure, such as losses due to acts of war, certain crimes, including employee crime, certain wage and hour and other employment-related claims and litigation, actions based on certain consumer protection laws, and some natural and other disasters or similar events. If we incur material uninsured losses, our financial performance could suffer. Certain material events may result in sizable losses for the insurance industry and adversely affect the availability of adequate insurance coverage or result in excessive premium increases. To offset negative insurance market trends, we may elect to self-insure, accept higher deductibles or reduce the amount of coverage. In addition, we self-insure a significant portion of expected losses under our workers' compensation, automobile liability, general liability (including claims made against certain of our landlords) and group health insurance programs. Significant changes in actuarial assumptions and management estimates underlying our recorded liabilities for these losses, including expected increases in medical and indemnity costs, could result in materially different expenses than expected under these programs, which could materially adversely affect our results of operations and financial condition. Although we maintain property insurance for catastrophic events at our store support center and distribution centers, we are effectively self-insured for other property losses. If we experience a greater number of these losses than we anticipate, our financial performance could be adversely affected.

Natural disasters and unusual weather conditions (whether or not caused by climate change), pandemic outbreaks or other health crises, acts of violence or terrorism, and global political events could disrupt business and result in lower sales and otherwise adversely affect our financial performance.

The occurrence of one or more natural disasters, such as hurricanes, fires, floods, tornadoes and earthquakes, unusual weather conditions, pandemic outbreaks or other health crises (including but not limited to the COVID-19 outbreak), acts of violence or terrorism (including within our stores, distribution centers or other Company property), or disruptive global political events, such as civil unrest in countries in which our suppliers are located, or similar disruptions could adversely affect our reputation, business and financial performance. If any of these events result in the closure of one or more of our distribution centers, a significant number of stores, or our corporate headquarters or impact one or more of our key suppliers, our operations and financial performance could be materially adversely affected through an inability to make deliveries or provide other support functions to our stores and through lost sales. These events also could affect consumer shopping patterns or prevent customers from reaching our stores, which could lead to lost sales and higher markdowns, or result in increases in fuel or other energy prices, a fuel shortage, store or distribution center opening delays, the temporary lack of an adequate work force in a market, the temporary or long-term disruption of product availability in our stores, the temporary or long-term inability to obtain technology needed to effectively run our business, and disruption of our utility services or information systems. These events may also increase the costs of insurance if they result in significant loss of property or other insurable damage.

Failure to attract, train and retain qualified employees while controlling labor costs, as well as other labor issues, could adversely affect our financial performance.

Our future growth and performance, positive customer experience and legal and regulatory compliance depends on our ability to attract, train, retain and motivate qualified employees while operating in an industry challenged by historically high rates of employee turnover. Our ability to meet our labor needs, while controlling our labor costs, is subject to many external factors, including competition for and availability of qualified personnel, unemployment levels, wage rates, minimum wage laws, health and other insurance costs, changes in employment and labor laws or other workplace regulations (including changes in employee benefit programs such as health insurance and paid leave programs), employee activism, and our reputation and relevance within the labor market. If we are unable to attract, train and retain adequate numbers of qualified employees, our operations, customer service levels, legal and regulatory compliance, and support functions could suffer. In addition, to the extent a significant portion of our employee base unionizes, or attempts to unionize, our labor and other related costs could increase. Our ability to pass along labor and other related costs to our customers is constrained by our everyday low price model, and we may not be able to offset such increased costs elsewhere in our business.

Our success depends on our executive officers and other key personnel. If we lose key personnel or are unable to hire additional qualified personnel, our business may be harmed.

Our future success depends to a significant degree on the skills, experience and efforts of our executive officers and other key personnel. The unexpected loss of the services of any of such persons could adversely affect our operations. There can be no assurance that our executive succession planning, retention or hiring efforts will be successful. Competition for skilled and experienced management personnel is intense, and our future success will also depend on our ability to attract and retain qualified personnel, and a failure to attract and retain new qualified personnel could adversely affect our operations.

Our private brands may not be successful in improving our gross profit rate and may increase certain of the risks we face.

The sale of private brand items is an important component of our sales growth and gross profit rate enhancement plans. Broad market acceptance of our private brands depends on many factors, including pricing, quality, customer perception, and timely development and introduction of new products. We cannot give assurance that we will achieve or maintain our expected level of private brand sales. The sale and expansion of these offerings also subjects us to or increases certain risks, such as: product liability claims and product recalls; disruptions in raw material and finished product supply and distribution chains; inability to successfully protect our proprietary rights; claims related to the proprietary rights of third parties; and other risks generally encountered by entities that source, sell and market exclusive branded offerings for retail. Failure to appropriately address these risks could materially adversely affect our private brand initiatives, reputation, results of operations and financial condition.

Because our business is somewhat seasonal, adverse events during the fourth quarter could materially affect our financial statements as a whole.

Primarily because of sales of Christmas-related merchandise, our most profitable sales mix generally occurs in the fourth quarter. In anticipation of this holiday, we purchase substantial amounts of seasonal inventory, and if sales fall below seasonal norms or our expectations it could result in unanticipated markdowns. Adverse events, such as deteriorating economic conditions, high unemployment rates, high gas prices, transportation disruptions, or unusual or unanticipated adverse weather could result in lower-than-planned sales during the Christmas selling season, which in turn could reduce our profitability and otherwise adversely affect our financial performance and operating results.

Deterioration in market conditions or changes in our credit profile could adversely affect our business operations and financial condition.

We rely on the positive cash flow we generate from our operating activities and our access to the credit and capital markets to fund our operations, growth strategy, and return of cash to our shareholders through share repurchases and dividends. Changes in the credit and capital markets, including market disruptions, limited liquidity and interest rate fluctuations, may increase the cost of financing or restrict our access to these potential sources of future liquidity. Our continued access to liquidity sources on favorable terms depends on multiple factors, including our operating performance and credit ratings. Our debt securities currently are rated investment grade, and a downgrade of this rating likely would negatively impact our access to the debt capital markets and increase our cost of borrowing. As a result, disruptions in the debt markets or any downgrade of our credit ratings could adversely affect our business operations and financial condition and our ability to return cash to our shareholders. We can make no assurances that our ability to obtain additional financing through the debt markets will not be adversely affected by economic conditions or that we will be able to maintain or improve our current credit ratings.

New accounting guidance or changes in the interpretation or application of existing accounting guidance could adversely affect our financial performance.

The implementation of new accounting standards could require certain systems, internal process and controls and other changes that could increase our operating costs, and will result in changes to our financial statements. In 2019 for example, the implementation of accounting standards related to leases, as issued by the Financial Accounting Standards Board, required us to make significant changes to our lease management and other accounting systems, and resulted in a material impact to our consolidated financial statements.

U.S. generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business involve many subjective assumptions, estimates and judgments by our management. Changes in these rules or their interpretation or in underlying management assumptions, estimates or judgments could significantly change our reported or expected financial performance. The outcome of such changes could include litigation or regulatory actions which could adversely affect our financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of February 28, 2020, we operated 16,368 retail stores located in 45 states as follows:

State	Number of Stores	State	Number of Stores
Alabama	796	Nevada	22
Arizona	121	New Hampshire	40
Arkansas	452	New Jersey	148
California	226	New Mexico	99
Colorado	51	New York	495
Connecticut	64	North Carolina	870
Delaware	47	North Dakota	42
Florida	900	Ohio	858
Georgia	915	Oklahoma	461
Illinois	578	Oregon	57
Indiana	566	Pennsylvania	781
Iowa	264	Rhode Island	20
Kansas	247	South Carolina	564
Kentucky	565	South Dakota	55
Louisiana	574	Tennessee	815
Maine	58	Texas	1,552
Maryland	140	Utah	11
Massachusetts	50	Vermont	37
Michigan	574	Virginia	435
Minnesota	163	West Virginia	249
Mississippi	538	Wisconsin	192
Missouri	547	Wyoming	1
Nebraska	128		

Most of our stores are located in leased premises. Individual store leases vary as to their terms, rental provisions and expiration dates. Many stores, including a significant portion of our new stores, are subject to build-to-suit arrangements with landlords, which typically carry a primary lease term of up to 15 years with multiple renewal options. We also have stores subject to shorter-term leases, and many of these leases have renewal options.

As of February 28, 2020, we operated 17 distribution centers for non-refrigerated merchandise with approximately 16.9 million square feet, four of which are leased and the remainder of which are owned. Approximately 7.25 acres of the land for one of the distribution centers is subject to a ground lease. We also leased approximately 1.1 million square feet of warehouse space in support of our distribution network for non-refrigerated merchandise. In addition, we operated five cold storage distribution centers with approximately 1.1 million square feet, four of which are leased and one of which is owned, and we have executed leases for two additional cold storage distribution centers with approximately 0.7 million square feet, which are expected to be operational later in 2020.

Our executive offices are located in approximately 302,000 square feet of owned buildings and approximately 42,000 square feet of leased office space in Goodlettsville, Tennessee.

ITEM 3. LEGAL PROCEEDINGS

The information contained in Note 7 to the consolidated financial statements under the heading “Legal proceedings” contained in Part II, Item 8 of this report is incorporated herein by this reference.

ITEM 4. MINE SAFETY DISCLOSURES

None.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Information regarding our current executive officers as of March 19, 2020 is set forth below. Each of our executive officers serves at the discretion of our Board of Directors and is elected annually by the Board to serve until a successor is duly elected. There are no familial relationships between any of our directors or executive officers.

Name	Age	Position
Todd J. Vasos	58	Chief Executive Officer and Director
John W. Garratt	51	Executive Vice President and Chief Financial Officer
Jeffery C. Owen	50	Chief Operating Officer
Michael J. Kindy	54	Executive Vice President, Global Supply Chain
Jason S. Reiser	51	Executive Vice President and Chief Merchandising Officer
Steven G. Sunderland	56	Executive Vice President, Store Operations
Rhonda M. Taylor	52	Executive Vice President and General Counsel
Carman R. Wenkoff	52	Executive Vice President and Chief Information Officer
Anita C. Elliott	55	Senior Vice President and Chief Accounting Officer
Kathleen A. Reardon	48	Senior Vice President and Chief People Officer

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 and 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 to November 2008) and Senior Vice President and Chief Merchandising Officer (2001 to 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.

Mr. Garratt has served as Executive Vice President and Chief Financial Officer since December 2015. He joined Dollar General in October 2014 as Senior Vice President, Finance & Strategy and subsequently served as Interim Chief Financial Officer from July 2015 to December 2015. Mr. Garratt previously held various positions of increasing responsibility in corporate strategy and financial planning with Yum! Brands, Inc., one of the world's largest restaurant companies, between May 2004 and October 2014, including Vice President, Finance and Division Controller for the KFC division and earlier for the Pizza Hut division and for Yum Restaurants International (October 2013 to October 2014); Senior Director, Yum Corporate Strategy (March 2010 to October 2013), reporting directly to the corporate Chief Financial Officer and leading corporate strategy as well as driving key cross-divisional initiatives; and various other financial positions. He previously held financial management positions at Alcoa Inc. (April 2002 to May 2004) and General Electric (March 1999 to April 2002), after beginning his career with Alcoa in May 1990. Mr. Garratt has served as a director of Humana Inc. since February 2020.

Mr. Owen has served as Chief Operating Officer since August 27, 2019. He returned to Dollar General in June 2015 as Executive Vice President of Store Operations, with over 21 years of previous employment experience with the Company. Prior to his departure from Dollar General in July 2014, he was Senior Vice President, Store Operations. Prior to August 2011, Mr. Owen served as Vice President, Division Manager, and from November 2006 to March 2007 he served as Retail Division Manager. Prior to November 2006, he was Senior Director, Operations Process Improvement. Mr. Owen also served the Company in various operations roles of increasing importance and responsibility from December 1992 to September 2004. Mr. Owen has served as a director of Kirkland's Inc. since March 2015.

Mr. Kindy has served as Executive Vice President, Global Supply Chain since August 2018. He joined Dollar General as Vice President, Distribution Centers in December 2008, became Vice President, Transportation in May 2013, and was promoted to Senior Vice President, Global Supply Chain in June 2015. Prior to joining Dollar General, Mr. Kindy had 14 years of grocery distribution management and 5 years of logistics and distribution consulting experience. He served as Senior Director, Warehouse Operations, for ConAgra Foods from November 2007 to December 2008. Since beginning his career in July 1989, Mr. Kindy also held various distribution and warehouse leadership positions at Safeway, Inc., Crum & Crum Logistics, and Specialized Distribution Management, Inc., and served as a principal consultant for PricewaterhouseCoopers.

Mr. Reiser has served as Executive Vice President and Chief Merchandising Officer since July 2017. He previously served as Executive Vice President and Chief Operating Officer of Vitamin Shoppe, Inc., a multi-channel specialty retailer and contract manufacturer of health and wellness products, from July 2016 to July 2017, where he led merchandising, operations, end-to-end supply chain, information technology, real estate and construction, planning, pricing and merchandising operations. He also previously served as Executive Vice President, Chief Merchandising Officer (January 2014 to June 2016) and as Senior Vice President, Hardlines Merchandising (July 2013 to January 2014) for discount retailer Dollar Tree, Inc. (successor to Family Dollar Stores, Inc.) and was employed by Walmart Stores, Inc. for 17 years in a variety of roles, including Vice President, Merchandising, Health & Family Care of Sam's Club (November 2010 to June 2013); Vice President, Operations & Compliance, Health & Wellness of Sam's Club (May 2010 to November 2010); Divisional Merchandise Manager, Wellness (May 2009 to May 2010); Senior Buyer Pharmacy/OTC of Sam's Club (November 2006 to May 2009); Director, Government Relations and Regulatory Affairs (August 2002 to November 2006); Pharmacy District Manager (August 2000 to August 2002); and Pharmacy Manager (October 1995 to August 2000).

Mr. Sunderland has served as Executive Vice President, Store Operations, since August 2019. He joined Dollar General as Senior Vice President, Store Operations, in September 2014. Mr. Sunderland previously served as Senior Vice President, Retail Operations, of Office Depot, Inc. (November 2013 to January 2014); Senior Vice President, Retail Operations, of OfficeMax Incorporated (May 2012 to November 2013); Chief Operating Officer of Bally Total Fitness Holding Corporation (2011 to April 2012); and World Kitchen, LLC's President of Retail (2009 to 2011). Mr. Sunderland began his career with Sears in 1987, holding various positions of increasing responsibility, including Vice President of Strategic Operations for Sears Holdings Corporation from 2007 until 2009.

Ms. Taylor has served as Executive Vice President and General Counsel since March 2015. She joined Dollar General as an Employment Attorney in March 2000 and was subsequently promoted to Senior Employment Attorney in 2001, Deputy General Counsel in 2004, Vice President and Assistant General Counsel in March 2010, and Senior Vice President and General Counsel in June 2013. Prior to joining Dollar General, she practiced law with Ogletree, Deakins, Nash, Smoak & Stewart, P.C., where her practice was focused on labor law and employment litigation. She has also held attorney positions with Ford & Harrison LLP and Stokes Bartholomew.

Mr. Wenkoff has served as Executive Vice President and Chief Information Officer since July 2017. He previously served as the Chief Information Officer (May 2012 to June 2017) and Chief Digital Officer (June 2016 to June 2017) of Franchise World Headquarters, LLC ("Subway"), a restaurant chain, where he was responsible for global technology and digital strategy, execution and operations for the Subway brand and all of its restaurants. He owned a Subway franchise from July 2015 until October 2017. He also previously served as Chairman of the Board and Co-President of Retail Gift Card Association (February 2008 to May 2012); Deputy Chief Information Officer for Independent Purchase Cooperative, Inc. (May 2005 to May 2012) and President of its subsidiary, Value Pay Services LLC (May 2005 to February 2011); founder and President of Stored Value Management, Inc. (January 2004 to May 2005); and Vice President, Operations and Finance, and General Counsel of Ontain Corporation (January 2000 to December 2004). Mr. Wenkoff began his career in 1993 as an articled student, and then attorney with Douglas Symes & Brissenden and served in various legal positions, including General Counsel, with Pivotal Corporation from 1997 to 2000.

Ms. Elliott has served as Senior Vice President and Chief Accounting Officer since December 2015. She joined Dollar General as Senior Vice President and Controller in August 2005. Prior to joining Dollar General, she served as Vice President and Controller of Big Lots, Inc. from May 2001 to August 2005, where she was responsible for accounting operations, financial reporting and internal audit. Prior to serving at Big Lots, she served as Vice President and Controller for Jitney-Jungle Stores of America, Inc. from April 1998 to March 2001, where she was responsible for the accounting operations and the internal and external financial reporting functions. Prior to serving at Jitney-Jungle, she practiced public accounting for 12 years, 6 of which were with Ernst & Young LLP.

Ms. Reardon has served as Senior Vice President and Chief People Officer since May 2019. She joined Dollar General as Director, Human Resources in September 2009 and was promoted to Vice President, Talent Management in October 2012. She became Vice President, Retail Human Resources in October 2014 and was promoted to Senior Vice President, Human Resources in March 2019. Prior to joining Dollar General, Ms. Reardon held several positions of increasing responsibility at Centex from August 2005 until September 2009, serving as Director of Human Resources from October 2007 until September 2009. Since beginning her career in May 1998, Ms. Reardon also held various roles with Carrier Corporation, including Manager of Human Resources from August 2003 until August 2005, and was also a Career Consultant at the Darden Graduate School of Business Administration, University of Virginia, from August 2001 until August 2003.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the New York Stock Exchange under the symbol "DG." On March 12, 2020, there were approximately 2,613 shareholders of record of our common stock.

Dividends

We have paid quarterly cash dividends since 2015. Our Board of Directors most recently increased the amount of the quarterly cash dividend to $0.36 beginning with the dividend payable on April 21, 2020. While our Board of Directors currently expects to continue regular quarterly cash dividends, the declaration and amount of future cash dividends are subject to the Board's sole discretion and will depend upon, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Board may deem relevant in its sole discretion.

Issuer Purchases of Equity Securities

The following table contains information regarding purchases of our common stock made during the quarter ended January 31, 2020 by or on behalf of Dollar General or any "affiliated purchaser," as defined by Rule 10b-18(a)(3) of the Securities Exchange Act of 1934:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(a)
11/02/19-11/30/19	—	$ —	—	$ 560,822,000
12/01/19-12/31/19	1,940,912	$ 154.87	1,940,912	$ 1,260,241,000
01/01/20-01/31/20	745,100	$ 153.66	745,100	$ 1,145,749,000
Total	2,686,012	$ 154.53	2,686,012	$ 1,145,749,000

(a) On September 5, 2012, the Company announced a program permitting the Company to repurchase a portion of its outstanding shares not to exceed a dollar maximum established by the Company's Board of Directors. The program was most recently amended on December 3, 2019 to increase the repurchase authorization by $1.0 billion, bringing the cumulative total value of authorized share repurchases under the program since its inception to $8.0 billion. Under the authorization, purchases may be made in the open market or in privately negotiated transactions from time to time subject to market and other conditions. This repurchase authorization has no expiration date.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial and operating information of Dollar General Corporation as of the dates and for the periods indicated. The selected historical statement of income data and statement of cash flows data for the fiscal years ended January 31, 2020, February 1, 2019, and February 2, 2018, and balance sheet data as of January 31, 2020 and February 1, 2019, have been derived from our historical audited consolidated financial statements included elsewhere in this report. The selected historical statement of income data and statement of cash flows data for the fiscal years ended February 3, 2017 and January 29, 2016 and balance sheet data as of February 2, 2018, February 3, 2017, and January 29, 2016 presented in this table have been derived from audited consolidated financial statements not included in this report.

The information set forth below should be read in conjunction with, and is qualified by reference to, the Consolidated Financial Statements and related notes included in Part II, Item 8 of this report and the Management's Discussion and Analysis of Financial Condition and Results of Operations included in Part II, Item 7 of this report. Certain financial disclosures relating to prior periods have been reclassified to conform to the current year presentation.

