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

FORM 10-Q

(Mark One)
☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended April 30, 2021

☐ 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:

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Trading Symbol(s)</th>
<th>Name of each exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock, par value $0.875 per share</td>
<td>DG</td>
<td>New York Stock Exchange</td>
</tr>
</tbody>
</table>

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 Registrant had 236,205,490 shares of common stock outstanding on May 21, 2021.
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<th>Page</th>
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<td>Signature</td>
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</tbody>
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## ITEM 1. FINANCIAL STATEMENTS.

### DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

#### CONDENSED CONSOLIDATED BALANCE SHEETS

*(In thousands)*

<table>
<thead>
<tr>
<th></th>
<th>April 30, 2021</th>
<th>January 29, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$688,055</td>
<td>$1,376,577</td>
</tr>
<tr>
<td>Merchandise inventories</td>
<td>5,099,465</td>
<td>5,247,477</td>
</tr>
<tr>
<td>Income taxes receivable</td>
<td>16,637</td>
<td>90,760</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>237,588</td>
<td>199,405</td>
</tr>
<tr>
<td>Total current assets</td>
<td>6,041,745</td>
<td>6,914,219</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>3,999,170</td>
<td>3,889,997</td>
</tr>
<tr>
<td>Operating lease assets</td>
<td>9,614,974</td>
<td>9,473,330</td>
</tr>
<tr>
<td>Goodwill</td>
<td>4,338,589</td>
<td>4,338,589</td>
</tr>
<tr>
<td>Other intangible assets, net</td>
<td>1,199,840</td>
<td>1,199,870</td>
</tr>
<tr>
<td>Other assets, net</td>
<td>42,380</td>
<td>36,619</td>
</tr>
<tr>
<td>Total assets</td>
<td>$25,236,698</td>
<td>$25,862,624</td>
</tr>
<tr>
<td><strong>LIABILITIES AND SHAREHOLDERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of operating lease liabilities</td>
<td>$1,101,369</td>
<td>$1,074,079</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>3,294,423</td>
<td>3,614,089</td>
</tr>
<tr>
<td>Accrued expenses and other</td>
<td>861,653</td>
<td>1,006,552</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>57,953</td>
<td>16,063</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>5,315,398</td>
<td>5,710,783</td>
</tr>
<tr>
<td>Long-term obligations</td>
<td>4,130,710</td>
<td>4,130,975</td>
</tr>
<tr>
<td>Long-term operating lease liabilities</td>
<td>8,499,442</td>
<td>8,385,388</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>769,430</td>
<td>710,549</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>271,793</td>
<td>263,691</td>
</tr>
<tr>
<td>Commitments and contingencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Common stock</td>
<td>206,680</td>
<td>210,687</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>3,457,160</td>
<td>3,446,612</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>2,588,006</td>
<td>3,006,102</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(1,921)</td>
<td>(2,163)</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>6,249,925</td>
<td>6,661,238</td>
</tr>
<tr>
<td>Total liabilities and shareholders’ equity</td>
<td>$25,236,698</td>
<td>$25,862,624</td>
</tr>
</tbody>
</table>

*See notes to condensed consolidated financial statements.*
## DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
### CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Untaxed)

*In thousands, except per share amounts*

<table>
<thead>
<tr>
<th></th>
<th>For the 13 weeks ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2021</td>
</tr>
<tr>
<td>Net sales</td>
<td>$8,400,964</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>5,645,296</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2,755,668</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>1,846,818</td>
</tr>
<tr>
<td>Operating profit</td>
<td>908,850</td>
</tr>
<tr>
<td>Interest expense</td>
<td>40,392</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>868,458</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>190,709</td>
</tr>
<tr>
<td>Net income</td>
<td>$677,749</td>
</tr>
</tbody>
</table>

### Earnings per share:

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 30, 2021</td>
<td>$2.84</td>
<td>$2.56</td>
</tr>
<tr>
<td>May 1, 2020</td>
<td>$2.82</td>
<td>$2.56</td>
</tr>
</tbody>
</table>

### Weighted average shares outstanding:

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 30, 2021</td>
<td>238,548</td>
<td>251,780</td>
</tr>
<tr>
<td>May 1, 2020</td>
<td>240,301</td>
<td>253,627</td>
</tr>
</tbody>
</table>