(Amounts in millions, excluding per share data, number of stores, selling square feet, and net sales per square foot)	Year Ended January 31, 2020	February 1, 2019	February 2, 2018	February 3, 2017(1)	January 29, 2016
Statement of Income Data:					
Net sales	$ 27,754.0	$ 25,625.0	$ 23,471.0	$ 21,986.6	$ 20,368.6
Cost of goods sold	19,264.9	17,821.2	16,249.6	15,204.0	14,062.5
Gross profit	8,489.1	7,803.9	7,221.4	6,782.6	6,306.1
Selling, general and administrative expenses	6,186.8	5,687.6	5,213.5	4,719.2	4,365.8
Operating profit	2,302.3	2,116.3	2,007.8	2,063.4	1,940.3
Interest expense	100.6	99.9	97.0	97.8	86.9
Other (income) expense	—	1.0	3.5	—	0.3
Income before income taxes	2,201.7	2,015.4	1,907.3	1,965.6	1,853.0
Income tax expense	489.2	425.9	368.3	714.5	687.9
Net income	$ 1,712.6	$ 1,589.5	$ 1,539.0	$ 1,251.1	$ 1,165.1
Earnings per share—basic	$ 6.68	$ 5.99	$ 5.64	$ 4.45	$ 3.96
Earnings per share—diluted	6.64	5.97	5.63	4.43	3.95
Dividends per share	1.28	1.16	1.04	1.00	0.88
Statement of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	$ 2,238.0	$ 2,143.6	$ 1,802.1	$ 1,605.0	$ 1,391.7
Investing activities	(782.5)	(731.6)	(645.0)	(550.9)	(503.4)
Financing activities	(1,450.7)	(1,443.9)	(1,077.6)	(1,024.1)	(1,310.2)
Total capital expenditures	(784.8)	(734.4)	(646.5)	(560.3)	(504.8)
Other Financial and Operating Data:					
Same store sales growth(2)	3.9 %	3.2 %	2.7 %	0.9 %	2.8 %
Same store sales(2)	$ 26,374.0	$ 23,854.0	$ 21,871.6	$ 20,348.1	$ 19,254.3
Number of stores included in same store sales calculation	15,209	14,283	13,150	12,383	11,706
Number of stores (at period end)	16,278	15,370	14,534	13,320	12,483
Selling square feet (in thousands at period end)	120,342	113,755	107,821	98,943	92,477
Net sales per square foot(3)	$ 237	$ 231	$ 227	$ 229	$ 226
Consumables sales	78.0 %	77.5 %	76.9 %	76.4 %	75.9 %
Seasonal sales	11.7 %	11.9 %	12.1 %	12.2 %	12.4 %
Home products sales	5.8 %	5.9 %	6.0 %	6.2 %	6.3 %
Apparel sales	4.5 %	4.7 %	5.0 %	5.2 %	5.4 %
Balance Sheet Data (at period end):					
Cash and cash equivalents and short-term investments	$ 240.3	$ 235.5	$ 267.4	$ 187.9	$ 157.9
Total assets	22,825.1	13,204.0	12,516.9	11,672.3	11,257.9
Long-term debt(4)	2,912.0	2,864.7	3,006.0	3,211.5	2,970.6
Total shareholders' equity	6,702.5	6,417.4	6,125.8	5,406.3	5,377.9

(1) The fiscal year ended February 3, 2017 was comprised of 53 weeks.

(2) Same-store sales are calculated based upon stores that were open at least 13 full fiscal months and remain open at the end of the reporting period. We include stores that have been remodeled, expanded or relocated in our same-store sales calculation. Changes in same-store sales are calculated based on the comparable 52 calendar weeks in the current and prior years.

(3) Net sales per square foot was calculated based on total sales for the preceding 12 months as of the ending date of the reporting period divided by the average selling square footage during the period, including the end of the fiscal year, the beginning of the fiscal year, and the end of each of our three interim fiscal quarters.

(4) Debt issuance costs are reflected as a deduction from the corresponding debt liability for all periods presented.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis should be read with, and is qualified in its entirety by, the Consolidated Financial Statements and the notes thereto. It also should be read in conjunction with the Cautionary Disclosure Regarding Forward-Looking Statements and the Risk Factors disclosures set forth in the Introduction and in Item 1A of this report, respectively.

Executive Overview

We are among the largest discount retailers in the United States by number of stores, with 16,368 stores located in 45 states as of February 28, 2020, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. We offer a broad selection of merchandise, including consumable products such as food, paper and cleaning products, health and beauty products and pet supplies, and non-consumable products such as seasonal merchandise, home decor and domestics, and basic apparel. Our merchandise includes national brands from leading manufacturers, as well as our own private brand selections with prices at substantial discounts to national brands. We offer our customers these national brand and private brand products at everyday low prices (typically $10 or less) in our convenient small-box locations.

We believe our convenient store formats, locations, and broad selection of high-quality products at compelling values have driven our substantial growth and financial success over the years and through a variety of economic cycles. We are mindful that the majority of our customers are value-conscious, and many have low and/or fixed incomes. As a result, we are intensely focused on helping our customers make the most of their spending dollars. Our core customers are often among the first to be affected by negative or uncertain economic conditions and among the last to feel the effects of improving economic conditions particularly when trends are inconsistent and of an uncertain duration. The primary macroeconomic factors that affect our core customers include the unemployment and underemployment rates, wage growth, changes in U.S. and global trade policy (including price increases from tariffs), and changes to certain government assistance programs, such as the Supplemental Nutrition Assistance Program. Additionally, our customers are impacted by increases in those expenses that generally comprise a large portion of their household budget, such as rent, healthcare and fuel prices. Finally, significant unseasonable or unusual weather patterns can impact customer shopping behaviors.

We remain committed to the following long-term operating priorities as we consistently strive to improve our performance while retaining our customer-centric focus: 1) driving profitable sales growth, 2) capturing growth opportunities, 3) enhancing our position as a low-cost operator, and 4) investing in our people as a competitive advantage.

We seek to drive profitable sales growth through initiatives aimed at increasing customer traffic and average transaction amount. As we work to provide everyday low prices and meet our customers' affordability needs, we remain focused on enhancing our margins through effective category management, inventory shrink reduction initiatives, private brands penetration, distribution and transportation efficiencies, global sourcing, and pricing and markdown optimization. Several of our sales-driving initiatives are also designed to capture growth opportunities and are discussed in more detail below.

Historically, our sales of consumables, which tend to have lower gross margins, have been the key drivers of net sales and customer traffic, while sales of non-consumables, which tend to have higher gross margins, have contributed to more profitable sales growth and an increase in average transaction amount. Our sales mix has continued to shift slightly toward consumables, and, within consumables, slightly toward lower margin departments such as perishables. While we expect some sales mix challenges to persist, certain of our initiatives are intended to address these trends, although there can be no assurance we will be successful in reversing them.

We continue to make progress on and invest in certain strategic initiatives that we believe will help drive profitable sales growth and capture long-term growth opportunities. Such opportunities include leveraging existing and developing new digital tools and technology to provide our customers with additional shopping access points and even greater convenience. Additionally, our refreshed approach to our non-consumable product offerings has been implemented in approximately 2,400 stores as of the end of 2019. This merchandising strategy, which is continuing to evolve and help shape our approach to non-consumable categories throughout the chain, offers a new, differentiated and limited assortment that will change throughout the year. As we extend this initiative more broadly, as well as incorporate certain related merchandising efforts throughout our chain, our goal is to continue to improve the shopping experience while delivering exceptional value within key areas of our non-consumable categories.

We are continuing our rollout of the "DG Fresh" initiative, a self-distribution model for fresh and frozen products that is designed to enhance sales, reduce product costs, improve our in-stock position and enhance item assortment. We currently operate five DG Fresh distribution facilities, which served more than 6,000 stores as of February 28, 2020.

Tariffs on products from China, as applied to both our direct imports and domestic purchases, did not have a net material impact on our financial results in 2019. We believe we can mitigate the potential sales and margin impact of such increased tariffs on our financial results in 2020 through various sourcing, merchandising and pricing efforts. However, as noted above, changes in trade policy that result in higher prices for our customers may negatively impact their budgets, and consequently, their spending, and additional increases in tariff rates or expansion of products subject to tariffs may have a more significant impact on our future business. There can be no assurance we will be successful in our efforts to mitigate the impacts of existing or future tariffs in whole or in part, including but not limited to any impacts on customer spending.

We have limited insight into the extent to which our business may be impacted by the COVID-19 coronavirus outbreak, and there are many unknowns. While we currently expect delays in the receipt of certain goods in 2020 as a result of this outbreak, we do not currently anticipate a material impact to our financial results in 2020 due to these delays. Further delays in the receipt of goods, or other unanticipated impacts to our supply chain, including on direct imports or goods purchased domestically, our stores or our customers, could have a more significant impact on our future business (including sales), and we are continuing to monitor this evolving situation.

To support our other operating priorities, we remain focused on capturing growth opportunities. In 2019, we opened 975 new stores, remodeled 1,024 stores, and relocated 100 stores. For 2020, we plan to open approximately 1,000 new stores, remodel approximately 1,500 stores, and relocate approximately 80 stores for a total of 2,580 real estate projects.

We continue to innovate within our channel and are able to utilize the most productive of our various store formats based on the specific market opportunity. We expect that our traditional 7,300 square foot store format will continue to be the primary store layout for new stores in 2020. We expect approximately 1,125 of the planned 1,500 remodels in 2020 to use a higher-cooler-count store format that enables us to offer an increased selection of perishable items, with the traditional store format the primary store layout for the remainder of the real estate projects. Additionally, the majority of both new stores and remodels will incorporate higher-capacity coolers. The acceleration of remodels in 2020 and the increased usage of the higher-cooler-count formats is expected to allow us to capture additional growth opportunities within our existing markets. In addition, our smaller format store (less than 6,000 square feet) is expected to allow us to capture growth opportunities in urban areas. We continue to incorporate lessons learned from our various store formats and layouts into our existing store base with a goal of driving increased customer traffic, average transaction amount, same-store sales and overall store productivity.

To support our new store growth and drive productivity, we have continued to make investments in our traditional distribution center network for non-refrigerated merchandise. We began shipping from our distribution centers in Longview, Texas and Amsterdam, New York in January 2019 and December 2019, respectively.

We have established a position as a low-cost operator, always seeking ways to reduce or control costs that do not affect our customers' shopping experiences. We plan to continue enhancing this position over time while employing ongoing cost discipline to reduce certain expenses as a percentage of sales. Nonetheless, we seek to maintain flexibility to invest in the business as necessary to enhance our long-term profitability.

We also have launched "Fast Track", an initiative aimed at further enhancing our convenience proposition and in-stock position as well as increasing labor productivity within our stores. The first phase of Fast Track involved sorting process optimization within our distribution centers, as well as increased shelf-ready packaging, to allow for greater store-level stocking efficiencies, followed by the second-phase pilot of a self-checkout option in a limited number of stores. We have completed the sorting process optimization at all of our non-refrigerated distribution centers. Additionally, we have launched the self-checkout pilot in a select number of stores. These and certain other strategic initiatives will require us to incur upfront expenses for which, in some respects, there may not be an immediate or acceptable return in terms of sales or enhanced profitability.

Certain of our operating expenses, such as wage rates and occupancy costs, have continued to increase in recent years, due primarily to market forces. While we expect these increases to persist, certain of our initiatives and plans are intended to help offset these challenges, although there can be no assurance we will be successful in mitigating them.

Our employees are a competitive advantage, and we proactively seek ways to continue investing in them. Our goal is to create an environment that attracts and retains talented personnel, particularly at the store level, because employees who are promoted from within our company generally have longer tenures and are greater contributors to improvements in our financial performance. We believe our investments in compensation and training for our store managers have contributed to improved customer experience scores, higher sales and improved turnover metrics.

To further enhance shareholder returns, we repurchased shares of our common stock and paid quarterly cash dividends throughout 2019. In 2020, we intend to continue our share repurchase activity, and to pay quarterly cash dividends, subject to Board discretion and approval.

We utilize key performance indicators ("KPIs") in the management of our business. Our KPIs include same-store sales, average sales per square foot, and inventory turnover. Same-store sales are calculated based upon stores that were open at least 13 full fiscal months and remain open at the end of the reporting period. We include stores that have been remodeled, expanded or relocated in our same-store sales calculation. Changes in same-store sales are calculated based on the comparable 52 calendar weeks in the current and prior years. Net sales per square foot is calculated based on total sales for the preceding 12 months as of the ending date of the reporting period divided by the average selling square footage during the period, including the end of the fiscal year, the beginning of the fiscal year, and the end of each of our three interim fiscal quarters. Inventory turnover is calculated based on total cost of goods sold for the preceding four quarters divided by the average inventory balance as of the ending date of the reporting period, including the end of the fiscal year, the beginning of the fiscal year, and the end of each of our three interim fiscal quarters. Each of these measures is commonly used by investors in retail companies to measure the health of the business. We use these measures to maximize profitability and for decisions about the allocation of resources.

A continued focus on our four operating priorities as discussed above, coupled with strong cash flow management and share repurchases resulted in solid overall operating and financial performance in 2019 as compared to 2018, as set forth below. Basis points, as referred to below, are equal to 0.01% as a percentage of net sales.

- Net sales in 2019 increased 8.3% over 2018. Sales in same-stores increased 3.9%, primarily due to increases in average transaction amount and customer traffic. Average sales per square foot in 2019 were $237 compared to $231 in 2018.

- Our gross profit rate increased by 14 basis points due primarily to higher initial markups on inventory purchases.

- SG&A increased by 9 basis points primarily reflecting our estimate for the settlement of certain legal matters.

- Operating profit increased 8.8% to $2.30 billion in 2019 compared to $2.12 billion in 2018.

- The increase in the effective income tax rate to 22.2% in 2019 from 21.1% in 2018 was due primarily to changes in state income tax laws and income tax benefits arising from the Tax Cuts and Jobs Act in 2018 that did not reoccur in 2019.

- We reported net income of $1.71 billion, or $6.64 per diluted share, for 2019 compared to net income of $1.59 billion, or $5.97 per diluted share, for 2018.

- We generated approximately $2.24 billion of cash flows from operating activities in 2019, an increase of 4.4% compared to 2018.

- Inventory turnover was 4.4 times, and inventories increased 7.8% on a per store basis compared to 2018.

- We repurchased approximately 8.3 million shares of our outstanding common stock for $1.2 billion.

Readers should refer to the detailed discussion of our operating results below for additional comments on financial performance in the current year as compared with the prior years presented.

Results of Operations

Accounting Periods. The following text contains references to years 2019, 2018, and 2017, which represent fiscal years ended January 31, 2020, February 1, 2019, and February 2, 2018, respectively. Our fiscal year ends on the Friday closest to January 31. Fiscal years 2019, 2018 and 2017 were each 52-week accounting periods.

Seasonality. The nature of our business is somewhat seasonal. Primarily because of sales of Christmas-related merchandise, operating profit in our fourth quarter (November, December and January) has historically been higher than operating profit achieved in each of the first three quarters of the fiscal year. Expenses, and to a greater extent operating profit, vary by quarter. Results of a period shorter than a full year may not be indicative of results expected for the entire year. Furthermore, the seasonal nature of our business may affect comparisons between periods.

The following table contains results of operations data for fiscal years 2019, 2018 and 2017, and the dollar and percentage variances among those years.

(amounts in millions, except per share amounts)	2019	2018	2017	2019 vs. 2018 Amount Change	2019 vs. 2018 % Change	2018 vs. 2017 Amount Change	2018 vs. 2017 % Change
Net sales by category:							
Consumables	$ 21,635.9	$ 19,865.1	$ 18,054.8	$ *1,770.8*	*8.9* %	$ *1,810.3*	*10.0* %
% of net sales	*77.96* %	*77.52* %	*76.92* %				
Seasonal	3,258.9	3,050.3	2,837.3	*208.6*	*6.8*	*213.0*	*7.5*
% of net sales	*11.74* %	*11.90* %	*12.09* %				
Home products	1,611.9	1,506.1	1,400.6	*105.8*	*7.0*	*105.4*	*7.5*
% of net sales	*5.81* %	*5.88* %	*5.97* %				
Apparel	1,247.3	1,203.6	1,178.3	*43.7*	*3.6*	*25.4*	*2.2*
% of net sales	*4.49* %	*4.70* %	*5.02* %				
Net sales	$ 27,754.0	$ 25,625.0	$ 23,471.0	$ *2,128.9*	*8.3* %	$ *2,154.1*	*9.2* %
Cost of goods sold	19,264.9	17,821.2	16,249.6	*1,443.7*	*8.1*	*1,571.6*	*9.7*
% of net sales	*69.41* %	*69.55* %	*69.23* %				
Gross profit	8,489.1	7,803.9	7,221.4	*685.2*	*8.8*	*582.5*	*8.1*
% of net sales	*30.59* %	*30.45* %	*30.77* %				
Selling, general and administrative expenses	6,186.8	5,687.6	5,213.5	*499.2*	*8.8*	*474.0*	*9.1*
% of net sales	*22.29* %	*22.20* %	*22.21* %				
Operating profit	2,302.3	2,116.3	2,007.8	*186.0*	*8.8*	*108.5*	*5.4*
% of net sales	*8.30* %	*8.26* %	*8.55* %				
Interest expense	100.6	99.9	97.0	*0.7*	*0.7*	*2.8*	*2.9*
% of net sales	*0.36* %	*0.39* %	*0.41* %				
Other (income) expense	—	1.0	3.5	*(1.0)*	—	*(2.5)*	—
% of net sales	*0.00* %	*0.00* %	*0.01* %				
Income before income taxes	2,201.7	2,015.4	1,907.3	*186.3*	*9.2*	*108.1*	*5.7*
% of net sales	*7.93* %	*7.87* %	*8.13* %				
Income tax expense	489.2	425.9	368.3	*63.2*	*14.8*	*57.6*	*15.6*
% of net sales	*1.76* %	*1.66* %	*1.57* %				
Net income	$ 1,712.6	$ 1,589.5	$ 1,539.0	$ *123.1*	*7.7* %	$ *50.5*	*3.3* %
% of net sales	*6.17* %	*6.20* %	*6.56* %				
Diluted earnings per share	$ 6.64	$ 5.97	$ 5.63	$ *0.67*	*11.2* %	$ *0.34*	*6.0* %

Net Sales. The net sales increase in 2019 reflects a same-store sales increase of 3.9% compared to 2018. In 2019, our 15,209 same-stores accounted for sales of $26.4 billion. The increase in same-store sales primarily reflects an increase in average transaction amount and customer traffic compared to 2018. The increase in average transaction amount was driven by higher average item retail prices. Same-store sales in 2019 increased in each of the consumables, seasonal and home products and apparel categories, compared to 2018. The 2019 net sales increase was positively affected by new stores, modestly offset by sales from closed stores.

The net sales increase in 2018 reflects a same-store sales increase of 3.2% compared to 2017. In 2018, our 14,283 same-stores accounted for sales of $23.9 billion. The increase in same-store sales primarily reflects an increase in average transaction amount relative to 2017. The increase in average transaction amount was driven by higher average item retail prices and to a lesser extent, an increase in average items per transaction, while customer traffic was essentially unchanged. Same-store sales in 2018 increased in the consumables, seasonal and home products categories, and declined in the apparel category, compared to 2017. Same-store sales results in 2018 for the three non-consumables categories, when aggregated, were positive. The 2018 net sales increase was positively affected by new stores, modestly offset by sales from closed stores.

Of our four major merchandise categories, the consumables category, which generally has a lower gross profit rate than the other three categories, is our largest category and has continued to become a larger percentage of our total sales. Because of the impact of sales mix on gross profit, we continually review our merchandise mix and strive to adjust it when appropriate.

Gross Profit. In 2019, gross profit increased by 8.8%, and as a percentage of net sales increased by 14 basis points to 30.6% compared to 2018. Higher initial markups on inventory purchases and a lower LIFO provision contributed to the increase in the gross profit rate. These factors were partially offset by increased distribution and transportation costs, a greater proportion of sales of consumables, which generally have a lower gross profit rate than our other product categories, and sales of lower margin products comprising a higher proportion of consumables sales, as well as a higher rate of inventory shrinkage.

In 2018, gross profit increased by 8.1%, and as a percentage of net sales decreased by 32 basis points to 30.5% compared to 2017. Higher markdowns, a greater proportion of sales of consumables, which generally have a lower gross profit rate than our other product categories, and sales of lower margin products comprising a higher proportion of consumables sales, as well as increases in transportation costs and an increased LIFO provision reduced the gross profit rate. These factors were partially offset by an improved rate of inventory shrinkage and higher initial markups on inventory purchases.

SG&A. SG&A as a percentage of sales was 22.3% in 2019 compared to 22.2% in 2018, an increase of 9 basis points. We recorded expenses of $31.0 million in 2019 reflecting our estimate for the settlement of significant legal matters discussed in Note 7 to the consolidated financial statements. SG&A in 2019 included a decrease of approximately $22.8 million in hurricane and other disaster-related expenses compared to 2018 as well as an increase in retail labor costs at a rate less than the increase in net sales.

SG&A as a percentage of sales decreased by 1 basis point, rounding to 22.2% in both 2018 and 2017. The 2018 amounts reflect a reduction in repairs and maintenance expenses which were offset by occupancy costs and depreciation expenses, each of which increased at a rate greater than the increase in net sales. The 2018 amounts reflect an increase in hurricane and other disaster-related expenses of approximately $14.3 million compared to 2017. The 2017 amounts include costs of $24.0 million related to the closure of 35 underperforming stores, primarily expenses for remaining lease liabilities.

Interest Expense. Interest expense increased $0.7 million to $100.6 million in 2019 compared to 2018, and increased $2.8 million to $99.9 million in 2018 compared to 2017. See the detailed discussion under "Liquidity and Capital Resources" regarding the financing of various long-term obligations.

We had consolidated outstanding variable-rate debt of $430.1 million and $373.3 million as of January 31, 2020 and February 1, 2019, respectively, and the remainder of our outstanding indebtedness as of each of those dates was fixed rate debt.

Other (income) expense. Other (income) expense in 2018 reflects expenses associated with the voluntary prepayment of our senior unsecured term loan facility, and in 2017 reflects expenses associated with the issuance and refinancing of long-term debt.

Income Taxes. The effective income tax rate for 2019 was 22.2% compared to a rate of 21.1% for 2018 which represents a net increase of 1.1 percentage points. The effective income tax rate was higher in 2019 primarily due to an increase in income taxes resulting from changes in state income tax laws and a federal income tax benefit arising from the Tax Cuts and Jobs Act (the "TCJA") in 2018 that did not reoccur in 2019.

The effective income tax rate for 2018 was 21.1% compared to a rate of 19.3% for 2017 which represents a net increase of 1.8 percentage points. The effective income tax rate was higher in 2018 primarily due to the one-time remeasurement of the federal portion of our deferred tax assets and liabilities at 21% in 2017, which was offset by the reduction in the current federal tax rate from 33.7% in 2017 to 21% in 2018.

Our 2017 provision for income taxes reflected an estimate due to the changes in the federal income tax law arising from the TCJA, signed into law on December 22, 2017. The provisional tax benefit consisted of $310.8 million related to the one-time remeasurement of the federal portion of our deferred tax assets and liabilities at the 21% rate and $24.2 million related to the reduced statutory tax rate of 33.7%, compared to 35% in prior years. Subsequent to the signing of the TCJA, the Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which allowed companies to record provisional amounts during a measurement period not to extend beyond one year after the enactment date while the accounting impact is still under analysis. In 2018, we concluded our analysis of the accounting impact of the TCJA pursuant to SAB 118 and recorded immaterial adjustments related to our 2017 provision for income taxes.

Off Balance Sheet Arrangements

We are not party to any material off balance sheet arrangements.

Effects of Inflation

In 2019 and 2018, we experienced increases in product costs due in part to tariffs on certain items imported from China. We experienced minimal overall commodity cost inflation or deflation in 2017.

Liquidity and Capital Resources

Current Financial Condition and Recent Developments

During the past three years, we have generated an aggregate of approximately $6.2 billion in cash flows from operating activities and incurred approximately $2.2 billion in capital expenditures. During that period, we expanded the number of stores we operate by 2,958, representing growth of approximately 22%, and we remodeled or relocated 3,053 stores, or approximately 23% of the stores we operated as of the beginning of the three-year period. In 2020, we intend to continue our current strategy of pursuing store growth, remodels and relocations.

At January 31, 2020, we had a $1.25 billion unsecured revolving credit agreement (the "Revolving Facility"), $2.5 billion aggregate principal amount of senior notes, and a commercial paper program that may provide borrowing availability of up to $1.0 billion. At January 31, 2020, we had total consolidated outstanding debt (including the current portion of long-term obligations) of $2.9 billion, which includes commercial paper borrowings ("CP Notes") and senior notes, all of which are described in greater detail below. Our borrowing availability under the Revolving Facility may be effectively limited by our CP Notes as further described below. The information contained in Note 5 to the consolidated financial statements contained in Part II, Item 8 of this report is incorporated herein by reference.

We believe our cash flow from operations, and our existing cash balances, combined with availability under the Revolving Facility, CP Notes and access to the debt markets, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, capital spending and anticipated dividend payments for a period that includes the next twelve months as well as the next several years. However, our ability to maintain sufficient liquidity may be affected by numerous factors, many of which are outside of our control. Depending on our liquidity levels, conditions in the capital markets and other factors, we may from time to time consider the issuance of debt, equity or other securities, the proceeds of which could provide additional liquidity for our operations.

For fiscal 2020, we anticipate potential combined borrowings under the Revolving Facility and CP Notes to be a maximum of approximately $800 million outstanding at any one time, including any anticipated borrowings to fund repurchases of common stock.

Revolving Credit Facility

On September 10, 2019, we entered into the Revolving Facility consisting of a $1.25 billion senior unsecured revolving credit facility of which up to $175.0 million is available for the issuance of letters of credit and which is scheduled to mature on September 10, 2024.

Borrowings under the Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at our option, either (a) LIBOR or (b) a base rate (which is usually equal to the prime rate). The applicable interest rate margin for borrowings as of January 31, 2020 was 1.015% for LIBOR borrowings and 0.015% for base-rate borrowings. We must also pay a facility fee, payable on any used and unused commitment amounts of the Revolving Facility, and customary fees on letters of credit issued under the Revolving Facility. As of January 31, 2020, the facility fee rate was 0.11%. The applicable interest rate margins for borrowings, the facility fees and the letter of credit fees under the Revolving Facility are subject to adjustment from time to time based on our long-term senior unsecured debt ratings.

The Revolving Facility contains a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, our (including our subsidiaries') ability to: incur additional liens; sell all or substantially all of our assets; consummate certain fundamental changes or change in our lines of business; and incur additional subsidiary indebtedness. The Revolving Facility also contains financial covenants that require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of January 31, 2020, we were in compliance with all such covenants. The Revolving Facility also contains customary events of default.

As of January 31, 2020, under the Revolving Facility, we had no outstanding borrowings, outstanding letters of credit of $5.4 million, and borrowing availability of $1.24 billion that, due to our intention to maintain borrowing availability related to the commercial paper program described below, could contribute incremental liquidity of $638.4 million at January 31, 2020. In addition, as of January 31, 2020 we had outstanding letters of credit of $41.4 million which were issued pursuant to separate agreements.

Commercial Paper

As of January 31, 2020, our consolidated balance sheet reflected outstanding unsecured CP Notes of $425.2 million classified as long-term obligations due to our intent and ability to refinance these obligations as long-term debt. An additional $181.0 million of outstanding CP Notes were held by a wholly-owned subsidiary and are therefore not reflected on the consolidated balance sheet. Under this program, we may issue the CP Notes from time to time in an aggregate amount not to exceed $1.0 billion outstanding at any time. The CP Notes may have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of our other unsecured and unsubordinated indebtedness. We intend to maintain available commitments under the Revolving Facility in an amount at least equal to the amount of CP Notes outstanding at any time. As of January 31, 2020, the consolidated outstanding CP Notes had a weighted average borrowing rate of 1.7%.

Senior Notes

In April 2013 we issued $900.0 million aggregate principal amount of 3.25% senior notes due 2023 (the "2023 Senior Notes") at a discount of $2.4 million, which are scheduled to mature on April 15, 2023. In October 2015 we issued $500.0 million aggregate principal amount of 4.150% senior notes due 2025 (the "2025 Senior Notes") at a discount of $0.8 million, which are scheduled to mature on November 1, 2025. In April 2017 we issued $600.0 million aggregate principal amount of 3.875% senior notes due 2027 (the "2027 Senior Notes") at a discount of $0.4 million, which are scheduled to mature on April 15, 2027. In April 2018 we issued $500.0 million aggregate principal amount of 4.125% senior notes due 2028 (the "2028 Senior Notes") at a discount of $0.5 million, which are scheduled to mature on May 1, 2028. Collectively, the 2023 Senior Notes, 2025 Senior Notes, 2027 Senior Notes and 2028 Senior Notes comprise the "Senior Notes", each of which were issued pursuant to an indenture as supplemented and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the “Senior Indenture”). Interest on the 2023 Senior Notes and the 2027 Senior Notes is payable in cash on April 15 and October 15 of each year. Interest on the 2025 and 2028 Senior Notes is payable in cash on May 1 and November 1 of each year.

We may redeem some or all of the Senior Notes at any time at redemption prices set forth in the Senior Indenture. Upon the occurrence of a change of control triggering event, which is defined in the Senior Indenture, each holder of our Senior Notes has the right to require us to repurchase some or all of such holder’s Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The Senior Indenture contains covenants limiting, among other things, our ability (subject to certain exceptions) to consolidate, merge, or sell or otherwise dispose of all or substantially all of our assets; and our ability and the ability of our subsidiaries to incur or guarantee indebtedness secured by liens on any shares of voting stock of significant subsidiaries.

The Senior Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on our Senior Notes to become or to be declared due and payable, as applicable.

Rating Agencies

Our senior unsecured debt is rated “Baa2,” by Moody’s with a stable outlook and “BBB” by Standard & Poor’s with a stable outlook, and our commercial paper program is rated “P-2” by Moody’s and “A-2” by Standard and Poor’s. Our current credit ratings, as well as future rating agency actions, could (i) impact our ability to finance our operations on satisfactory terms; (ii) affect our financing costs; and (iii) affect our insurance premiums and collateral requirements necessary for our self-insured programs. There can be no assurance that we will maintain or improve our current credit ratings.

Contractual Obligations

The following table summarizes our significant contractual obligations and commercial commitments as of January 31, 2020 (in thousands):

	Payments Due by Period				
Contractual obligations	**Total**	**< 1 year**	**1 - 3 years**	**3 - 5 years**	**5+ years**
Long-term debt obligations	$ 2,930,095	$ 425,755	$ 1,190	$ 901,300	$ 1,601,850
Interest(a)	558,518	101,257	187,873	135,422	133,966
Self-insurance liabilities(b)	238,254	106,911	85,160	29,370	16,813
Operating lease obligations(c)	10,770,814	1,313,935	2,465,113	2,185,022	4,806,744
Subtotal	$ 14,497,681	$ 1,947,858	$ 2,739,336	$ 3,251,114	$ 6,559,373

	Commitments Expiring by Period				
Commercial commitments(d)	**Total**	**< 1 year**	**1 - 3 years**	**3 - 5 years**	**5+ years**
Letters of credit	$ 13,405	$ 13,405	$ —	$ —	$ —
Purchase obligations(e)	790,215	790,215	—	—	—
Subtotal	$ 803,620	$ 803,620	$ —	$ —	$ —
Total contractual obligations and commercial commitments(f)	$ 15,301,301	$ 2,751,478	$ 2,739,336	$ 3,251,114	$ 6,559,373

(a) Represents obligations for interest payments on long-term debt and includes projected interest on variable rate long-term debt using 2019 year end rates and balances. Variable rate long-term debt includes the Revolving Facility (although such facility had a balance of zero as of January 31, 2020), the CP Notes (which had a balance of $425.2 million as of January 31, 2020, which amount is net of $181 million held by a wholly-owned subsidiary), and the balance of an outstanding tax increment financing of $4.9 million.

(b) We retain a significant portion of the risk for our workers' compensation, employee health, general liability, property loss, automobile, and third-party landlord claims exposures. As these obligations do not have scheduled maturities, these amounts represent undiscounted estimates based upon actuarial assumptions. Substantially all amounts are reflected on an undiscounted basis in our consolidated balance sheets.

(c) Commercial commitments include information technology license and support agreements, supplies, fixtures, letters of credit for import merchandise, and other inventory purchase obligations.

(d) Purchase obligations include legally binding agreements for software licenses and support, supplies, fixtures, and merchandise purchases (excluding such purchases subject to letters of credit).

(e) We have potential payment obligations associated with uncertain tax positions that are not reflected in these totals. We are currently unable to make reasonably reliable estimates of the period of cash settlement with the taxing authorities for the $5.1 million of reserves for uncertain tax positions.

Share Repurchase Program

Our existing common stock repurchase program had a total remaining authorization of approximately $1.1 billion at January 31, 2020. Under the authorization, purchases may be made in the open market or in privately negotiated transactions from time to time subject to market and other conditions. The authorization has no expiration date and may be modified or terminated from time to time at the discretion of our Board of Directors. For more detail about our share repurchase program, see Note 11 to the consolidated financial statements.

Other Considerations

On March 11, 2020, the Board of Directors declared a quarterly cash dividend of $0.36 per share which is payable on or before April 21, 2020 to shareholders of record of our common stock on April 7, 2020. We paid quarterly cash dividends of $0.32 per share in 2019. Although the Board currently expects to continue regular quarterly cash dividends, the declaration and amount of future cash dividends are subject to the Board's sole discretion and will depend upon, among other factors, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board may deem relevant in its sole discretion.

Our inventory balance represented approximately 55% of our total assets exclusive of goodwill, operating lease assets, and other intangible assets as of January 31, 2020. Our ability to effectively manage our inventory balances can have a significant impact on our cash flows from operations during a given fiscal year. Inventory purchases are often somewhat seasonal in nature, such as the purchase of warm-weather or Christmas-related merchandise. Efficient management of our inventory has been and continues to be an area of focus for us.

As described in Note 7 to the consolidated financial statements, we are involved in a number of legal actions and claims, some of which could potentially result in material cash payments. Adverse developments in those actions could materially and adversely affect our liquidity.

Cash Flows

Cash flows from operating activities. Cash flows from operating activities were $2.24 billion in 2019, which represents a $94.4 million increase compared to 2018. Changes in accounts payable resulted in a $428.6 million increase in 2019 compared to a $375.2 million increase in 2018, due primarily to the timing of receipts and payments which was partially impacted by certain changes in payment terms. In addition, net income increased by $123.1 million in 2019 over 2018. These items were offset by changes in merchandise inventories which resulted in a $578.8 million decrease in 2019 as compared to a decrease of $521.3 million in 2018. Changes in income taxes in 2019 compared to 2018 are primarily due to the timing of payments for income taxes.

Cash flows from operating activities were $2.1 billion in 2018, which represents a $341.4 million increase compared to 2017. Changes in accounts payable resulted in a $375.2 million increase in 2018 compared to a $427.9 million increase in 2017, due primarily to the timing of receipts and payments which was partially impacted by certain changes in payment terms. In addition, net income increased by $50.5 million in 2018 over 2017. These items were offset by changes in merchandise inventories which resulted in a $521.3 million decrease in 2018 as compared to a decrease of $348.4 million in 2017. Changes in income taxes in 2018 compared to 2017 are primarily due to the reduction in the federal income tax rate to 21% from 35% and the timing of payments for income taxes.

On an ongoing basis, we closely monitor and manage our inventory balances, and they may fluctuate from period to period based on new store openings, the timing of purchases, and other factors. Merchandise inventories increased by 14% in 2019, by 14% in 2018 and by 11% in 2017. Inventory levels in the consumables category increased by $371.9 million, or 14%, in 2019, by $320.9 million, or 14%, in 2018, and by $322.9 million, or 16% in 2017. The seasonal category increased by $127.3 million, or 17%, in 2019, by $108.4 million, or 17%, in 2018, and by $14.9 million, or 2%, in 2017. The home products category increased by $82.8 million, or 23%, in 2019, by $24.0 million, or 7%, in 2018, and by $10.6 million, or 3%, in 2017. The apparel category decreased by $2.1 million, or 1%, in 2019, and increased by $34.7 million, or 10%, in 2018, and by $1.9 million, or 1%, in 2017.

Cash flows from investing activities. Significant components of property and equipment purchases in 2019 included the following approximate amounts: $338 million for improvements, upgrades, remodels and relocations of existing stores; $217 million for distribution and transportation-related projects; $149 million for new leased stores, primarily for leasehold improvements, fixtures and equipment; and $59 million for information systems upgrades and technology-related projects. The timing of new, remodeled and relocated store openings along with other factors may affect the relationship between such openings and the related property and equipment purchases in any given period. During 2019, we opened 975 new stores and remodeled or relocated 1,124 stores.

Significant components of property and equipment purchases in 2018 included the following approximate amounts: $289 million for improvements, upgrades, remodels and relocations of existing stores; $242 million for distribution and transportation-related projects; $138 million for new leased stores, primarily for leasehold improvements, fixtures and equipment; and $47 million for information systems upgrades and technology-related projects. During 2018, we opened 900 new stores and remodeled or relocated 1,165 stores.

Significant components of property and equipment purchases in 2017 included the following approximate amounts: $231 million for improvements, upgrades, remodels and relocations of existing stores; $203 million for new leased stores, primarily for leasehold improvements, fixtures and equipment; $176 million for distribution and transportation-related projects; and $30 million for information systems upgrades and technology-related projects. During 2017, we opened 1,315 new stores and remodeled or relocated 764 stores.

Capital expenditures during 2020 are projected to be in the range of $925 million to $975 million. We anticipate funding 2020 capital requirements with a combination of some or all of the following: existing cash balances, cash flows from operations, availability under our Revolving Facility and/or the issuance of additional senior notes or CP Notes. We plan to continue to invest in store growth and development of approximately 1,000 new stores and approximately 1,580 stores to be remodeled or relocated. Capital expenditures in 2020 are anticipated to support our store growth as well as our remodel and relocation initiatives, including capital outlays for leasehold improvements, fixtures and equipment; the construction of new stores; costs to support and enhance our supply chain initiatives including new and existing distribution center facilities and our private fleet; technology initiatives; as well as routine and ongoing capital requirements.

Cash flows from financing activities. In 2019, we had a net increase in consolidated commercial paper borrowings of $58.3 million and had no borrowings or repayments under the Revolving Facility. We repurchased 8.3 million outstanding shares of our common stock in 2019 at a total cost of $1.2 billion, and paid cash dividends of $327.6 million.

In 2018, we had net proceeds from the issuance of the 2028 Senior Notes of $499.5 million, redeemed the 2018 Senior Notes for $400.0 million, and made a principal payment on the Term Facility of $175.0 million. We had a net decrease in consolidated commercial paper borrowings in 2018 of $63.3 million and had no borrowings or repayments under the Revolving Facility. We repurchased 9.9 million outstanding shares of our common stock in 2018 at a total cost of $1.0 billion, and paid cash dividends of $306.5 million.

In 2017, we had net proceeds from the issuance of the 2027 Senior Notes of $599.6 million, redeemed the 2017 Senior Notes for $500.0 million, and made a principal payment on the Term Facility of $250.0 million. We had a net decrease in consolidated commercial paper borrowings in 2017 of $60.3 million and had no borrowings or repayments under the Revolving Facility. We repurchased 7.1 million outstanding shares of our common stock in 2017 at a total cost of $579.7 million, and paid cash dividends of $282.9 million.

Accounting Standards

In January 2017, the FASB issued amendments to existing guidance related to the subsequent measurement of goodwill. These amendments modify the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. Subsequent to adoption, an entity will perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. This guidance is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2019, and early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The amendments should be applied on a prospective basis. An entity is required to disclose the nature of and reason for the change in accounting principle upon transition. We do not anticipate a material effect on our consolidated results of operations, financial position or cash flows to result from the adoption of this guidance.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect reported amounts and related disclosures. In addition to the estimates presented below, there are other items within our financial statements that require estimation, but are not deemed critical as defined below. We believe these estimates are reasonable and appropriate. However, if actual experience differs from the assumptions and other considerations used, the resulting changes could have a material effect on the financial statements taken as a whole.

Management believes the following policies and estimates are critical because they involve significant judgments, assumptions, and estimates. Management has discussed the development and selection of the critical accounting estimates with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed the disclosures presented below relating to those policies and estimates. See Note 1 to the consolidated financial statements for a detailed discussion of our principal accounting policies.

Merchandise Inventories. Merchandise inventories are stated at the lower of cost or market ("LCM") with cost determined using the retail last in, first out ("LIFO") method. We use the retail inventory method ("RIM") to calculate gross profit and the resulting valuation of inventories at cost, which are computed utilizing a calculated cost-to-retail inventory ratio at an inventory department level. We apply the RIM to these departments, which are groups of products that are fairly uniform in terms of cost, selling price relationship and turnover. The

RIM will result in valuing inventories at LCM if permanent markdowns are currently taken as a reduction of the retail value of inventories. Inherent in the RIM calculation are certain management judgments and estimates that may impact the ending inventory valuation at cost, as well as the gross profit recognized. These judgments include ensuring departments consist of similar products, recording estimated shrinkage between physical inventories, and timely recording of markdowns needed to sell inventory.

We perform an annual LIFO analysis whereby all merchandise units are considered for inclusion in the index formulation. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. In contrast, interim LIFO calculations are based on management's annual estimates of sales, the rate of inflation or deflation, and year-end inventory levels. We also perform analyses for determining obsolete inventory, adjusting inventory on a quarterly basis to an LCM value based on various management assumptions including estimated below cost markdowns not yet recorded, but required to liquidate such inventory in future periods.

Factors considered in the determination of markdowns include current and anticipated demand based on changes in competitors' practices, consumer preferences, consumer spending, significant weather events and unseasonable weather patterns. Certain of these factors are outside of our control and may result in greater than estimated markdowns to entice consumer purchases of excess inventory. The amount and timing of markdowns may vary significantly from year to year.