### Dividends per share:

<table>
<thead>
<tr>
<th></th>
<th>April 30, 2021</th>
<th>May 1, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.42</td>
<td>$0.36</td>
</tr>
</tbody>
</table>

*See notes to condensed consolidated financial statements.*
DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

<table>
<thead>
<tr>
<th></th>
<th>For the 13 weeks ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2021</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 677,749</td>
</tr>
<tr>
<td>Unrealized net gain (loss) on hedged transactions, net of related income tax expense (benefit) of $87 and $87, respectively</td>
<td>242</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>$ 677,991</td>
</tr>
</tbody>
</table>

See notes to condensed consolidated financial statements.
DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)
(In thousands, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Common Stock Shares</th>
<th>Common Stock</th>
<th>Additional Paid-in Capital</th>
<th>Retained Earnings</th>
<th>Accumulated Other Comprehensive Loss</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances, January 29, 2021</td>
<td>240,785</td>
<td>$ 210,687</td>
<td>$ 3,446,612</td>
<td>$ 3,006,102</td>
<td></td>
<td>$ 6,661,238</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Dividends paid, $0.42 per common share</td>
<td>—</td>
<td>—</td>
<td>(99,832)</td>
<td>—</td>
<td>(99,832)</td>
<td>—</td>
</tr>
<tr>
<td>Unrealized net gain (loss) on hedged transactions</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(242)</td>
<td>(242)</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>—</td>
<td>—</td>
<td>23,533</td>
<td>—</td>
<td>(23,533)</td>
<td>—</td>
</tr>
<tr>
<td>Repurchases of common stock</td>
<td>(4,959)</td>
<td>(4,339)</td>
<td>—</td>
<td>—</td>
<td>(996,013)</td>
<td>(1,000,352)</td>
</tr>
<tr>
<td>Other equity and related transactions</td>
<td>379</td>
<td>332</td>
<td>(12,985)</td>
<td>—</td>
<td>(12,653)</td>
<td>—</td>
</tr>
<tr>
<td>Balances, April 30, 2021</td>
<td>236,205</td>
<td>$ 206,680</td>
<td>$ 3,457,160</td>
<td>$ 2,588,006</td>
<td></td>
<td>$ 6,249,925</td>
</tr>
<tr>
<td>Balances, January 31, 2020</td>
<td>251,936</td>
<td>$ 220,444</td>
<td>$ 3,322,531</td>
<td>$ 3,162,660</td>
<td>(3,135)</td>
<td>$ 6,702,500</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>650,446</td>
<td>650,446</td>
</tr>
<tr>
<td>Dividends paid, $0.36 per common share</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(90,617)</td>
<td>(90,617)</td>
</tr>
<tr>
<td>Unrealized net gain (loss) on hedged transactions</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>243</td>
<td>243</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>—</td>
<td>—</td>
<td>18,968</td>
<td>—</td>
<td>18,968</td>
<td>18,968</td>
</tr>
<tr>
<td>Repurchases of common stock</td>
<td>(451)</td>
<td>(395)</td>
<td>—</td>
<td>—</td>
<td>(62,685)</td>
<td>(63,080)</td>
</tr>
<tr>
<td>Other equity and related transactions</td>
<td>237</td>
<td>210</td>
<td>(9,216)</td>
<td>—</td>
<td>(9,006)</td>
<td>—</td>
</tr>
<tr>
<td>Balances, May 1, 2020</td>
<td>251,722</td>
<td>$ 220,259</td>
<td>$ 3,332,283</td>
<td>$ 3,659,804</td>
<td>(2,892)</td>
<td>$ 7,209,454</td>
</tr>
</tbody>
</table>

See notes to condensed consolidated financial statements.
# DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
### (Unaudited)
### (In thousands)

For the 13 weeks ended

<table>
<thead>
<tr>
<th></th>
<th>April 30, 2021</th>
<th>May 1, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$677,749</td>
<td>$650,446</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>154,146</td>
<td>137,655</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>58,794</td>
<td>24,784</td>
</tr>
<tr>
<td>Noncash share-based compensation</td>
<td>23,533</td>
<td>18,968</td>
</tr>
<tr>
<td>Other noncash (gains) and losses</td>
<td>13,040</td>
<td>1,569</td>
</tr>
<tr>
<td>Change in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandise inventories</td>
<td>135,732</td>
<td>567,902</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(41,831)</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(295,206)</td>
<td>110,126</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>(136,743)</td>
<td>81,113</td>
</tr>
<tr>
<td>Income taxes</td>
<td>116,013</td>
<td>156,849</td>
</tr>
<tr>
<td>Other</td>
<td>(2,236)</td>
<td>(1,086)</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$702,991</td>
<td>1,736,326</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities:** |                |             |
| Purchases of property and equipment | (277,730)     | (195,434)   |
| Proceeds from sales of property and equipment | 807         | 466         |
| Net cash provided by (used in) investing activities | (276,923)   | (194,968)   |