We perform physical inventories in virtually all of our stores on an annual basis. We calculate our shrink provision based on actual physical inventory results during the fiscal period and an accrual for estimated shrink occurring subsequent to a physical inventory through the end of the fiscal reporting period. This accrual is calculated as a percentage of sales at each retail store, at a department level, based on the store's most recent historical shrink rate. To the extent that subsequent physical inventories yield different results than the estimated accrual, our effective shrink rate for a given reporting period will include the impact of adjusting to the actual results.

We believe our estimates and assumptions related to the application of the RIM results in a merchandise inventory valuation that reasonably approximates cost on a consistent basis.

Impairment of Long-lived Assets. Impairment of long-lived assets results when the carrying value of the assets exceeds the estimated undiscounted future cash flows generated by the assets. Our estimate of undiscounted future store cash flows is based upon historical operations of the stores and estimates of future profitability which encompasses many factors that are subject to variability and are difficult to predict. If our estimates of future cash flows are not materially accurate, our impairment analysis could be impacted accordingly. If a long-lived asset is found to be impaired, the amount recognized for impairment is equal to the difference between the carrying value and the asset's estimated fair value. The fair value is estimated based primarily upon projected future cash flows (discounted at our credit adjusted risk-free rate) or other reasonable estimates of fair market value. Although not currently anticipated, changes in these estimates, assumptions or projections could materially affect the determination of fair value or impairment.

Insurance Liabilities. We retain a significant portion of the risk for our workers' compensation, employee health, general liability, property loss, automobile and third-party landlord claim exposures. These represent significant costs primarily due to our large employee base and number of stores. Provisions are made for these liabilities on an undiscounted basis. Certain of these liabilities are based on actual claim data and estimates of incurred but not reported claims developed using actuarial methodologies based on historical claim trends, which have been and are anticipated to continue to be materially accurate. If future claim trends deviate from recent historical patterns, or other unanticipated events affect the number and significance of future claims, we may be required to record additional expenses or expense reductions, which could be material to our future financial results.

Contingent Liabilities – Income Taxes. Income tax reserves are determined using the methodology established by accounting standards relating to uncertainty in income taxes. These standards require companies to assess each income tax position taken using a two-step process. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position. Uncertain tax positions require determinations and liabilities to be estimated based on provisions of the tax law which may be subject to change or varying interpretation. If our determinations and estimates prove to be inaccurate, the resulting adjustments could be material to our future financial results.

Lease Accounting. We adopted new accounting guidance related to leases as of February 2, 2019, using the modified retrospective approach. Under this approach, existing leases were recorded at the adoption date, and comparative periods were not restated and are presented under previously existing guidance. Adoption of the leasing standard resulted in right of use operating lease assets and operating lease liabilities of approximately $8.0 billion each as of February 2, 2019. Significant judgments and estimates were utilized in calculating these initial balances, including the determination of appropriate lease discount rates.

Many of our stores are subject to build-to-suit arrangements with landlords, which typically carry a primary lease term of up to 15 years with multiple renewal options. We also have stores subject to shorter-term leases and many of these leases have renewal options. Certain of our stores have provisions for contingent rentals based upon a percentage of defined sales volume. We recognize contingent rental expense when the achievement of specified sales targets is considered probable. We record single lease expense on a straight-line basis over the lease term including any option periods that are reasonably certain to be renewed, commencing on the date that we take physical possession of the property from the landlord which normally includes a period prior to store opening to make necessary leasehold improvements and install store fixtures. When a lease contains a predetermined fixed escalation of the minimum rent, the related lease expense is recognized on a straight-line basis. Tenant allowances, to the extent received, are recorded as a reduction of the right of use asset. Improvements of leased properties are amortized over the shorter of the life of the applicable lease term or the estimated useful life of the asset.

Share-Based Payments. Our stock option awards are valued on an individual grant basis using the Black-Scholes-Merton closed form option pricing model. We believe that this model fairly estimates the value of our stock option awards. The application of this valuation model involves assumptions that are judgmental in the valuation of stock options, which affects compensation expense related to these options. These assumptions include the term that the options are expected to be outstanding, the historical volatility of our stock price, applicable interest rates and the dividend yield of our stock. Other factors involving judgments that affect the expensing of share-based payments include estimated forfeiture rates of share-based awards. Historically, these estimates have been materially accurate; however, if our estimates differ materially from actual experience, we may be required to record additional expense or reductions of expense, which could be material to our future financial results.

Fair Value Measurements. Accounting standards for the measurement of fair value of assets and liabilities establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). Therefore, Level 3 inputs are typically based on an entity's own assumptions, as there is little, if any, related market activity, and thus require the use of significant judgment and estimates. Currently, we have no assets or liabilities that are valued based solely on Level 3 inputs.

Our fair value measurements are primarily associated with our outstanding debt instruments. We use various valuation models in determining the values of these liabilities. We believe that in recent years these methodologies have produced materially accurate valuations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Risk Management

We are exposed to market risk primarily from adverse changes in interest rates, and to a lesser degree commodity prices. To minimize this risk, we may periodically use financial instruments, including derivatives. All derivative financial instrument transactions must be authorized and executed pursuant to approval by the Board of Directors. As a matter of policy, we do not buy or sell financial instruments for speculative or trading purposes, and any such derivative financial instruments are intended to be used to reduce risk by hedging an underlying economic exposure. Our objective is to correlate derivative financial instruments and the underlying exposure being hedged, so that fluctuations in the value of the financial instruments are generally offset by reciprocal changes in the value of the underlying economic exposure.

Interest Rate Risk

We manage our interest rate risk through the strategic use of fixed and variable interest rate debt and, from time to time, derivative financial instruments. Our principal interest rate exposure relates to outstanding amounts under our Revolving Facility as well as our commercial paper program. As of January 31, 2020, we had consolidated borrowings of $425.2 million under our commercial paper program and no borrowings outstanding under our Revolving Facility. In order to mitigate a portion of the variable rate interest exposure under the credit facilities, in prior years we have entered into various interest rate swaps. As of January 31, 2020, no such interest rate swaps were outstanding and, as a result, we are exposed to fluctuations in variable interest rates under the Revolving Facility and our commercial paper program. For a detailed discussion of our Revolving Facility and our commercial paper program, see Note 5 to the consolidated financial statements.

A change in interest rates on variable rate debt impacts our pre-tax earnings and cash flows; whereas a change in interest rates on fixed rate debt impacts the economic fair value of debt but not our pre-tax earnings and cash flows. Based on our variable rate borrowing levels as of January 31, 2020 and February 1, 2019, the annualized effect of a one percentage point increase in variable interest rates would have resulted in a pretax reduction of our earnings and cash flows of approximately $4.3 million in 2019 and $3.7 million in 2018.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Dollar General Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dollar General Corporation and subsidiaries (the Company) as of January 31, 2020 and February 1, 2019, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 31, 2020 and February 1, 2019, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 19, 2020, expressed an unqualified opinion thereon.

Adoption of New Accounting Standard

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for lease contracts on February 2, 2019, due to the adoption of ASU 2016-02 *Leases* (ASC 842). See below for discussion of our related critical audit matter.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

	Estimate of Workers' Compensation and General Liability Reserves
Description of the Matter	The Company records expenses and reserves for workers' compensation matters related to alleged work-related employee accidents and injuries, as well as general liability matters related to alleged non-employee incidents and injuries. At January 31, 2020, the Company's reserves for self-insurance risks were $240.6 million, which includes workers' compensation and general liability reserves. As discussed in Note 1 of the consolidated financial statements, the Company retains a significant portion of risk related to its workers' compensation and general liability exposures. Accordingly, provisions are recorded for the Company's estimates of such losses. The undiscounted future claim costs for the workers' compensation and general liability exposures are estimated using actuarial methods. Auditing management's assessment of the recorded self-insurance exposure reserves was complex and judgmental due to the significant assumptions required in projecting the exposure on incurred claims (including those which have not been reported to the Company). In particular, the estimate was sensitive to significant assumptions such as loss development factors, trend factors, pure loss rates, and projected claim counts.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's accounting for these self-insurance exposures. For example, we tested controls over the appropriateness of the assumptions management used in the calculation and the completeness and accuracy of the data underlying the reserves. To test the Company's determination of the estimated required self-insurance reserves, we performed audit procedures that included, among others, assessing the actuarial valuation methodologies utilized by management, testing the significant assumptions discussed above, testing the completeness and accuracy of the underlying data used by the Company in its evaluation, and testing the mathematical accuracy of the calculations. We also compared the significant assumptions used by management to industry accepted actuarial assumptions, reassessed the accuracy of management's historical estimates utilized in prior period evaluations, and utilized an actuarial valuation specialist to assist in assessing the valuation methodologies and significant assumptions used in the valuation analysis, as well as to compare the Company's recorded reserve to an independently developed range of actuarial reserves.

Adoption of New Lease Accounting Standard

Description of the Matter	As described above and in Note 1 to the consolidated financial statements, the Company adopted ASU 2016-02, *Leases* (ASC 842), on February 2, 2019. The adoption of ASC 842 resulted in the recognition of right-of-use operating lease assets and lease liabilities of approximately $8.0 billion as of February 2, 2019. The cumulative effect of adopting the standard resulted in an adjustment to retained earnings of $28.8 million at the same date. Among the elements of management estimation in connection with the adoption was the determination of incremental borrowing rates ("IBR") which were used to calculate its operating right-of-use assets and lease liabilities. Management estimates certain adjustments to observed borrowing rates in order to derive the IBRs that are representative of the rate the lessee would have to borrow on a collateralized basis over a similar term as the subject lease. Auditing the Company's adoption of ASC 842 was complex and involved subjective auditor judgement because the Company is party to a significant number of lease contracts, and certain aspects of adopting ASC 842 required management to exercise significant judgment in applying ASC 842 to its portfolio of lease contracts. In particular, auditing management's estimate of the IBRs used to determine the operating right-of-use assets and lease liabilities was especially challenging and required the evaluation of the significant assumptions utilized by management including the selection of appropriate yield curves and adjustments for collateralization.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's accounting for the adoption of ASC 842. For example, we tested controls over management's review of the application of accounting policy elections to its portfolio of leases and over management's review of the estimation of the IBRs. To test the Company's adoption of ASC 842, we performed audit procedures that included, among others, evaluating the completeness of the population of contracts that meet the definition of a lease under ASC 842, testing the accuracy of lease terms by agreement of such terms to the original lease contract, and testing the accuracy of the Company's calculations of initial right-of-use assets and lease liabilities. We involved our specialist to assist in our evaluation of the Company's methodology, model and significant assumptions utilized in developing the IBRs. We also compared the Company's IBRs to ranges developed by our specialists based on independently observed data.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2001.

Nashville, Tennessee
March 19, 2020

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	January 31, 2020	February 1, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 240,320	$ 235,487
Merchandise inventories	4,676,848	4,097,004
Income taxes receivable	76,537	57,804
Prepaid expenses and other current assets	184,163	272,725
Total current assets	5,177,868	4,663,020
Net property and equipment	3,278,359	2,970,806
Operating lease assets	8,796,183	—
Goodwill	4,338,589	4,338,589
Other intangible assets, net	1,200,006	1,200,217
Other assets, net	34,079	31,406
Total assets	$ 22,825,084	$ 13,204,038
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term obligations	$ 555	$ 1,950
Current portion of operating lease liabilities	964,805	—
Accounts payable	2,860,682	2,385,469
Accrued expenses and other	709,156	618,405
Income taxes payable	8,362	10,033
Total current liabilities	4,543,560	3,015,857
Long-term obligations	2,911,438	2,862,740
Long-term operating lease liabilities	7,819,683	—
Deferred income taxes	675,227	609,687
Other liabilities	172,676	298,361
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock; $0.875 par value, 1,000,000 shares authorized, 251,936 and 259,511 shares issued and outstanding at January 31, 2020 and February 1, 2019, respectively	220,444	227,072
Additional paid-in capital	3,322,531	3,252,421
Retained earnings	3,162,660	2,941,107
Accumulated other comprehensive loss	(3,135)	(3,207)
Total shareholders' equity	6,702,500	6,417,393
Total liabilities and shareholders' equity	$ 22,825,084	$ 13,204,038

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	For the Year Ended		
	January 31, 2020	February 1, 2019	February 2, 2018
Net sales	$ 27,753,973	$ 25,625,043	$ 23,470,967
Cost of goods sold	19,264,912	17,821,173	16,249,608
Gross profit	8,489,061	7,803,870	7,221,359
Selling, general and administrative expenses	6,186,757	5,687,564	5,213,541
Operating profit	2,302,304	2,116,306	2,007,818
Interest expense	100,574	99,871	97,036
Other (income) expense	—	1,019	3,502
Income before income taxes	2,201,730	2,015,416	1,907,280
Income tax expense	489,175	425,944	368,320
Net income	$ 1,712,555	$ 1,589,472	$ 1,538,960
Earnings per share:			
Basic	$ 6.68	$ 5.99	$ 5.64
Diluted	$ 6.64	$ 5.97	$ 5.63
Weighted average shares outstanding:			
Basic	256,553	265,155	272,751
Diluted	258,053	266,105	273,362
Dividends per share	$ 1.28	$ 1.16	$ 1.04

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	For the Year Ended		
	January 31, 2020	February 1, 2019	February 2, 2018
Net income	$ 1,712,555	$ 1,589,472	$ 1,538,960
Unrealized net gain (loss) on hedged transactions, net of related income tax expense (benefit) of $345, $344, and $509, respectively	973	974	809
Comprehensive income	$ 1,713,528	$ 1,590,446	$ 1,539,769

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands except per share amounts)

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balances, February 3, 2017	275,212	$ 240,811	$ 3,154,606	$ 2,015,867	$ (4,990)	$ 5,406,294
Net income	—	—	—	1,538,960	—	1,538,960
Dividends paid, $1.04 per common share	—	—	—	(282,941)	—	(282,941)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	809	809
Share-based compensation expense	—	—	34,323	—	—	34,323
Repurchases of common stock	(7,060)	(6,178)	—	(573,534)	—	(579,712)
Other equity and related transactions	581	508	7,533	—	—	8,041
Balances, February 2, 2018	268,733	$ 235,141	$ 3,196,462	$ 2,698,352	$ (4,181)	$ 6,125,774
Net income	—	—	—	1,589,472	—	1,589,472
Dividends paid, $1.16 per common share	—	—	—	(306,562)	—	(306,562)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	974	974
Share-based compensation expense	—	—	40,879	—	—	40,879
Repurchases of common stock	(9,891)	(8,655)	—	(998,839)	—	(1,007,494)
Transition adjustment upon adoption of accounting standard (see Note 1)	—	—	—	(41,316)	—	(41,316)
Other equity and related transactions	669	586	15,080	—	—	15,666
Balances, February 1, 2019	259,511	$ 227,072	$ 3,252,421	$ 2,941,107	$ (3,207)	$ 6,417,393
Net income	—	—	—	1,712,555	—	1,712,555
Dividends paid, $1.28 per common share	—	—	—	(327,578)	—	(327,578)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	973	973
Share-based compensation expense	—	—	48,589	—	—	48,589
Repurchases of common stock	(8,252)	(7,221)	—	(1,193,155)	—	(1,200,376)
Transition adjustment upon adoption of accounting standard (see Note 1)	—	—	—	28,830	—	28,830
Other equity and related transactions	677	593	21,521	901	(901)	22,114
Balances, January 31, 2020	251,936	$ 220,444	$ 3,322,531	$ 3,162,660	$ (3,135)	$ 6,702,500

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Year Ended		
	January 31, 2020	February 1, 2019	February 2, 2018
Cash flows from operating activities:			
Net income	$ 1,712,555	$ 1,589,472	$ 1,538,960
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	504,804	454,134	404,231
Deferred income taxes	55,407	52,325	(137,648)
Loss on debt retirement	—	1,019	3,502
Noncash share-based compensation	48,589	40,879	34,323
Other noncash (gains) and losses	8,293	41,851	11,088
Change in operating assets and liabilities:			
Merchandise inventories	(578,783)	(521,342)	(348,363)
Prepaid expenses and other current assets	(14,453)	(12,097)	(49,406)
Accounts payable	428,627	375,214	427,911
Accrued expenses and other liabilities	100,322	65,857	75,647
Income taxes	(20,404)	56,390	(156,504)
Other	(6,959)	(152)	(1,633)
Net cash provided by (used in) operating activities	2,237,998	2,143,550	1,802,108
Cash flows from investing activities:			
Purchases of property and equipment	(784,843)	(734,380)	(646,456)
Proceeds from sales of property and equipment	2,358	2,777	1,428
Net cash provided by (used in) investing activities	(782,485)	(731,603)	(645,028)
Cash flows from financing activities:			
Issuance of long-term obligations	—	499,495	599,556
Repayments of long-term obligations	(1,465)	(577,321)	(752,676)
Net increase (decrease) in commercial paper outstanding	58,300	(63,300)	(60,300)
Costs associated with issuance and retirement of debt	(1,675)	(4,384)	(9,524)
Repurchases of common stock	(1,200,376)	(1,007,494)	(579,712)
Payments of cash dividends	(327,568)	(306,523)	(282,931)
Other equity and related transactions	22,104	15,626	8,033
Net cash provided by (used in) financing activities	(1,450,680)	(1,443,901)	(1,077,554)
Net increase (decrease) in cash and cash equivalents	4,833	(31,954)	79,526
Cash and cash equivalents, beginning of period	235,487	267,441	187,915
Cash and cash equivalents, end of period	$ 240,320	$ 235,487	$ 267,441
Supplemental cash flow information:			
Cash paid for:			
Interest	$ 100,033	$ 98,012	$ 88,749
Income taxes	$ 457,119	$ 313,457	$ 660,510
Supplemental noncash investing and financing activities:			
Right of use assets obtained in exchange for new operating lease liabilities	$ 1,705,988		
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	$ 110,248	$ 63,662	$ 63,178

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presentation and accounting policies

Basis of presentation

These notes contain references to the years 2019, 2018, and 2017, which represent fiscal years ended January 31, 2020, February 1, 2019, and February 2, 2018, respectively. The Company's 2019, 2018 and 2017 accounting periods were each comprised of 52-weeks. The Company's fiscal year ends on the Friday closest to January 31. The consolidated financial statements include all subsidiaries of the Company, except for its not-for-profit subsidiary which the Company does not control. Intercompany transactions have been eliminated.

The Company sells general merchandise on a retail basis through 16,278 stores (as of January 31, 2020) in 44 states with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. The Company owns 13 and leases four distribution centers for non-refrigerated merchandise. At January 31, 2020, the Company also operated one owned and four leased cold storage and distribution facilities.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with insignificant interest rate risk and original maturities of three months or less when purchased. Such investments primarily consist of money market funds, bank deposits, certificates of deposit, and commercial paper. The carrying amounts of these items are a reasonable estimate of their fair value due to the short maturity of these investments.

Payments due from processors for electronic tender transactions classified as cash and cash equivalents totaled approximately $101.9 million and $99.5 million at January 31, 2020 and February 1, 2019, respectively.

Investments in debt and equity securities

The Company accounts for investments in debt and marketable equity securities as held-to-maturity, available-for-sale, or trading, depending on their classification. Debt securities categorized as held-to-maturity are stated at amortized cost. Debt and equity securities categorized as available-for-sale are stated at fair value, with any unrealized gains and losses, net of deferred income taxes, reported as a component of Accumulated other comprehensive loss. Trading securities are stated at fair value, with changes in fair value recorded as a component of Selling, general and administrative ("SG&A") expense. The cost of securities sold is based upon the specific identification method.

Merchandise inventories

Inventories are stated at the lower of cost or market ("LCM") with cost determined using the retail last-in, first-out ("LIFO") method as this method results in a better matching of costs and revenues. Under the Company's retail inventory method ("RIM"), the calculation of gross profit and the resulting valuation of inventories at cost are computed by applying a calculated cost-to-retail inventory ratio to the retail value of sales at a department level. The use of the RIM will result in valuing inventories at LCM if markdowns are currently taken as a reduction of the retail value of inventories. Costs directly associated with warehousing and distribution are capitalized into inventory.

The excess of current cost over LIFO cost was approximately $110.7 million and $103.7 million at January 31, 2020 and February 1, 2019, respectively. Current cost is determined using the RIM on a first-in, first-out basis. Under the LIFO inventory method, the impacts of rising or falling market price changes increase or decrease cost of sales (the LIFO provision or benefit). The Company recorded a LIFO provision (benefit) of

$7.0 million in 2019, $25.2 million in 2018, and $(2.2) million in 2017, which is included in cost of goods sold in the consolidated statements of income.

The Company purchases its merchandise from a wide variety of suppliers. The Company's two largest suppliers each accounted for approximately 8% of the Company's purchases in 2019.

Vendor rebates

The Company accounts for all cash consideration received from vendors in accordance with applicable accounting standards pertaining to such arrangements. Cash consideration received from a vendor is generally presumed to be a rebate or an allowance and is accounted for as a reduction of merchandise purchase costs as earned. However, certain specific, incremental and otherwise qualifying SG&A expenses related to the promotion or sale of vendor products may be offset by cash consideration received from vendors, in accordance with arrangements such as cooperative advertising, when earned for dollar amounts up to but not exceeding actual incremental costs.

Prepaid expenses and other current assets

Prepaid expenses and other current assets include prepaid amounts for maintenance, business licenses, advertising, and insurance, and amounts receivable for certain vendor rebates (primarily those expected to be collected in cash) and coupons.

Property and equipment

In 2007, the Company's property and equipment was recorded at estimated fair values as the result of a merger transaction. Property and equipment acquired subsequent to the merger has been recorded at cost. The Company records depreciation and amortization on a straight-line basis over the assets' estimated useful lives. The Company's property and equipment balances and depreciable lives are summarized as follows:

(In thousands)	Depreciable Life	January 31, 2020	February 1, 2019
Land	Indefinite	$ 220,228	$ 214,632
Land improvements	20	86,636	85,093
Buildings	39 - 40	1,290,673	1,219,852
Leasehold improvements	(a)	656,234	583,531
Furniture, fixtures and equipment	3 - 10	3,782,016	3,298,594
Construction in progress		62,183	117,275
		6,097,970	5,518,977
Less accumulated depreciation and amortization		2,819,611	2,548,171
Net property and equipment		$ 3,278,359	$ 2,970,806

(a) Amortized over the lesser of the life of the applicable lease term or the estimated useful life of the asset.

Depreciation expense related to property and equipment was approximately $500.4 million, $454.1 million and $403.3 million for 2019, 2018 and 2017, respectively. Interest on borrowed funds during the construction of property and equipment is capitalized where applicable. Interest costs of $2.7 million, $3.7 million, and $2.0 million were capitalized in 2019, 2018 and 2017, respectively.

Impairment of long-lived assets

When indicators of impairment are present, the Company evaluates the carrying value of long-lived assets, excluding goodwill and other indefinite-lived intangible assets, in relation to the operating performance and future cash flows or the appraised values of the underlying assets. Generally, the Company's policy is to review for impairment stores open more than three years for which current cash flows from operations are negative. Impairment results when the carrying value of the assets exceeds the undiscounted future cash flows expected to be generated by the assets. The Company's estimate of undiscounted future cash flows is based upon historical operations of the stores and estimates of future store profitability which encompasses many factors that are subject to variability and difficult to predict. If a long-lived asset is found to be impaired, the amount recognized for impairment is equal to the difference between the carrying value and the asset's estimated fair value. The fair value is estimated based primarily upon estimated future cash flows over the asset's remaining useful life (discounted at the Company's credit adjusted risk-free rate) or other reasonable estimates of fair market value. Assets to be disposed of are adjusted to the fair value less the cost to sell if less than the book value.

The Company recorded impairment charges included in SG&A expense of approximately $3.6 million in 2019, $4.1 million in 2018 and $7.8 million in 2017, to reduce the carrying value of certain of its stores' assets. Such action was deemed necessary based on the Company's evaluation that such amounts would not be recoverable primarily due to insufficient sales or excessive costs resulting in the carrying value of the assets exceeding the estimated undiscounted future cash flows generated by the assets at these locations.

Goodwill and other intangible assets

If not deemed indefinite, the Company amortizes intangible assets over their estimated useful lives. Goodwill and intangible assets with indefinite lives are tested for impairment annually or more frequently if indicators of impairment are present. Definite lived intangible assets are tested for impairment if indicators of impairment are present. Impaired assets are written down to fair value as required. No impairment of intangible assets has been identified during any of the periods presented.

In accordance with accounting standards for goodwill and indefinite-lived intangible assets, an entity has the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill or an indefinite-lived intangible asset is impaired. If after such assessment an entity concludes that the asset is not impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the asset using a quantitative impairment test, and if impaired, the associated assets must be written down to fair value as described in further detail below.

The quantitative goodwill impairment test is a two-step process that would require management to make judgments in determining what assumptions to use in the calculation. The first step of the process consists of estimating the fair value of an entity's reporting units based on valuation techniques (including a discounted cash flow model using revenue and profit forecasts) and comparing that estimated fair value with the recorded carrying value, which includes goodwill. If the estimated fair value is less than the carrying value, a second step is performed to compute the amount of the impairment by determining an "implied fair value" of goodwill. The determination of the implied fair value of goodwill would require the entity to allocate the estimated fair value of its reporting unit to its assets and liabilities. Any unallocated fair value would represent the implied fair value of goodwill, which would be compared to its corresponding carrying value.

The quantitative impairment test for intangible assets compares the fair value of the intangible asset with its carrying amount. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

The Company's goodwill balance has an indefinite life and is not expected to be deductible for tax purposes. Substantially all of the Company's other intangible assets are trade names and trademarks which have an indefinite life.

Other assets

Noncurrent Other assets consist primarily of qualifying prepaid expenses for maintenance, beer and wine licenses, and utility, security and other deposits.

Accrued expenses and other liabilities

Accrued expenses and other consist of the following:

(In thousands)	January 31, 2020	February 1, 2019
Compensation and benefits	$ 135,492	$ 121,375
Self-insurance reserves	109,291	107,380
Taxes (other than taxes on income)	192,656	183,941
Other	271,717	205,709
	$ 709,156	$ 618,405

Included in other accrued expenses are liabilities for freight expense, interest, utilities, and maintenance.

Insurance liabilities

The Company retains a significant portion of risk for its workers' compensation, employee health, general liability, property, automobile, and third-party landlord liability claim exposures. Accordingly, provisions are made for the Company's estimates of such risks which are recorded as self-insurance reserves pursuant to Company policy. The undiscounted future claim costs for the workers' compensation, general liability, landlord liability, and health claim risks are derived using actuarial methods which are sensitive to significant assumptions such as loss development factors, trend factors, pure loss rates, and projected claim counts. To the extent that subsequent claim costs vary from the Company's estimates, future results of operations will be affected as the reserves are adjusted.

Ashley River Insurance Company ("ARIC"), a Tennessee-based wholly owned captive insurance subsidiary of the Company, charges the operating subsidiary companies premiums to insure the retained workers' compensation, medical stop-loss, and non-property general liability exposures. Pursuant to Tennessee insurance regulations, ARIC maintains certain levels of cash and cash equivalents related to its self-insured exposures.

Leases

Effective in 2019, the Company records right of use lease assets and lease liabilities on its balance sheet. Lease liabilities are recorded at a discount based upon the Company's estimated collateralized incremental borrowing rate. Factors incorporated into the calculation of lease discount rates include the valuations and yields of the Company's senior notes, their credit spread over comparable U.S. Treasury rates, and an index of the credit spreads for all North American investment grade companies by rating. To determine an indicative secured rate, the Company uses the estimated credit spread improvement that would result from an upgrade of one ratings classification by tenor.

Also effective in 2019, the Company records single lease cost on a straight-line basis over the base, non-cancelable lease term commencing on the date that the Company takes physical possession of the property from the landlord, which may include a period prior to the opening of a store or other facility to make any necessary leasehold improvements and install fixtures. Any tenant allowances received are recorded as a reduction of the right of use asset. Leases with an initial term of 12 months or less are not recorded on the balance sheet and lease expense for such leases is recognized on a straight-line basis over the lease term. The Company combines lease and nonlease components. Many leases include one or more options to renew, and the exercise of lease renewal options is at the Company's sole discretion. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

For periods prior to 2019, rent expense was recognized over the term of the lease. The Company recorded minimum rental expense on a straight-line basis over the base, non-cancelable lease term commencing on the date that the Company took physical possession of the property from the landlord. When a lease contained a predetermined fixed escalation of the minimum rent, the Company recognized the related rent expense on a straight-line basis and recorded the difference between the recognized rental expense and the amounts payable under the lease as deferred rent. Tenant allowances, to the extent received, were recorded as deferred incentive rent and were amortized as a reduction to rent expense over the term of the lease. The difference between the calculated expense and the amounts paid result in a liability which was classified in other long-term liabilities in the consolidated balance sheet, totaling approximately $70.1 million at February 1, 2019.

The Company recognizes contingent rental expense when the achievement of specified sales targets is considered probable. The amount expensed but not paid as of January 31, 2020 and February 1, 2019 was approximately $2.3 million and $2.4 million, respectively, and is included in Accrued expenses and other in the consolidated balance sheets.

Other liabilities

Noncurrent Other liabilities consist of the following:

(In thousands)	January 31, 2020	February 1, 2019
Self-insurance reserves	$ 131,281	$ 130,022
Deferred rent	—	70,139
Deferred gain on sale leaseback	—	40,303
Other	41,395	57,897
	$ 172,676	$ 298,361

The deferred rent balance was reclassified and the deferred gain on sale leaseback balance was eliminated on February 2, 2019 as a result of the adoption of a new lease accounting standard discussed in greater detail in Note 1 and Note 4 below.

Fair value accounting

The Company utilizes accounting standards for fair value, which include the definition of fair value, the framework for measuring fair value, and disclosures about fair value measurements. Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are based on an entity’s own assumptions, as there is little, if any, observable market activity. In instances where the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Other comprehensive income

The Company previously recorded a loss on the settlement of derivatives associated with the issuance of long-term debt in 2013 which was deferred to other comprehensive income and is being amortized as an increase to interest expense over the 10-year period of the debt's maturity.

Revenue recognition

The Company recognizes retail sales in its stores at the time the customer takes possession of merchandise. All sales are net of discounts and are presented net of taxes assessed by governmental authorities that are imposed concurrent with those sales.

The Company recognizes gift card sales revenue at the time of redemption. The liability for gift cards is established for the cash value at the time of purchase of the gift card. The liability for outstanding gift cards was approximately $6.0 million and $5.2 million at January 31, 2020 and February 1, 2019, respectively, and is recorded in Accrued expenses and other liabilities. Estimated breakage revenue, a percentage of gift cards that will never be redeemed based on historical redemption rates, is recognized over time in proportion to actual gift card redemptions. The Company recorded breakage revenue of $1.0 million, $0.8 million and $0.6 million in 2019, 2018 and 2017, respectively.

Advertising costs

Advertising costs are expensed upon performance, "first showing" or distribution, and are reflected in SG&A expenses net of earned cooperative advertising amounts provided by vendors which are specific, incremental and otherwise qualifying expenses related to the promotion or sale of vendor products for dollar amounts up to but not exceeding actual incremental costs. Advertising costs were $91.0 million, $70.5 million and $68.8 million in 2019, 2018 and 2017, respectively. These costs primarily include promotional circulars, targeted circulars supporting new stores, television and radio advertising, and in-store signage. Vendor funding for cooperative advertising offset reported expenses by $34.7 million, $35.0 million and $33.8 million in 2019, 2018 and 2017, respectively.

Share-based payments

The Company recognizes compensation expense for share-based compensation based on the fair value of the awards on the grant date. Forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period. This estimate may be adjusted periodically based on the extent to which actual forfeitures differ, or are expected to differ, from the prior estimate. The forfeiture rate is the estimated percentage of share-based awards granted that are expected to be forfeited or canceled before becoming fully vested. The Company bases this estimate on historical experience or estimates of future trends, as applicable. An increase in the forfeiture rate will decrease compensation expense.

The fair value of each option grant is separately estimated and amortized into compensation expense on a straight-line basis between the applicable grant date and each vesting date. The Company has estimated the fair value of all stock option awards as of the grant date by applying the Black-Scholes-Merton option pricing valuation model. The application of this valuation model involves assumptions that are judgmental and highly sensitive in the determination of compensation expense.

The Company calculates compensation expense for restricted stock, share units and similar awards as the difference between the market price of the underlying stock or similar award on the grant date and the purchase price, if any. Such expense is recognized on a straight-line basis for time-based awards and on an accelerated or straight-line basis for performance awards depending on the period over which the recipient earns the awards.

Store pre-opening costs

Pre-opening costs related to new store openings and the related construction periods are expensed as incurred.

Income taxes

Under the accounting standards for income taxes, the asset and liability method is used for computing the future income tax consequences of events that have been recognized in the Company's consolidated financial statements or income tax returns. Deferred income tax expense or benefit is the net change during the year in the Company's deferred income tax assets and liabilities.

The Company includes income tax related interest and penalties as a component of the provision for income tax expense.

Income tax reserves are determined using a methodology which requires companies to assess each income tax position taken using a two-step process. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position. Uncertain tax positions require determinations and estimated liabilities to be made based on provisions of the tax law which may be subject to change or varying interpretation. If the Company's determinations and estimates prove to be inaccurate, the resulting adjustments could be material to the Company's future financial results.

Management estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Accounting standards

The Company adopted new accounting guidance related to leases as of February 2, 2019, using the modified retrospective approach. Under this approach, existing leases were recorded at the adoption date, and comparative periods were not restated and are presented under previously existing guidance. In addition, the Company elected the package of practical expedients permitted under the transition guidance in the standard, which among other things, allowed the carry forward of historical conclusions for lease identification, lease classification, and initial direct costs. The Company is accounting for leases with a term of less than one year under the short-term policy election. The Company also elected the practical expedient to not separate lease components from the nonlease components (typically fixed common-area maintenance costs at its retail store locations) for all classes of leased assets. The Company chose not to elect the hindsight practical expedient. Factors incorporated into the calculation of lease discount rates include the valuations and yields of the Company's senior notes, their credit spread over comparable U.S. Treasury rates, and an index of the credit spreads for all North American investment grade companies by rating. To determine an indicative secured rate, the Company uses the estimated credit spread improvement that would result from an upgrade of one ratings classification by tenor.

Adoption of the leasing standard resulted in right of use operating lease assets and operating lease liabilities of approximately $8.0 billion each as of February 2, 2019. The cumulative effect of applying the standard resulted in an adjustment to retained earnings of $28.8 million at February 2, 2019, primarily for the elimination of deferred gain on a 2013 sale-leaseback transaction. Because the standard was adopted under the modified retrospective approach, it did not impact the Company's historical consolidated net income or cash flows.

In February 2018, the FASB issued new accounting guidance for the reclassification of certain tax effects from accumulated other comprehensive income which gives entities the option to reclassify to retained earnings tax effects related to items that have been stranded in accumulated other comprehensive income as a result of the Tax Cuts and Jobs Act ("TCJA"). An entity that elects to reclassify these amounts must reclassify stranded tax effects related to the TCJA's change in US federal tax rate for all items accounted for in other comprehensive income. These entities can also elect to reclassify other stranded effects that relate to the TCJA but do not directly relate to the change in the federal tax rate. The Company adopted this standard in the first quarter of 2019 and recorded a transition adjustment of $0.9 million, which is reflected as a reclassification from accumulated other comprehensive loss to retained earnings in the accompanying consolidated financial statements.

In October 2016, the FASB issued amendments to existing guidance related to accounting for intra-entity transfers of assets other than inventory, which affected the Company's historical accounting for intra-entity transfers of certain intangible assets. This guidance was effective for the Company in 2018. The amendments were applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company adopted this guidance effective February 3, 2018 which resulted in an increase in deferred income tax liabilities and a decrease in retained earnings of $41.3 million.

In January 2017, the FASB issued amendments to existing guidance related to the subsequent measurement of goodwill. These amendments modify the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. Subsequent to adoption, an entity will perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. This guidance is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2019, and early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The amendments should be applied on a prospective basis. An entity is required to disclose the nature of and reason for the change in accounting principle upon transition. The Company does not anticipate a material effect on its consolidated results of operations, financial position or cash flows to result from the adoption of this guidance.

Reclassifications

Certain financial disclosures relating to prior periods have been reclassified to conform to the current year presentation where applicable.

2. Earnings per share

Earnings per share is computed as follows (in thousands except per share data):

	2019		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	$ 1,712,555	256,553	$ 6.68
Effect of dilutive share-based awards		1,500	
Diluted earnings per share	$ 1,712,555	258,053	$ 6.64

	2018		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	$ 1,589,472	265,155	$ 5.99
Effect of dilutive share-based awards		950	
Diluted earnings per share	$ 1,589,472	266,105	$ 5.97

	2017		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	$ 1,538,960	272,751	$ 5.64
Effect of dilutive share-based awards		611	
Diluted earnings per share	$ 1,538,960	273,362	$ 5.63

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share is determined based on the dilutive effect of share-based awards using the treasury stock method.

Share-based awards that were outstanding at the end of the respective periods, but were not included in the computation of diluted earnings per share because the effect of exercising such options would be antidilutive, were 0.3 million, 0.8 million and 2.1 million in 2019, 2018 and 2017, respectively.

3. Income taxes

The provision (benefit) for income taxes consists of the following:

(In thousands)	2019	2018	2017
Current:			
Federal	$ 368,451	$ 320,361	$ 426,933
Foreign	102	159	105
State	65,215	53,091	79,011
	433,768	373,611	506,049
Deferred:			
Federal	45,966	48,262	(159,728)
Foreign	(15)	(38)	(22)
State	9,456	4,109	22,021
	55,407	52,333	(137,729)
	$ 489,175	$ 425,944	$ 368,320

A reconciliation between actual income taxes and amounts computed by applying the federal statutory rate to income before income taxes is summarized as follows:

(Dollars in thousands)	2019		2018		2017	
U.S. federal statutory rate on earnings before income taxes	$ 462,364	21.0 %	$ 423,237	21.0 %	$ 643,326	33.7 %
Impact of federal tax rate changes	—	—	(12,222)	(0.6)	(310,756)	(16.3)
State income taxes, net of federal income tax benefit	60,936	2.8	44,584	2.2	61,201	3.2
Jobs credits, net of federal income taxes	(27,768)	(1.3)	(27,506)	(1.4)	(26,759)	(1.4)
Increase (decrease) in valuation allowances, net of federal taxes	(356)	(0.0)	—	—	4,435	0.2
Stock-based compensation programs	(6,177)	(0.3)	(3,682)	(0.2)	(2,227)	(0.1)
Increase (decrease) in income tax reserves	(513)	(0.0)	3,952	0.2	(1,837)	(0.1)
Other, net	689	0.0	(2,419)	(0.1)	937	0.1
	$ 489,175	22.2 %	$ 425,944	21.1 %	$ 368,320	19.3 %

The effective income tax rate for 2019 was 22.2% compared to a rate of 21.1% for 2018 which represents a net increase of 1.1 percentage points. The effective income tax rate was higher in 2019 primarily due to an increase in income taxes resulting from changes in state income tax laws and a federal income tax benefit arising from the Tax Cuts and Jobs Act (the "TCJA") in 2018 that did not reoccur in 2019.

The effective income tax rate for 2018 was 21.1% compared to a rate of 19.3% for 2017 which represents a net increase of 1.8 percentage points. The effective income tax rate was higher in 2018 primarily due to the one-time remeasurement of the deferred tax assets and liabilities at 21% in 2017, which was offset by the reduction in the current federal tax rate from 33.7% in 2017 to 21% in 2018.

On December 22, 2017, the TCJA was signed into law. Among other changes, the TCJA reduced the federal corporate tax rate to 21% from 35% effective January 1, 2018, including a reduction in the Company's federal corporate tax rate for 2017 to 33.7% as a result of the Company's 2017 fiscal year ending approximately one month after the effective date of the TCJA.

The Company's 2017 provision for income taxes reflected an estimate due to the changes in the federal income tax law arising from the TCJA. The provisional tax benefit consisted of $310.8 million related to the one-time remeasurement of the federal portion of our deferred tax assets and liabilities at the 21% rate and $24.2 million related to the reduced statutory tax rate of 33.7%, compared to 35% in prior years. Subsequent to the signing of the TCJA, the Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which allowed companies to record provisional amounts during a measurement period not to extend beyond one year after the enactment date while the accounting impact is still under analysis. In 2018, the Company concluded its analysis of the accounting impact of the TCJA pursuant to SAB 118 and recorded immaterial adjustments related to its 2017 provision for income taxes.

Deferred taxes reflect the effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

(In thousands)	January 31, 2020	February 1, 2019
Deferred tax assets:		
Deferred compensation expense	$ 7,556	$ 6,490
Accrued expenses	16,788	3,278
Accrued rent	401	22,668
Operating lease liabilities	2,167,780	—
Accrued insurance	5,895	6,869
Accrued incentive compensation	16,721	15,219
Share based compensation	16,321	15,713
Interest rate hedges	1,076	1,421
Tax benefit of income tax and interest reserves related to uncertain tax positions	164	472
Deferred gain on sale-leaseback	—	11,649
Other	3,702	3,942
State tax net operating loss carry forwards, net of federal tax	555	598
State tax credit carry forwards, net of federal tax	7,534	8,245
	2,244,493	96,564
Less valuation allowances, net of federal income taxes	(4,077)	(4,433)
Total deferred tax assets	2,240,416	92,131
Deferred tax liabilities:		
Property and equipment	(389,080)	(322,575)
Operating lease assets	(2,143,996)	—
Inventories	(59,075)	(56,221)
Trademarks	(310,862)	(308,793)
Prepaid insurance	(11,933)	(12,639)
Other	(697)	(1,590)
Total deferred tax liabilities	(2,915,643)	(701,818)
Net deferred tax liabilities	$ (675,227)	$ (609,687)

In the year ended January 31, 2020, the Company recorded a deferred tax asset related to its operating lease liabilities and a deferred tax liability related to its operating lease assets pursuant to the adoption of a new lease accounting standard as described in Note 1 above.