| **Cash flows from financing activities:** |                |             |
| Issuance of long-term obligations | —              | 1,494,315   |
| Repayments of long-term obligations | (1,753)       | (555)       |
| Net increase (decrease) in commercial paper outstanding | —             | (425,200)   |
| Borrowings under revolving credit facilities | —              | 300,000     |
| Repayments of borrowings under revolving credit facilities | —             | (300,000)   |
| Costs associated with issuance of debt | —             | (13,623)    |
| Repurchases of common stock | (1,000,352)   | (63,080)    |
| Payments of cash dividends | (99,832)      | (90,617)    |
| Other equity and related transactions | (12,653)    | (9,006)     |
| Net cash provided by (used in) financing activities | (1,114,590) | 892,234     |
| Net increase (decrease) in cash and cash equivalents | (688,522)   | 2,433,592   |
| Cash and cash equivalents, beginning of period | 1,376,577    | 240,320     |
| Cash and cash equivalents, end of period | $688,055     | $2,673,912  |

### Supplemental noncash investing and financing activities:

- Right of use assets obtained in exchange for new operating lease liabilities | $417,749     | $418,239    |
- Purchases of property and equipment awaiting processing for payment, included in Accounts payable | $93,599      | $93,801     |

See notes to condensed consolidated financial statements.
1. Basis of presentation

The accompanying unaudited condensed consolidated financial statements of Dollar General Corporation and its subsidiaries (the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and are presented in accordance with the requirements of Form 10-Q and Rule 10-01 of Regulation S-X. Such financial statements consequently do not include all of the disclosures normally required by U.S. GAAP for annual financial statements or those normally made in the Company’s Annual Report on Form 10-K, including the condensed consolidated balance sheet as of January 29, 2021 which was derived from the audited consolidated financial statements at that date. Accordingly, readers of this Quarterly Report on Form 10-Q should refer to the Company’s Annual Report on Form 10-K for the fiscal year ended January 29, 2021 for additional information.

The Company’s fiscal year ends on the Friday closest to January 31. Unless the context requires otherwise, references to years contained herein pertain to the Company’s fiscal year. The Company’s 2021 fiscal year is scheduled to be a 52-week accounting period ending on January 28, 2022, and the 2020 fiscal year was a 52-week accounting period that ended on January 29, 2021.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the Company’s customary accounting practices. In management’s opinion, all adjustments (which are of a normal recurring nature) necessary for a fair presentation of the consolidated financial position as of April 30, 2021 and results of operations for the 13-week accounting periods ended April 30, 2021 and May 1, 2020 have been made.

The preparation of financial statements and related disclosures in conformity with U.S. GAAP 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 condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Because the Company’s business is moderately seasonal, the results for interim periods are not necessarily indicative of the results to be expected for the entire year. In addition, the effect of the COVID-19 pandemic on consumer behavior beginning in the first quarter of 2020 resulted in a departure from seasonal norms experienced in recent years and may continue to disrupt the historical quarterly cadence of the Company’s results of operations for an unknown period of time.

The Company uses the last-in, first-out (“LIFO”) method of valuing inventory. 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. Accordingly, interim LIFO calculations are based on management’s estimates of expected year-end inventory levels, sales for the year and the expected rate of inflation or deflation for the year. The interim LIFO calculations are subject to adjustment in the final year-end LIFO inventory valuation. The Company recorded a LIFO provision of $12.3 million and $1.6 million in the respective 13-week periods ended April 30, 2021 and May 1, 2020, reflecting higher actual and expected costs of merchandise in the current year period. In addition, ongoing estimates of inventory shrinkage and initial markups and markdowns are included in the interim cost of goods sold calculation.