The Company has state tax credit carryforwards of approximately $7.5 million (net of federal benefit) that will expire beginning in 2022 through 2028 and the Company has approximately $15.6 million of state apportioned net operating loss carryforwards, which will begin to expire in 2033 and will continue through 2039.

The Company established a valuation allowance for the state tax credit carryforwards, in the amount of $4.4 million (net of federal benefit) increasing income tax expense in 2017. In 2019, the Company updated its projections, releasing $0.4 million of valuation allowance (net of federal benefit), but management continues to believe that results from operations will not generate sufficient taxable income to realize the remaining state tax credits before they expire.

Management believes that it is more likely than not that the Company's results of operations and its existing deferred tax liabilities will generate sufficient taxable income to realize the remaining deferred tax assets.

The Company's 2015 and earlier tax years are not open for further examination by the Internal Revenue Service ("IRS"). The IRS, at its discretion, may choose to examine the Company's 2016 through 2018 fiscal year income tax filings. The Company has various state income tax examinations that are currently in progress.

Generally, with few exceptions, the Company's 2016 and later tax years remain open for examination by the various state taxing authorities.

As of January 31, 2020, accruals for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were $5.1 million, $0.4 million and $0.0 million, respectively, for a total of $5.5 million. As of February 1, 2019, accruals for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were $5.0 million, $0.8 million and $0.9 million, respectively, for a total of $6.7 million. These totals are reflected in noncurrent Other liabilities in the consolidated balance sheets.

The Company's reserve for uncertain tax positions is not expected to be reduced in the coming twelve months as a result of expiring statutes of limitations. As of January 31, 2020 and February 1, 2019, approximately $5.1 million and $5.0 million, respectively, of the uncertain tax positions would impact the Company's effective income tax rate if the Company were to recognize the tax benefit for these positions.

The amounts associated with uncertain tax positions included in income tax expense consists of the following:

(In thousands)	2019	2018	2017
Income tax expense (benefit)	$ 130	$ 3,919	$ (2,076)
Income tax related interest expense (benefit)	(406)	133	(123)
Income tax related penalty expense (benefit)	(882)	33	(9)

A reconciliation of the uncertain income tax positions from February 4, 2017 through January 31, 2020 is as follows:

(In thousands)	2019	2018	2017
Beginning balance	$ 4,960	$ 1,041	$ 3,117
Increases—tax positions taken in the current year	—	95	66
Increases—tax positions taken in prior years	1,239	3,914	27
Decreases—tax positions taken in prior years	(1,109)	—	—
Statute expirations	—	—	(2,169)
Settlements	—	(90)	—
Ending balance	$ 5,090	$ 4,960	$ 1,041

4. Leases

As of January 31, 2020, the Company's primary leasing activities were real estate leases for most of its retail store locations and certain of its distribution facilities. Many of the Company's store locations are subject to build-to-suit arrangements with landlords which typically carry a primary lease term of up to 15 years. The Company does not control build-to-suit properties during the construction period. Store locations not subject to build-to-suit arrangements are typically shorter-term leases. Certain of the Company's leased store locations have variable payments based upon actual costs of common area maintenance, real estate taxes and property and liability insurance. In addition, some of the Company's leased store locations have provisions for variable payments based upon a specified percentage of defined sales volume. The Company's lease agreements generally do not contain material restrictive covenants.

Most of the Company's leases include one or more options to renew and extend the lease term. The exercise of lease renewal options is at the Company's sole discretion. Generally, a renewal option is not deemed to be reasonably certain to be exercised until such option is legally executed. The Company's leases do not include purchase options or residual value guarantees on the leased property. The depreciable life of leasehold improvements is limited by the expected lease term.

All of the Company's leases are classified as operating leases and the associated assets and liabilities are presented as separate captions in the consolidated balance sheet. At January 31, 2020, the weighted-average remaining lease term for the Company's leases is 10.1 years, and the weighted average discount rate is 4.2%. For 2019, operating lease cost of $1.27 billion and variable lease cost of $0.23 billion were reflected as selling, general and administrative expenses in the consolidated statement of income. Cash paid for amounts included in the measurement of operating lease liabilities of $1.28 billion was reflected in cash flows from operating activities in the consolidated statement of cash flows for 2019.

The scheduled maturity of the Company's operating lease liabilities is as follows:

(In thousands)	
2020	$ 1,312,605
2021	1,264,655
2022	1,200,056
2023	1,132,968
2024	1,052,032
Thereafter	4,806,745
Total lease payments (a)	10,769,061
Less imputed interest	(1,984,573)
Present value of lease liabilities	$ 8,784,488

a) Excludes approximately $0.6 billion of legally binding minimum lease payments for leases signed which have not yet commenced.

Rent expense under all operating leases prior to the adoption of new lease accounting guidance in 2019 is as follows:

(In thousands)	2018	2017
Minimum rentals	$ 1,154,429	$ 1,075,984
Contingent rentals	4,656	5,532
	$ 1,159,085	$ 1,081,516

5. Current and long-term obligations

Consolidated current and long-term obligations consist of the following:

(In thousands)	January 31, 2020	February 1, 2019
Revolving Facility	$ —	$ —
3.250% Senior Notes due April 15, 2023 (net of discount of $837 and $1,084)	899,163	898,916
4.150% Senior Notes due November 1, 2025 (net of discount of $489 and $562)	499,511	499,438
3.875% Senior Notes due April 15, 2027 (net of discount of $336 and $375)	599,664	599,625
4.125% Senior Notes due May 1, 2028 (net of discount of $428 and $471)	499,572	499,529
Unsecured commercial paper notes	425,200	366,900
Other	4,895	17,337
Debt issuance costs, net	(16,012)	(17,055)
	2,911,993	2,864,690
Less: current portion	(555)	(1,950)
Long-term portion	$ 2,911,438	$ 2,862,740

At January 31, 2020, the Company maintained a $1.25 billion senior unsecured revolving credit facility (the “Revolving Facility”) that provides for the issuance of letters of credit up to $175.0 million and is scheduled to mature on September 10, 2024.

Borrowings under the Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at the Company’s option, either (a) LIBOR or (b) a base rate (which is usually equal to the prime rate). The applicable interest rate margin for borrowings as of January 31, 2020 was 1.015% for LIBOR borrowings and 0.015% for base-rate borrowings. The Company is also required to pay a facility fee, payable on any used and unused commitment amounts of the Revolving Facility, and customary fees on letters of credit issued under the Revolving Facility. As of January 31, 2020, the facility fee rate was 0.11%. The applicable interest rate margins for borrowings, the facility fees and the letter of credit fees under the Revolving Facility are subject to adjustment from time to time based on the Company’s long-term senior unsecured debt ratings.

The Revolving Facility contains a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, the Company’s ability to: incur additional liens; sell all or substantially all of the Company’s assets; consummate certain fundamental changes or change in the Company’s lines of business; and incur additional subsidiary indebtedness. The Revolving Facility also contains financial covenants which require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of January 31, 2020, the Company was in compliance with all such covenants. The Revolving Facility also contains customary events of default.

On June 11, 2018, the Company voluntarily prepaid the entire $175.0 million outstanding balance of its senior unsecured term loan facility and recognized an associated loss of $1.0 million which is reflected in Other (income) expense in the consolidated statement of income for the year ended February 1, 2019.

As of January 31, 2020, the Company had no outstanding borrowings, outstanding letters of credit of $5.4 million, and borrowing availability of $1.24 billion under the Revolving Facility that, due to its intention to maintain borrowing availability related to the commercial paper program described below, could contribute incremental liquidity of $638.4 million. In addition, the Company had outstanding letters of credit of $41.4 million which were issued pursuant to separate agreements.

As of January 31, 2020, the Company had a commercial paper program under which the Company may issue unsecured commercial paper notes (the “CP Notes”) from time to time in an aggregate amount not to exceed $1.0 billion outstanding at any time. The CP Notes have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of the Company’s other unsecured and unsubordinated indebtedness. The Company intends to maintain available commitments under the Revolving Facility in an amount at least equal to the amount of CP Notes outstanding at any time. As of January 31, 2020, the Company’s consolidated balance sheet reflected outstanding CP notes of $425.2 million, which were classified as long-term obligations due to the Company’s intent and ability to refinance these obligations as long-term debt. An additional $181.0 million of outstanding CP Notes were held by a wholly-owned subsidiary of the Company and are therefore not reflected on the consolidated balance sheet. As of January 31, 2020, the outstanding CP Notes had a weighted average borrowing rate of 1.7%.

On April 10, 2018, the Company issued $500.0 million aggregate principal amount of 4.125% senior notes due 2028 (the “2028 Senior Notes”), net of discount of $0.5 million, which are scheduled to mature on May 1, 2028. Interest on the 2028 Senior Notes is payable in cash on May 1 and November 1 of each year. The Company incurred $4.4 million of debt issuance costs associated with the issuance of the 2028 Senior Notes.

Effective April 15, 2018, the Company redeemed $400.0 million aggregate principal amount of outstanding 1.875% senior notes due 2018 (the “2018 Senior Notes”). There was no gain or loss associated with the redemption. The Company funded the redemption price for the 2018 Senior Notes with proceeds from the issuance of the 2028 Senior Notes.

On April 11, 2017, the Company issued $600.0 million aggregate principal amount of 3.875% senior notes due 2027 (the "2027 Senior Notes"), at a discount of $0.4 million, which are scheduled to mature on April 15, 2027. Interest on the 2027 Senior Notes is payable in cash on April 15 and October 15 of each year. The Company incurred $5.2 million of debt issuance costs associated with the issuance of the 2027 Senior Notes.

On April 27, 2017, the Company redeemed $500.0 million aggregate principal amount of outstanding 4.125% senior notes due 2017 (the "2017 Senior Notes"), resulting in a pretax loss of $3.4 million which is reflected in Other (income) expense in the consolidated statement of income for the year ended February 2, 2018.

Collectively, the 2028 Senior Notes, the 2027 Senior Notes and the Company's other Senior Notes due 2023 and 2025 as reflected in the table above comprise the "Senior Notes", each of which were issued pursuant to an indenture as supplemented and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the "Senior Indenture"). The Company may redeem some or all of its Senior Notes at any time at redemption prices set forth in the Senior Indenture. Upon the occurrence of a change of control triggering event, which is defined in the Senior Indenture, each holder of the Senior Notes has the right to require the Company to repurchase some or all of such holder's Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The Senior Indenture contains covenants limiting, among other things, the ability of the Company and its subsidiaries to (subject to certain exceptions): consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's assets; and to incur or guarantee indebtedness secured by liens on any shares of voting stock of significant subsidiaries.

The Senior Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Senior Notes to become or to be declared due and payable, as applicable.

Scheduled debt maturities at January 31, 2020 for the Company's fiscal years listed below are as follows (in thousands): 2020 - $425,755; 2021 - $580; 2022 - $610; 2023 - $900,635; 2024 - $665; thereafter - $1,601,850.

6. Assets and liabilities measured at fair value

The following table presents the Company's assets and liabilities required to be measured at fair value as of January 31, 2020, aggregated by the level in the fair value hierarchy within which those measurements are classified.

(In thousands)	**Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Fair Value at January 31, 2020**
Liabilities:				
Long-term obligations (a)	$ 2,711,924	$ 430,095	$ —	$ 3,142,019
Deferred compensation (b)	28,862	—	—	28,862

(a) Included in the consolidated balance sheet at book value as Current portion of long-term obligations of $555 and Long-term obligations of $2,911,438.

(b) Reflected at fair value in the consolidated balance sheet as a component of Accrued expenses and other current liabilities of $1,644 and a component of noncurrent Other liabilities of $27,218.

The carrying amounts reflected in the consolidated balance sheets for cash, cash equivalents, short-term investments, receivables and payables approximate their respective fair values. The Company does not have any recurring fair value measurements using significant unobservable inputs (Level 3) as of January 31, 2020.

7. Commitments and contingencies

Legal proceedings

From time to time, the Company is a party to various legal matters in the ordinary course of its business, including actions by employees, consumers, suppliers, government agencies, or others. The Company has recorded accruals with respect to these matters, where appropriate, which are reflected in the Company's consolidated financial statements. For some matters, a liability is not probable or the amount cannot be reasonably estimated and therefore an accrual has not been made. In 2019, the Company recorded an accrual of $31.0 million for losses the Company believes are both probable and reasonably estimable relating to certified class actions and associated matters, including certain wage and hour litigation as well as the matters discussed below under Consumer/Product Litigation.

Except as described below and based on information currently available, the Company believes that its pending legal matters, both individually and in the aggregate, will be resolved without a material adverse effect on the Company's consolidated financial statements as a whole. However, litigation and other legal matters involve an element of uncertainty. Adverse decisions and settlements, including any required changes to the Company's business, or other developments in such matters could affect our consolidated operating results in future periods or result in liability or other amounts material to the Company's annual consolidated financial statements.

Consumer/Product Litigation

In December 2015 the Company was first notified of several lawsuits in which plaintiffs allege violation of state law, including state consumer protection laws, relating to the labeling, marketing and sale of certain Dollar General private-label motor oil. Each of these lawsuits, as well as additional, similar lawsuits filed after December 2015, was filed in, or removed to, various federal district courts of the United States (collectively "Motor Oil Lawsuits").

On June 2, 2016, the Motor Oil Lawsuits were centralized in a matter styled *In re Dollar General Corp. Motor Oil Litigation*, Case MDL No. 2709, before the United States District Court for the Western District of Missouri ("Motor Oil MDL"). In their consolidated amended complaint, the plaintiffs in the Motor Oil MDL sought to certify two nationwide classes and multiple statewide sub-classes and for each putative class member some or all of the following relief: compensatory damages, injunctive relief, statutory damages, punitive damages and attorneys' fees. The Company's motion to dismiss the allegations raised in the consolidated amended complaint was granted in part and denied in part on August 3, 2017. To the extent additional consumer lawsuits alleging violation of laws relating to the labeling, marketing and sale of Dollar General private-label motor oil have been or will be filed, the Company expects that such lawsuits will be transferred to the Motor Oil MDL.

In May 2017, the Company received a Notice of Proposed Action from the Office of the New Mexico Attorney General (the "New Mexico AG") which alleges that the Company's labeling, marketing and sale of certain Dollar General private-label motor oil violated New Mexico law (the "New Mexico Motor Oil Matter"). The State is represented in connection with this matter by counsel for plaintiffs in the Motor Oil MDL.

On June 20, 2017, the New Mexico AG filed an action in the First Judicial District Court, County of Santa Fe, New Mexico pertaining to the New Mexico Motor Oil Matter. (*Hector H. Balderas v. Dolgencorp, LLC*, Case No. D-101-cv-2017-01562). The Company's motion to dismiss the action is pending.

On September 1, 2017, the Mississippi Attorney General (the "Mississippi AG"), who also is represented by the counsel for plaintiffs in the Motor Oil MDL, filed an action in the Chancery Court of the First Judicial District of Hinds County, Mississippi alleging that the Company's labeling, marketing and sale of certain Dollar

General private-label motor oil violated Mississippi law. (*Jim Hood v. Dollar General Corporation*, Case No. G2017-1229 T/1) (the "Mississippi Motor Oil Matter"). The Company removed this matter to Mississippi federal court on October 5, 2017, and filed a motion to dismiss the action. The matter was transferred to the Motor Oil MDL and the Mississippi AG moved to remand it to state court. (*Jim Hood v. Dollar General Corporation*, N.D. Miss., Case No. 3:17-cv-801-LG-LRA). On May 7, 2019, the Mississippi AG renewed its motion to remand. The Company's and the Mississippi AG's above-referenced motions are pending.

On January 30, 2018, the Company received a Civil Investigative Demand ("CID") from the Office of the Louisiana Attorney General (the "Louisiana AG") requesting information concerning the Company's labeling, marketing and sale of certain Dollar General private-label motor oil (the "Louisiana Motor Oil Matter"). In response to the CID, the Company filed a petition for a protective order on February 20, 2018 in the 19th Judicial District Court for the Parish of East Baton Rouge, Louisiana seeking to set aside the CID. (*In re Dollar General Corp. and Dolgencorp, LLC*, Case No. 666499). On February 7, 2020, the Company reached an agreement with the Louisiana AG to resolve this matter for an amount that is immaterial to the Company's consolidated financial statements as a whole.

On August 20, 2018, plaintiffs moved to certify two nationwide classes relating to their claims of alleged unjust enrichment and breach of implied warranties. In addition, plaintiffs moved to certify a multi-state class relating to their claims of breach of implied warranties and multiple statewide classes relating to alleged unfair trade practices/consumer fraud, unjust enrichment and breach of implied warranty claims. The Company opposed the plaintiffs' certification motion. On March 21, 2019, the court granted the plaintiffs' certification motion as to 16 statewide classes regarding claims of unjust enrichment and 16 statewide classes regarding state consumer protection laws. Subsequently, the court certified an additional class, bringing the total to 17 statewide classes. The court denied plaintiffs' certification motion in all other respects. On June 25, 2019, the United States Court of Appeals for the Eighth Circuit granted the Company's Petition to Appeal the lower court's certification rulings. The Company's appeal is pending.

The Company is vigorously defending these matters and believes that the labeling, marketing and sale of its private-label motor oil comply with applicable federal and state requirements and are not misleading. The Company further believes that these matters are not appropriate for class or similar treatment. At this time, however, except as to the Louisiana Motor Oil Matter, it is not possible to predict whether these matters ultimately will be permitted to proceed as a class or in a similar fashion or the size of any putative class or classes. Likewise, except as to the Louisiana Motor Oil Matter, no assurances can be given that the Company will be successful in its defense of these matters on the merits or otherwise. Based on its belief that a loss in these matters is both probable and reasonably estimable, during 2019, the Company recorded an accrual for an amount that is immaterial to the Company's consolidated financial statements as a whole.

8. Benefit plans

The Dollar General Corporation 401(k) Savings and Retirement Plan, which became effective on January 1, 1998, is a safe harbor defined contribution plan and is subject to the Employee Retirement and Income Security Act ("ERISA").

A participant's right to claim a distribution of his or her account balance is dependent on the plan, ERISA guidelines and Internal Revenue Service regulations. All active participants are fully vested in all contributions to the 401(k) plan. During 2019, 2018 and 2017, the Company expensed approximately $25.0 million, $20.2 million and $17.5 million, respectively, for matching contributions.

The Company also has a compensation deferral plan ("CDP") and a nonqualified supplemental retirement plan ("SERP"), known as the Dollar General Corporation CDP/SERP Plan, for a select group of management and other key employees. The Company incurred compensation expense for these plans of approximately $0.8 million in 2019, and $0.7 million in each of 2018 and 2017, respectively.

The deferred compensation liability associated with the CDP/SERP Plan is reflected in the consolidated balance sheets as further disclosed in Note 6.

9. Share-based payments

The Company accounts for share-based payments in accordance with applicable accounting standards, under which the fair value of each award is separately estimated and amortized into compensation expense over the service period. The fair value of the Company's stock option grants are estimated on the grant date using the Black-Scholes-Merton valuation model. The application of this valuation model involves assumptions that are judgmental and highly sensitive in the determination of compensation expense. The fair value of the Company's other share-based awards discussed below are estimated using the Company's closing stock price on the grant date. Forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period.

On July 6, 2007, the Company's Board of Directors adopted the 2007 Stock Incentive Plan, which plan was subsequently amended and restated on several occasions (as so amended and restated, the "Plan"). The Plan allows the granting of stock options, stock appreciation rights, and other stock-based awards or dividend equivalent rights to key employees, directors, consultants or other persons having a service relationship with the Company, its subsidiaries and certain of its affiliates. The number of shares of Company common stock authorized for grant under the Plan is 31,142,858.

Generally, share-based awards issued by the Company are in the form of stock options, restricted stock units and performance share units, and unless noted otherwise, the disclosures that follow refer to such awards. With limited exceptions, stock options and restricted stock units granted to employees generally vest ratably on an annual basis over four-year and three-year periods, respectively. Awards granted to board members generally vest over a one-year period. The number of performance share units earned are based on performance criteria measured over a period of one to three years, and such awards generally vest over a three-year period. With limited exceptions, the performance share unit and restricted stock unit awards are payable in shares of common stock on the vesting date.

The weighted average for key assumptions used in determining the fair value of all stock options granted in the years ended January 31, 2020, February 1, 2019, and February 2, 2018, and a summary of the methodology applied to develop each assumption, are as follows:

	January 31, 2020	February 1, 2019	February 2, 2018
Expected dividend yield	1.1 %	1.2 %	1.3 %
Expected stock price volatility	25.3 %	25.0 %	25.5 %
Weighted average risk-free interest rate	2.3 %	2.7 %	2.1 %
Expected term of options (years)	6.2	6.3	6.3

Expected dividend yield - This is an estimate of the expected dividend yield on the Company's stock. An increase in the dividend yield will decrease compensation expense.

Expected stock price volatility - This is a measure of the amount by which the price of the Company's common stock has fluctuated or is expected to fluctuate. An increase in the expected volatility will increase compensation expense.

Weighted average risk-free interest rate - This is the U.S. Treasury rate for the week of the grant having a term approximating the expected life of the option. An increase in the risk-free interest rate will increase compensation expense.

Expected term of options - This is the period of time over which the options granted are expected to remain outstanding. An increase in the expected term will increase compensation expense.

A summary of the Company's stock option activity during the year ended January 31, 2020 is as follows:

(Intrinsic value amounts reflected in thousands)	Options Issued	Average Exercise Price	Remaining Contractual Term in Years	Intrinsic Value
Balance, February 1, 2019	3,257,250	$ 76.76		
Granted	649,139	119.05		
Exercised	(470,777)	71.33		
Canceled	(115,893)	90.13		
Balance, January 31, 2020	3,319,719	$ 85.34	6.9	$ 225,983
Exercisable at January 31, 2020	1,533,231	$ 72.81	5.6	$ 123,582

The weighted average grant date fair value per share of options granted was $30.67, $24.37 and $17.66 during 2019, 2018 and 2017, respectively. The intrinsic value of options exercised during 2019, 2018 and 2017, was $26.6 million, $15.4 million and $7.3 million, respectively.

The number of performance share unit awards earned is based upon the Company's financial performance as specified in the award agreement. A summary of performance share unit award activity during the year ended January 31, 2020 is as follows:

(Intrinsic value amounts reflected in thousands)	Units Issued	Intrinsic Value
Balance, February 1, 2019	210,989	
Granted	108,584	
Converted to common stock	(89,562)	
Canceled	(12,563)	
Balance, January 31, 2020	217,448	$ 33,359

All performance share unit awards at January 31, 2020 are unvested, and the number of such awards which will ultimately vest will be based in part on the Company's financial performance in future years. The weighted average grant date fair value per share of performance share units granted was $117.13, $92.98 and $70.68 during 2019, 2018 and 2017, respectively.

A summary of restricted stock unit award activity during the year ended January 31, 2020 is as follows:

(Intrinsic value amounts reflected in thousands)	Units Issued	Intrinsic Value
Balance, February 1, 2019	450,039	
Granted	230,577	
Converted to common stock	(211,511)	
Canceled	(50,436)	
Balance, January 31, 2020	418,669	$ 64,228

The weighted average grant date fair value per share of restricted stock units granted was $117.20, $93.16 and $70.90 during 2019, 2018 and 2017, respectively.

At January 31, 2020, the total unrecognized compensation cost related to unvested stock-based awards was $76.1 million with an expected weighted average expense recognition period of 2.1 years.

The fair value method of accounting for share-based awards resulted in share-based compensation expense (a component of SG&A expenses) and a corresponding reduction in income before and net of income taxes as follows:

(In thousands)	Stock Options	Performance Share Units	Restricted Stock Units	Total
Year ended January 31, 2020				
Pre-tax	$ 16,128	$ 13,343	$ 19,118	$ 48,589
Net of tax	$ 12,080	$ 9,994	$ 14,319	$ 36,393
Year ended February 1, 2019				
Pre-tax	$ 14,556	$ 8,597	$ 17,726	$ 40,879
Net of tax	$ 10,902	$ 6,439	$ 13,277	$ 30,618
Year ended February 2, 2018				
Pre-tax	$ 11,599	$ 6,159	$ 16,565	$ 34,323
Net of tax	$ 7,223	$ 3,835	$ 10,315	$ 21,373

10. Segment reporting

The Company manages its business on the basis of one reportable operating segment. See Note 1 for a brief description of the Company's business. As of January 31, 2020, all of the Company's operations were located within the United States with the exception of certain subsidiaries in Hong Kong and China, which collectively are not material with regard to assets, results of operations or otherwise, to the consolidated financial statements. The following net sales data is presented in accordance with accounting standards related to disclosures about segments of an enterprise.

(in thousands)	2019	2018	2017
Classes of similar products:			
Consumables	$ 21,635,890	$ 19,865,086	$ 18,054,785
Seasonal	3,258,874	3,050,282	2,837,310
Home products	1,611,899	1,506,054	1,400,618
Apparel	1,247,310	1,203,621	1,178,254
Net sales	$ 27,753,973	$ 25,625,043	$ 23,470,967

11. Common stock transactions

On August 29, 2012, the Company's Board of Directors authorized a common stock repurchase program, which the Board has since increased on several occasions. On December 3, 2019, the Company's Board of Directors authorized a $1.0 billion increase to the existing common stock repurchase program and a cumulative total of $8.0 billion has been authorized under the program since its inception. The repurchase authorization has no expiration date and allows repurchases from time to time in the open market or in privately negotiated transactions. The timing and number of shares purchased depends on a variety of factors, such as price, market conditions, compliance with the covenants and restrictions under the Company's debt agreements and other factors. Repurchases under the program may be funded from available cash or borrowings including under the Company's Revolving Facility and issuance of CP Notes discussed in further detail in Note 5.

During the years ended January 31, 2020, February 1, 2019, and February 2, 2018, the Company repurchased approximately 8.3 million shares of its common stock at a total cost of $1.2 billion, approximately 9.9 million shares of its common stock at a total cost of $1.0 billion, and approximately 7.1 million shares of its common stock at a total cost of $0.6 billion, respectively, pursuant to its common stock repurchase program.

The Company paid quarterly cash dividends of $0.32 per share in 2019. On March 11, 2020, the Company's Board of Directors declared a quarterly cash dividend of $0.36 per share, which is payable on or before April 21, 2020 to shareholders of record on April 7, 2020. The amount and declaration of future cash dividends is subject to the sole discretion of the Company's Board of Directors and will depend upon, among other things, the Company's results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Board may deem relevant in its sole discretion.

12. Quarterly financial data (unaudited)

The following is selected unaudited quarterly financial data for the fiscal years ended January 31, 2020 and February 1, 2019. Each quarterly period listed below was a 13-week accounting period. The sum of the four quarters for any given year may not equal annual totals due to rounding.

(In thousands)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2019:				
Net sales	$ 6,623,185	$ 6,981,753	$ 6,991,393	$ 7,157,642
Gross profit	2,002,276	2,148,936	2,065,086	2,272,763
Operating profit	512,237	577,775	491,417	720,875
Net income	385,013	426,555	365,550	535,437
Basic earnings per share	1.49	1.65	1.43	2.11
Diluted earnings per share	1.48	1.65	1.42	2.10

(In thousands)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2018:				
Net sales	$ 6,114,463	$ 6,443,309	$ 6,417,462	$ 6,649,809
Gross profit	1,862,249	1,974,873	1,895,059	2,071,689
Operating profit	490,184	545,476	442,143	638,503
Net income	364,852	407,237	334,142	483,241
Basic earnings per share	1.36	1.53	1.26	1.85
Diluted earnings per share	1.36	1.52	1.26	1.84

In the second quarter of 2019, the Company incurred expenses for losses the Company believes are both probable and reasonably estimable relating to certified class actions and associated legal matters totaling $31.0 million ($24.1 million net of tax, or $0.09 per diluted share), which was recognized in Selling, general and administrative expense in the second quarter of 2019.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Management's Annual Report on Internal Control Over Financial Reporting. Our management prepared and is responsible for the consolidated financial statements and all related financial information contained in this report. This responsibility includes establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles.

To comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, management designed and implemented a structured and comprehensive assessment process to evaluate the effectiveness of its internal control over financial reporting. Such assessment was based on criteria established in *Internal Control—Integrated Framework* (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Management regularly monitors our internal control over financial reporting, and actions are taken to correct any deficiencies as they are identified. Based on its assessment, management has concluded that our internal control over financial reporting is effective as of January 31, 2020.

Ernst & Young LLP, the independent registered public accounting firm that audited our consolidated financial statements, has issued an attestation report on our internal control over financial reporting. Such attestation report is contained below.

(c) Attestation Report of Independent Registered Public Accounting Firm.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Dollar General Corporation

Opinion on Internal Control over Financial Reporting

We have audited Dollar General Corporation and subsidiaries' internal control over financial reporting as of January 31, 2020, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Dollar General Corporation and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of January 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2019 consolidated financial statements of the Company and our report dated March 19, 2020, expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ Ernst & Young LLP

Nashville, Tennessee
March 19, 2020

(d) Changes in Internal Control Over Financial Reporting. There have been no changes during the quarter ended January 31, 2020 in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) or Rule 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Long-Term Incentive Program: 2020 Annual Equity Grants

On March 17, 2020, the Company's Compensation Committee (the "Committee") awarded 133,723 non-qualified stock options ("Options") and 28,494 performance share units ("PSUs") to Mr. Vasos, 32,688 Options and 6,965 PSUs to Mr. Owen, 23,773 Options and 5,066 PSUs to Mr. Garratt and 20,058 Options and 4,274 PSUs to Mr. Reiser on the terms and subject to the conditions set forth in the form of Option award agreement (as applicable, the "Form Option Agreement") and form of PSU award agreement (as applicable, the "Form PSU Agreement") attached hereto respectively as Exhibit 10.38 and Exhibit 10.39 for Mr. Vasos and as Exhibit 10.6 and Exhibit 10.14 for Messrs. Owen, Garratt and Reiser (collectively and as applicable, the "Form Award Agreements"), and subject to the terms and conditions of the previously filed Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan.

The Options, which were granted to each such officer on terms substantially similar to the prior year with the exceptions described below for Mr. Vasos, have a term of ten years and, subject to earlier forfeiture or accelerated vesting under certain circumstances described in the Form Option Agreement, generally will vest in four equal annual installments beginning on April 1, 2021. The Form Option Agreement applicable to Mr. Vasos includes additional expiration, forfeiture and accelerated vesting conditions in the event he terminates employment with the Company due to an Early Retirement after April 1, 2021.

The PSUs represent a target number of units that can be earned if certain performance measures are achieved during the applicable performance periods and if certain additional vesting requirements are met. Fifty percent of the target number of PSUs is subject to an adjusted EBITDA performance measure with a performance period of the Company's fiscal year 2020. The other fifty percent of the target number of PSUs is subject to an adjusted ROIC performance measure which is the average of adjusted ROIC for the Company's fiscal years 2020, 2021 and 2022. All performance measures were established by the Committee on the grant date. The number of PSUs earned will vary between 0% and 300% of the target amount based on actual performance compared to target performance on a graduated scale, with performance at the target level resulting in 100% of the target number of PSUs being earned. At the conclusion of each applicable performance period, the Committee will determine the level of achievement of each performance goal measure and the corresponding number of PSUs earned by each grantee.

Subject to certain pro-rata vesting conditions, one-third of the PSUs earned by each grantee for adjusted EBITDA performance will vest in equal installments on April 1, 2021, April 1, 2022 and April 1, 2023, in each case subject to the grantee's continued employment with the Company (except as noted below for Mr. Vasos) and certain accelerated vesting provisions described in the Form PSU Agreement. The Form PSU Agreement applicable to Mr. Vasos includes additional vesting, forfeiture and termination provisions in the event he terminates employment with the Company due to an Early Retirement after April 1, 2021. Subject to certain pro-rata vesting conditions, the PSUs earned by each grantee for adjusted ROIC performance will vest on April 1, 2023, subject to the grantee's continued employment with the Company and certain accelerated vesting provisions described in the Form PSU Agreement.

For purposes of Mr. Vasos's Form Award Agreements, Early Retirement means the voluntary termination of his employment with the Company after April 1, 2021, but prior to Normal Retirement (as defined in the applicable Form Award Agreement); provided that: (a) he has provided notice of voluntary termination in writing to the Board within a reasonable period of time prior to the date of his voluntary termination; (b) he has agreed in writing to provide reasonable transition services to the Board and his successor for up to twelve (12) months following his voluntary termination; (c) he agrees in writing to extend the "Restricted Period" of the business protection provisions, including his agreement not to compete and not to solicit, contained in his employment agreement with the Company (the "Business Protection Provisions") from two (2) years to three (3) years from the date of voluntary termination; and (d) there is no basis for the Company to terminate him with Cause (as defined in the applicable Form Award Agreement) at the time of his voluntary termination.

In the event of Mr. Vasos's Early Retirement after April 1, 2021, the Option shall remain outstanding and become vested and exercisable on the vesting dates described above, subject, however to immediate forfeiture in the event of a violation of any of the Business Protection Provisions following Early Retirement, and to accelerated vesting if he dies or incurs a Disability or there is a Change in Control (each as defined in his Form Option Agreement) following Early Retirement. Subject to such earlier forfeiture, Mr. Vasos will have five (5) years from the date of his termination of employment with the Company due to Early Retirement to exercise vested Options. Notwithstanding the foregoing, if the Company becomes aware of his violation following Early Retirement of any of the Business Protection Provisions, any portion of the Option that vested following Early Retirement shall immediately be forfeited and subject to clawback by the Company and the unvested portion of any Option shall immediately be forfeited.

In the event of Mr. Vasos's Early Retirement after April 1, 2021 (which is after the end of the applicable performance period), any unvested PSUs subject to the adjusted EBITDA performance measure shall remain outstanding and become vested and paid, to the extent earned based on all applicable performance requirements, on the vesting dates described above, subject, however to accelerated vesting if he dies or becomes Disabled or there is a Change in Control (each as defined in his Form PSU Agreement) following Early Retirement but payment shall not be accelerated and shall continue to be made on the vesting dates described above. Notwithstanding the foregoing, if the Company becomes aware of his violation following Early Retirement of any of the Business Protection Provisions, any portion of the PSUs that vested following Early Retirement shall immediately be forfeited and subject to clawback by the Company and any unvested portion of the PSUs shall immediately be forfeited. In the event of Mr. Vasos's Early Retirement after April 1, 2021 (which is after the end of the applicable performance period) and within two (2) years following a Change in Control (as defined in his Form PSU Agreement) and provided such Early Retirement also constitutes a "separation from service" within the meaning of Section 409A of the Internal Revenue Code, any unvested PSUs subject to the adjusted EBITDA performance measure shall become immediately vested, to the extent earned based on all applicable performance requirements, on his Early Retirement date and shall be paid six months later, subject to immediate forfeiture and clawback by the Company of any PSUs that became vested as a result of such Early Retirement if the Company becomes aware of his violation following Early Retirement of any of the Business Protection Provisions.

The foregoing descriptions of all Options and PSU awards and the Form Award Agreements are summaries only, do not purport to be complete, and are qualified in their entirety by reference to the filed Form Award Agreements attached hereto as Exhibits 10.6, 10.14, 10.38 and 10.39.

Short-Term Incentive Program: 2020 Teamshare

On March 17, 2020, the Committee approved the Company's 2020 short-term incentive bonus program applicable to the Company's named executive officers ("2020 Teamshare") on the terms and subject to the conditions set forth in the 2020 Teamshare bonus program document attached hereto as Exhibit 10.31.

The Committee again selected adjusted EBIT as the Company-wide performance measure for 2020 Teamshare and established the target level of adjusted EBIT consistent with adjusted EBIT in the Company's fiscal year 2020 financial plan previously approved by the Board of Directors. The Committee determined that adjusted EBIT shall mean the Company's Operating Profit as calculated in accordance with United States generally accepted accounting principles, but shall exclude the impact of (a) any costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any asset sale, merger or other transaction that results in a Change in Control (within the meaning of the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan) of the Company or any offering of Company common stock or other security; (b) disaster-related charges; (c) any gains or losses associated with the Company's 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 from a single loss or gain, as applicable, and $10 million in the aggregate. The Committee established the threshold below which no bonus may be paid under 2020 Teamshare at 90% of the target level of the adjusted EBIT performance measure and the maximum above which no additional bonus may be paid at 120% of the target level of the adjusted EBIT performance measure. The amount of bonus paid to named executive officers will vary between 0% and 300% of the target bonus payment amount based on actual Company performance compared to target performance on a graduated scale, with performance at the target level resulting in 100% of the target bonus amount being earned, subject to individual eligibility requirements and additional individual performance factors. If a named executive officer is determined to be eligible to receive a 2020 Teamshare bonus payout in accordance with the eligibility rules, adjustments to bonus payouts may be made upward or downward based upon individual performance or other factors. The target percentage of base salary payout for 2020 Teamshare for Mr. Vasos, Mr. Owen, Mr. Garratt and Mr. Reiser is 150%, 100%, 75% and 75%, respectively.

The foregoing description of 2020 Teamshare is a summary only, does not purport to be complete, and is qualified in its entirety by reference to the filed 2020 Teamshare Bonus Program document attached hereto as Exhibit 10.31.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

(a) Information Regarding Directors and Executive Officers. The information required by this Item 10 regarding our directors and director nominees is contained under the captions "Who are the nominees this year" and "Are there any family relationships between any of the directors, executive officers or nominees," in each case under the heading "Proposal 1: Election of Directors" in our definitive Proxy Statement to be filed for our Annual Meeting of Shareholders to be held on May 27, 2020 (the "2020 Proxy Statement"), which information under such captions is incorporated herein by reference. Information required by this Item 10 regarding our executive officers is contained in Part I of this Form 10-K under the caption "Information About Our Executive Officers," which information under such caption is incorporated herein by reference.

(b) Compliance with Section 16(a) of the Exchange Act. Information required by this Item 10 regarding compliance with Section 16(a) of the Exchange Act is contained under the caption "Delinquent Section 16(a) Reports" under the heading "Security Ownership" in the 2020 Proxy Statement, which information under such caption is incorporated herein by reference.

(c) Code of Business Conduct and Ethics. We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and Board members. This Code is posted on the Investor Information section of our Internet website at www.dollargeneral.com. If we choose to no longer post such Code, we will provide a free copy to any person upon written request to Dollar General Corporation, c/o Investor Relations Department, 100 Mission Ridge, Goodlettsville, TN 37072. We intend to provide any required disclosure of an amendment to or waiver from such Code that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, on our Internet website located at www.dollargeneral.com promptly following the amendment or waiver. We may elect to disclose any such amendment or waiver in a report on Form 8-K filed with the SEC either in addition to or in lieu of the website disclosure. The information contained on or connected to our Internet website is not incorporated by reference into this Form 10-K and should not be considered part of this or any other report that we file with or furnish to the SEC.

(d) Procedures for Shareholders to Recommend Director Nominees. There have been no material changes to the procedures by which security holders may recommend nominees to the registrant's Board of Directors.

(e) Audit Committee Information. Information required by this Item 10 regarding our audit committee and our audit committee financial experts is contained under the captions "What functions are performed by the Audit, Compensation and Nominating Committees" and "Does Dollar General have an audit committee financial expert serving on its Audit Committee," in each case under the heading "Corporate Governance" in the 2020 Proxy Statement, which information pertaining to the audit committee and its membership and audit committee financial experts under such captions is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 regarding director and executive officer compensation, the Compensation Committee Report, the risks arising from our compensation policies and practices for employees, pay ratio disclosure, and compensation committee interlocks and insider participation is contained under the captions "Director Compensation" and "Executive Compensation" in the 2020 Proxy Statement, which information under such captions is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

(a) Equity Compensation Plan Information. The following table sets forth information about securities authorized for issuance under our compensation plans (including individual compensation arrangements) as of January 31, 2020:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders(1)	4,122,704	$ 85.34	15,173,424
Equity compensation plans not approved by security holders	—	—	—
Total(1)	4,122,704	$ 85.34	15,173,424

(1) Column (a) consists of shares of common stock issuable upon exercise of outstanding options and upon vesting and payment of outstanding restricted stock units, performance share units and deferred shares, including dividend equivalents accrued thereon, under the Amended and Restated 2007 Stock Incentive Plan. Restricted stock units, performance share units, deferred shares and dividend equivalents are settled for shares of common stock on a one-for-one basis and have no exercise price. Accordingly, they have been excluded for purposes of computing the weighted-average exercise price in column (b). Column (c) consists of shares reserved for issuance pursuant to the Amended and Restated 2007 Stock Incentive Plan, whether in the form of stock, restricted stock, restricted stock units, performance share units or other stock-based awards or upon the exercise of an option or right.

(b) Other Information. The information required by this Item 12 regarding security ownership of certain beneficial owners and our management is contained under the caption "Security Ownership" in the 2020 Proxy Statement, which information under such caption is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item 13 regarding certain relationships and related transactions is contained under the caption "Transactions with Management and Others" in the 2020 Proxy Statement, which information under such caption is incorporated herein by reference.