In March 2020 and January 2021, the Financial Accounting Standards Board (“FASB”) issued accounting standards updates pertaining to reference rate reform. This collective guidance is in response to accounting concerns regarding contract modifications and hedge accounting because of impending rate reform associated with structural risks of interbank offered rates (IBORs), and, particularly, the risk of cessation of LIBOR related to regulators in several jurisdictions around the world having undertaken reference rate reform initiatives to identify alternative reference rates. The guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The adoption of this guidance is effective for all entities as of March 12, 2020 through December 31, 2022. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.
2. Earnings per share

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

<table>
<thead>
<tr>
<th></th>
<th>13 Weeks Ended April 30, 2021</th>
<th></th>
<th>13 Weeks Ended May 1, 2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Income</td>
<td>Weighted Average Shares</td>
<td>Per Share Amount</td>
<td>Net Income</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>$677,749</td>
<td>238,548</td>
<td>$2.84</td>
<td>$650,446</td>
</tr>
<tr>
<td>Effect of dilutive share-based awards</td>
<td>1,753</td>
<td></td>
<td></td>
<td>1,847</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>$677,749</td>
<td>240,301</td>
<td>$2.82</td>
<td>$650,446</td>
</tr>
</tbody>
</table>

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. 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 awards would be antidilutive, were 0.1 million and 0.7 million in the respective 13-week periods ended April 30, 2021 and May 1, 2020.

3. 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.

Income tax reserves are determined using the methodology established by accounting standards for income taxes which require companies to assess each income tax position taken using the following two-step approach. 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.

The Company’s 2016 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 2017 through 2019 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 2017 and later tax years remain open for examination by the various state taxing authorities.

As of April 30, 2021, the total reserves for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were $7.5 million, $0.6 million and $0.0 million, respectively, for a total of $8.1 million. This total amount is reflected in noncurrent other liabilities in the condensed consolidated balance sheet.

The Company’s reserve for uncertain tax positions is expected to be reduced by $3.4 million in the coming twelve months as a result of expiring statutes of limitations. As of April 30, 2021, approximately $7.5 million of the reserve for 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 effective income tax rates for the 13-week period ended April 30, 2021 was 22.0% compared to a rate of 22.2% for the 13-week period ended May 1, 2020. The income tax rates for the 13-week period in 2021 was lower than the comparable 13-week period in 2020 primarily due to increased income tax benefits associated with share-based compensation in the 2021 period compared to the 2020 period.

4. Leases

As of April 30, 2021, the Company’s primary leasing activities were real estate leases for most of its retail store locations and certain of its distribution facilities. Substantially all of the Company’s leases are classified as operating leases and the associated assets and liabilities are presented as separate captions in the condensed consolidated balance sheets. Finance lease assets are included in net property and equipment, and finance lease liabilities are included in long-
term obligations, in the condensed consolidated balance sheets. At April 30, 2021, the weighted-average remaining lease term for the Company’s operating leases is 9.9 years, and the weighted average discount rate for such leases is 3.9%. Operating lease costs are reflected as selling, general and administrative costs in the condensed consolidated statements of income. For the 13-week periods ended April 30, 2021 and May 1, 2020, such costs were $361.9 million and $336.5 million, respectively. Cash paid for amounts included in the measurement of operating lease liabilities of $364.2 million and $337.1 million, respectively, were reflected in cash flows from operating activities in the condensed consolidated statements of cash flows for the 13-week periods ended April 30, 2021 and May 1, 2020.

5. Current and long-term obligations

Current and long-term obligations consist of the following:

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>April 30, 2021</th>
<th>January 29, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Facility</td>
<td>$—</td>
<td>$—</td>
</tr>
<tr>
<td>3.250% Senior Notes due April 15, 2023 (net of discount of $518 and $583)</td>
<td>899,482</td>
<td>899,417</td>
</tr>
<tr>
<td>4.150% Senior Notes due November 1, 2025 (net of discount of $392 and $412)</td>
<td>499,608</td>
<td>499,588</td>
</tr>
<tr>
<td>3.875% Senior Notes due April 15, 2027 (net of discount of $284 and $294)</td>
<td>599,716</td>
<td>599,706</td>
</tr>
<tr>
<td>4.125% Senior Notes due May 1, 2028 (net of discount of $371 and $383)</td>
<td>499,629</td>
<td>499,617</td>
</tr>
<tr>
<td>3.500% Senior Notes due April 3, 2030 (net of discount of $609 and $623)</td>
<td>999,391</td>
<td>999,377</td>
</tr>
<tr>
<td>4.125% Senior Notes due April 3, 2050 (net of discount of $4,923 and $4,945)</td>
<td>495,077</td>
<td>495,055</td>
</tr>
<tr>
<td>Unsecured commercial paper notes</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>163,058</td>
<td>164,365</td>
</tr>
<tr>
<td>Debt issuance costs, net</td>
<td>(25,251)</td>
<td>(26,150)</td>
</tr>
<tr>
<td></td>
<td><strong>$ 4,130,710</strong></td>
<td><strong>$ 4,130,975</strong></td>
</tr>
</tbody>
</table>