The information required by this Item 13 regarding director independence is contained under the caption "Director Independence" in the 2020 Proxy Statement, which information under such caption is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 regarding fees we paid to our principal accountant and the pre-approval policies and procedures established by the Audit Committee of our Board of Directors is contained under the caption "Fees Paid to Auditors" in the 2020 Proxy Statement, which information under such caption is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(b) All schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, are inapplicable or the information is included in the Consolidated Financial Statements and, therefore, have been omitted.

(c) Exhibits:

EXHIBIT INDEX

3.1 Amended and Restated Charter of Dollar General Corporation (complete copy as amended for SEC filing purposes only) (incorporated by reference to Exhibit 3.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the quarter ended May 3, 2013, filed with the SEC on June 4, 2013 (file no. 001-11421))

3.2 Bylaws of Dollar General Corporation (as amended and restated on March 23, 2017) (incorporated by reference to Exhibit 3.2 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 (file no. 001-11421))

4.1 Form of 3.250% Senior Notes due 2023 (included in Exhibit 4.7) (incorporated by reference to Exhibit 4.2 to Dollar General Corporation's Current Report on Form 8-K dated April 8, 2013, filed with the SEC on April 11, 2013 (file no. 001-11421))

4.2 Form of 4.150% Senior Notes due 2025 (included in Exhibit 4.8) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated October 15, 2015, filed with the SEC on October 20, 2015 (file no. 001-11421))

4.3 Form of 3.875% Senior Notes due 2027 (included in Exhibit 4.9) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 11, 2017, filed with the SEC on April 11, 2017 (file no. 001-11421))

4.4 Form of 4.125% Senior Notes due 2028 (included in Exhibit 4.10) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 10, 2018, filed with the SEC on April 10, 2018 (file no. 001-11421))

4.5 Indenture, dated as of July 12, 2012, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated July 12, 2012, filed with the SEC on July 17, 2012 (file no. 001-11421))

4.6 Fourth Supplemental Indenture, dated as of April 11, 2013, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Dollar General Corporation's Current Report on Form 8-K dated April 8, 2013, filed with the SEC on April 11, 2013 (file no. 001-11421))

4.7 Fifth Supplemental Indenture, dated as of October 20, 2015, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated October 15, 2015, filed with the SEC on October 20, 2015 (file no. 001-11421))

4.8 Sixth Supplemental Indenture, dated as of April 11, 2017, between Dollar General Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 11, 2017, filed with the SEC on April 11, 2017 (file no. 001-11421))

4.9 Seventh Supplemental Indenture, dated as of April 10, 2018, between Dollar General Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 10, 2018, filed with the SEC on April 10, 2018 (file no. 001-11421))

4.10 Amended and Restated Credit Agreement, dated as of September 10, 2019, among Dollar General Corporation, as borrower, Citibank, N.A., as administrative agent, and the other credit parties and lenders party thereto (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated September 10, 2019, filed with the SEC on September 13, 2019 (file no. 001-11421))

4.11 Material terms of outstanding securities registered under Section 12 of the Exchange Act of 1934 as required by Item 202(a)-(d) and (f) of Regulation S-K

10.1 Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (adopted November 30, 2016 and approved by shareholders on May 31, 2017) (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2016, filed with the SEC on December 1, 2016 (file no. 001-11421))*

10.2 Form of Stock Option Award Agreement (approved March 20, 2012) for awards beginning March 2012 and prior to March 2015 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Current Report on Form 8-K dated March 20, 2012, filed with the SEC on March 26, 2012 (file no. 001-11421))*

10.3 Form of Stock Option Award Agreement (approved August 26, 2014) for annual awards beginning March 2015 and prior to March 2016 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))*

10.4 Form of Stock Option Award Agreement (approved March 16, 2016) for awards beginning March 2016 and prior to March 2017 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))*

10.5 Form of Stock Option Award Agreement (approved March 22, 2017) for awards beginning March 2017 and prior to March 2018 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 (file no. 001-11421))*

10.6 Form of Stock Option Award Agreement (approved March 21, 2018) for awards beginning March 2018 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 (file no. 001-11421))*

10.7 Form of Stock Option Award Agreement (approved August 26, 2014) for awards beginning December 2014 and prior to May 2016 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))*

10.8 Form of Stock Option Award Agreement (approved May 24, 2016) for awards beginning May 2016 and prior to March 2017 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2016, filed with the SEC on May 26, 2016 (file no. 001-11421))*

10.9 Form of Stock Option Award Agreement (approved March 22, 2017) for awards beginning March 2017 and prior to December 2017 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.10 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 (file no. 001-11421))*

10.10 Form of Stock Option Award Agreement (approved December 5, 2017) for awards beginning December 2017 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended November 3, 2017, filed with the SEC on December 7, 2017 (file no. 001-11421))*

10.11 Form of Performance Share Unit Award Agreement (approved March 22, 2017) for 2017 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.13 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 (file no. 001-11421))*

10.12 Form of Performance Share Unit Award Agreement (approved March 21, 2018) for 2018 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.15 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 (file no. 001-11421))*

10.13 Form of Performance Share Unit Award Agreement (approved March 20, 2019) for 2019 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.15 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 1, 2019, filed with the SEC on March 22, 2019 (file no. 001-11421))*

10.14 Form of Performance Share Unit Award Agreement (approved March 17, 2020) for 2020 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan*

10.15 Form of Restricted Stock Unit Award Agreement (approved March 22, 2017) for awards beginning March 2017 and prior to March 2018 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.16 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 (file no. 001-11421))*

10.16 Form of Restricted Stock Unit Award Agreement (approved March 21, 2018) for awards beginning March 2018 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.19 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 (file no. 001-11421))*

10.17 Form of Restricted Stock Unit Award Agreement for awards prior to May 2011 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.15 to Dollar General Corporation's Registration Statement on Form S-1 (file no. 333-161464))

10.18 Form of Restricted Stock Unit Award Agreement (approved May 24, 2011) for awards beginning May 2011 and prior to May 2014 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2011, filed with the SEC on June 1, 2011 (file no. 001-11421))

10.19 Form of Restricted Stock Unit Award Agreement (approved May 28, 2014) for awards beginning May 2014 and prior to February 2015 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 2, 2014, filed with the SEC on June 3, 2014 (file no. 001-11421))

10.20 Form of Restricted Stock Unit Award Agreement (approved December 3, 2014) for awards beginning February 2015 and prior to May 2016 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))

10.21 Form of Restricted Stock Unit Award Agreement (approved May 24, 2016) for awards beginning May 2016 and prior to May 2017 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2016, filed with the SEC on May 26, 2016 (file no. 001-11421))

10.22 Form of Restricted Stock Unit Award Agreement (approved May 30, 2017) for awards beginning May 2017 to non-employee directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 5, 2017, filed with the SEC on June 1, 2017 (file no. 001-11421))

10.23 Form of Restricted Stock Unit Award Agreement (approved January 26, 2016) for awards beginning February 1, 2016 and prior to November 28, 2018 to non-executive Chairmen of the Board of Directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.20 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))

10.24 Form of Restricted Stock Unit Award Agreement (approved November 28, 2018) for awards beginning after November 28, 2018 to non-executive Chairmen of the Board of Directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended November 2, 2018, filed with the SEC on December 4, 2018 (file no. 01-11421))

10.25 Form of Stock Option Award Agreement for awards to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.16 to Dollar General Corporation's Registration Statement on Form S-1 (file no. 333-161464))

10.26 Dollar General Corporation CDP/SERP Plan (as amended and restated effective December 31, 2007) (incorporated by reference to Exhibit 10.10 to Dollar General Corporation's Registration Statement on Form S-4 (file no. 333-148320))*

10.27 First Amendment to the Dollar General Corporation CDP/SERP Plan (as amended and restated effective December 31, 2007) (incorporated by reference to Exhibit 10.11 to Dollar General Corporation's Registration Statement on Form S-4 (file no. 333-148320))*

10.28 Second Amendment to the Dollar General Corporation CDP/SERP Plan (as amended and restated effective December 31, 2007), dated as of June 3, 2008 (incorporated by reference to Exhibit 10.6 to Dollar General Corporation's Quarterly Report on Form 10-Q for the quarter ended August 1, 2008, filed with the SEC on September 3, 2008 (file no. 001-11421))*

10.29 Dollar General Corporation Non-Employee Director Deferred Compensation Plan (approved December 3, 2014) (incorporated by reference to Exhibit 10.6 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))

10.30 Dollar General Corporation 2019 Teamshare Bonus Program for Named Executive Officers (incorporated by reference to Exhibit 10.34 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 1, 2019, filed with the SEC on March 22, 2019 (file no. 001-11421))*

10.31 Dollar General Corporation 2020 Teamshare Bonus Program for Named Executive Officers*

10.32 Summary of Dollar General Corporation Life Insurance Program as Applicable to Executive Officers (incorporated by reference to Exhibit 10.36 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 (file no. 001-11421))*

10.33 Dollar General Corporation Executive Relocation Policy, as amended (effective August 27, 2019) (incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended August 2, 2019, filed with the SEC on August 29, 2019) (file no. 001-11421))*

10.34 Summary of Non-Employee Director Compensation effective February 1, 2020 (incorporated by reference to Exhibit 10.4 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended November 1, 2019, filed with the SEC on December 5, 2019 (file no. 001-11421))*

10.35 Employment Agreement, effective June 3, 2018, between Dollar General Corporation and Todd J. Vasos (incorporated by reference to Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated May 31, 2018, filed with the SEC on May 31, 2018 (file no. 001-11421))*

10.36 Form of Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos for June 3, 2015 award (incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated May 27, 2015, filed with the SEC on May 28, 2015 (file no. 001-11421))*

10.37 Form of Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 16, 2016) for March 16, 2016 award (incorporated by reference to Exhibit 10.38 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))*

10.38 Form of Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 17, 2020)*

10.39 Form of Performance Share Unit Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 17, 2020)*

10.40 Form of Executive Vice President Employment Agreement with attached Schedule of Executive Vice Presidents who have executed the Executive Vice President Employment Agreement (incorporated by reference to Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated April 5, 2018, filed with the SEC on April 11, 2018 (file no. 001-11421))*

10.41 Amended Schedule of Executive Officers who have executed an employment agreement in the form of Executive Vice President Agreement filed as Exhibit 10.40 (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended November 1, 2019, filed with the SEC on December 5, 2019 (file no. 001-11421))*

10.42 Form of Senior Vice President Employment Agreement with attached Schedule of Senior Vice President-level Executive Officers who have executed the Senior Vice President Employment Agreement (incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 4, 2018, filed with the SEC on May 31, 2018 (file no. 001-11421))*

10.43 Amended Schedule of Senior Vice President-level Executive Officers who have executed a Senior Vice President Employment Agreement in the form filed as Exhibit 10.42 (incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 3, 2019, filed with the SEC on May 30, 2019 (file no. 01-11421))*

21 List of Subsidiaries of Dollar General Corporation

23 Consent of Independent Registered Public Accounting Firm

24 Powers of Attorney (included as part of the signature pages hereto)

31 Certifications of CEO and CFO under Exchange Act Rule 13a-14(a)

32 Certifications of CEO and CFO under 18 U.S.C. 1350

101 Interactive data files for Dollar General Corporation's Annual Report on Form 10-K for the year ended January 31, 2020, formatted in Inline XBRL: (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Shareholders' Equity; (v) the Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements

104 The cover page from Dollar General Corporation's Annual Report on Form 10-K for the year ended January 31, 2020 (formatted in Inline XBRL and contained in Exhibit 101)

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* Management Contract or Compensatory Plan

ITEM 16. FORM 10-K SUMMARY

None

SIGNATURES

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

DOLLAR GENERAL CORPORATION

Date: March 19, 2020

By: /s/ Todd J. Vasos
Todd J. Vasos,
Chief Executive Officer

We, the undersigned directors and officers of the registrant, hereby severally constitute Todd J. Vasos, John W. Garratt and Anita C. Elliott, and each of them singly, our true and lawful attorneys with full power to them and each of them to sign for us, and in our names in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Todd J. Vasos TODD J. VASOS	Chief Executive Officer & Director (Principal Executive Officer)	March 19, 2020
/s/ John W. Garratt JOHN W. GARRATT	Executive Vice President & Chief Financial Officer (Principal Financial Officer)	March 19, 2020
/s/ Anita C. Elliott ANITA C. ELLIOTT	Senior Vice President & Chief Accounting Officer (Principal Accounting Officer)	March 19, 2020
/s/ Warren F. Bryant WARREN F. BRYANT	Director	March 19, 2020
/s/ Michael M. Calbert MICHAEL M. CALBERT	Director	March 19, 2020
/s/ Sandra B. Cochran SANDRA B. COCHRAN	Director	March 19, 2020
/s/ Patricia D. Fili-Krushel PATRICIA D. FILI-KRUSHEL	Director	March 19, 2020
/s/ Timothy I. McGuire TIMOTHY I. MCGUIRE	Director	March 19, 2020
/s/ William C. Rhodes, III WILLIAM C. RHODES, III	Director	March 19, 2020
/s/ Ralph E. Santana RALPH E. SANTANA	Director	March 19, 2020

DIRECTORS

Michael M. Calbert (1)(4)*
Retired Member
KKR & Co. L.P.

Warren F. Bryant (2)(3)
Retired Chairman, President &
Chief Executive Officer
Longs Drug Stores Corporation

Sandra B. Cochran (2)
President & Chief Executive Officer
Cracker Barrel Old
Country Store, Inc.

Patricia D. Fili-Krushel (3)*(4)
Chief Executive Officer
Center for Talent Innovation

Timothy I. McGuire (3)
Chief Executive Officer
Mobile Service Center Canada, Ltd.
(d/b/a Mobile Klinik)

William C. Rhodes, III (2)*
Chairman, President &
Chief Executive Officer
AutoZone, Inc.

Debra A. Sandler (4)
President & Chief Executive Officer
La Grenade Group, LLC
Chief Executive Officer
Mavis Foods, LLC

Ralph E. Santana (4)
Executive Vice President &
Chief Marketing Officer
Harman International Industries

Todd J. Vasos†
Chief Executive Officer
Dollar General Corporation

(1) Chairman of the Board (2) Audit Committee (3) Compensation Committee (4) Nominating & Governance Committee (*) Committee Chairperson

SENIOR OFFICERS

Todd J. Vasos†
Chief Executive Officer

Jeffery C. Owen†
Chief Operating Officer

EXECUTIVE VICE PRESIDENTS

John W. Garratt†
Chief Financial Officer

Michael J. Kindy†
Global Supply Chain

Jason S. Reiser†
Chief Merchandising Officer

Steven G. Sunderland†
Store Operations

Rhonda M. Taylor†
General Counsel

Carman R. Wenkoff†
Chief Information Officer

SENIOR VICE PRESIDENTS

Johanna M. Blankush
General Merchandise Manager

Steven R. Deckard
Corporate Store Operations

Kelly M. Dilts
Finance

Connie V. Droge
Store Operations

Anita C. Elliott†
Chief Accounting Officer

Brian T. Hartshorn
General Merchandise Manager

Tracey N. Herrmann
Store Operations

Daniel J. Nieser
Real Estate & Store Development

Kathleen A. Reardon†
Chief People Officer

Emily C. Taylor
Channel Innovation

Bryan D. Wheeler
General Merchandise Manager

Antonio Zuazo
Inventory & Transportation

† Indicates persons designated as the Company's executive officers

CORPORATE INFORMATION

TRANSFER AGENT

EQ Shareowner Services
PO Box 64854, St. Paul, MN 55164-0854
www.shareowneronline.com

Inquiries regarding stock transfers, lost certificates or address changes should be directed to the transfer agent at the address or website noted above or by calling (866) 927-3314.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, Nashville, Tennessee

FORM 10-K; SEC CERTIFICATIONS

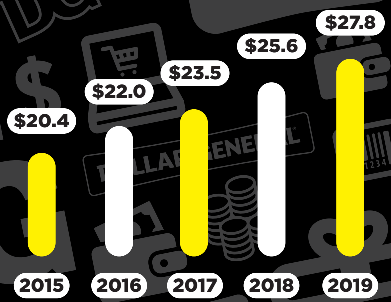
A copy of the Form 10-K filed by the Company with the Securities and Exchange Commission (the "SEC") for the fiscal year ended January 31, 2020, which includes as exhibits the Chief Executive Officer and Chief Financial Officer Certifications required to be filed with the SEC pursuant to Section 302 of the Sarbanes-Oxley Act, is available on our website at www.dollargeneral.com in the Investor Information section or on the SEC's website.

A printed copy of the Form 10-K, and a list of all its exhibits, will be supplied without charge to any shareholder upon written request. Exhibits to the Form 10-K are available for a reasonable fee. For a printed copy of the Form 10-K, please contact:

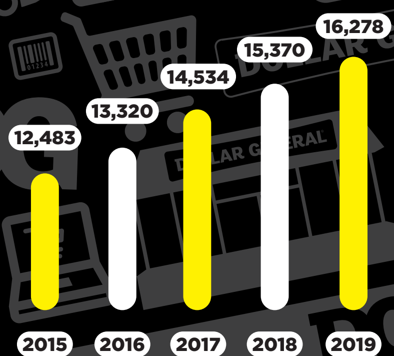
DOLLAR GENERAL CORPORATION INVESTOR RELATIONS
100 Mission Ridge, Goodlettsville, TN 37072
(615) 855-4000

DOLLAR GENERAL

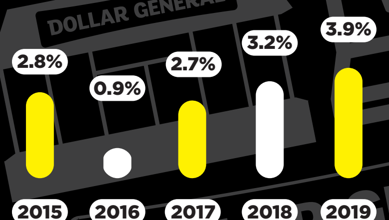
NET SALES (IN BILLIONS)



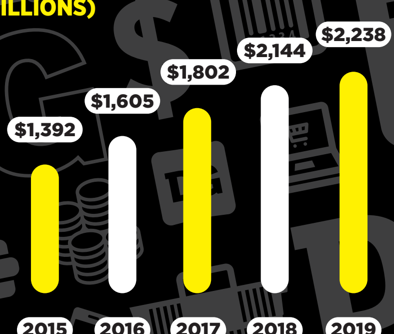
ENDING STORE COUNT



SAME STORE SALES GROWTH



CASH FROM OPERATIONS (IN MILLIONS)



Fiscal 2016 includes 53 weeks, while all other years presented contain 52 weeks. Sales in the 2016 53rd week were approximately $399 million.

ANNUAL MEETING

Dollar General Corporation's annual meeting of shareholders is scheduled for 9 a.m. Central Time on Wednesday, May 27, 2020, at:

Goodlettsville City Hall Auditorium
105 South Main Street, Goodlettsville, TN 37072

Shareholders of record as of March 19, 2020 are entitled to vote at the meeting.

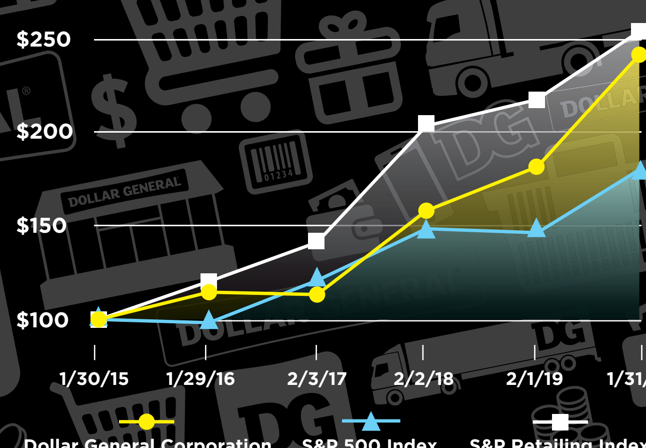
NYSE: DG

The common stock of Dollar General Corporation is traded on the New York Stock Exchange under the trading symbol "DG." The number of shareholders of record as of March 19, 2020 was 2,617.

STOCK PERFORMANCE GRAPH

The graph below compares Dollar General Corporation's cumulative total shareholder return on common stock with the cumulative total returns of the S&P 500 index and the S&P Retailing index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from January 30, 2015 to January 31, 2020.

COMPARISON OF CUMULATIVE TOTAL RETURN



	1/30/15	1/29/16	2/3/17	2/2/18	2/1/19	1/31/20
Dollar General	$100	$113.28	$111.77	$154.02	$180.21	$242.48
S&P 500 Index	$100	$99.33	$119.24	$150.73	$147.24	$179.17
S&P Retailing Index	$100	$118.07	$140.38	$203.32	$216.05	$253.36

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

WWW.DOLLARGENERAL.COM

100 MISSION RIDGE
GOODLETTSVILLE, TN 37072

815-855-4000

DOLLAR GENERAL®