On September 10, 2019, the Company entered into an amended and restated credit agreement, providing for a $1.25 billion unsecured five-year revolving credit facility (the “Revolving Facility”) of which up to $175.0 million is available for letters of credit.

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 April 30, 2021 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 April 30, 2021, 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 April 30, 2021, the Company was in compliance with all such covenants. The Revolving Facility also contains customary events of default.

As of April 30, 2021, the Company had no outstanding borrowings, outstanding letters of credit of $2.9 million, and borrowing availability of approximately $1.25 billion under the Revolving Facility. As of April 30, 2021, the Company was in compliance with all such covenants. The Revolving Facility also contains customary events of default.

As of April 30, 2021, the Company had outstanding letters of credit of $67.9 million which were issued pursuant to separate agreements.

As of April 30, 2021, 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 may 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 April 30, 2021, the Company’s condensed consolidated balance sheet reflected no outstanding unsecured CP Notes. CP Notes totaling $181.0 million were held by a wholly-owned subsidiary of the Company and are therefore not reflected on the condensed consolidated balance sheet.

On April 3, 2020, the Company issued $1.0 billion aggregate principal amount of 3.5% senior notes due 2030 (the “2030 Senior Notes”), net of discount of $0.7 million, and $500.0 million aggregate principal amount of 4.125% senior notes due 2050 (the “2050 Senior Notes”), net of discount of $5.0 million. The 2030 Senior Notes are scheduled to mature on April 3, 2030 and the 2050 Senior Notes are scheduled to mature on April 3, 2050. Interest on the 2030 Senior Notes and the 2050 Senior Notes is payable in cash on April 3 and October 3 of each year. The Company incurred $13.6 million of debt issuance costs associated with the issuance of the 2030 Senior Notes and the 2050 Senior Notes.

6. Assets and liabilities measured at fair value

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). The Company does not have any fair value measurements categorized within Level 3 as of April 30, 2021.

The following table presents the Company’s liabilities required to be measured at fair value as of April 30, 2021, aggregated by the level in the fair value hierarchy within which those measurements are classified.

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
<th>Total Fair Value at April 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term obligations (a)</td>
<td>$4,377,059</td>
<td>$163,058</td>
<td>—</td>
<td>$4,540,117</td>
</tr>
<tr>
<td>Deferred compensation (b)</td>
<td>42,990</td>
<td>—</td>
<td>—</td>
<td>42,990</td>
</tr>
</tbody>
</table>

(a) Included in the condensed consolidated balance sheet at book value as Long-term obligations of $4,130,710.
(b) Reflected at fair value in the condensed consolidated balance sheet as Accrued expenses and other current liabilities of $2,505 and noncurrent Other liabilities of $40,485.

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 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. 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.

On August 20, 2018, plaintiffs in the MDL 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 remains pending.

The parties have reached an agreement, which was preliminarily approved by the court on February 8, 2021, to resolve the Motor Oil MDL for an amount that is immaterial to the Company’s consolidated financial statements as a whole. The final fairness hearing is scheduled for June 22, 2021. At this time, although probable, it is not certain that the court will grant final approval to the settlement.

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). On April 7, 2021, the parties settled the New Mexico Motor Oil Matter for an amount that is immaterial to the Company’s consolidated financial statements as a whole.

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.
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 and New Mexico Motor Oil Matters, 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 and New Mexico Motor Oil Matters, 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, as noted above, during 2019, the Company recorded an accrual for an amount that is immaterial to the Company’s consolidated financial statements as a whole.

8. Segment reporting

The Company manages its business on the basis of one reportable operating segment. As of April 30, 2021, all of the Company’s operations were located within the United States with the exception of certain product sourcing operations, which collectively are not material with regard to assets, results of operations or otherwise to the condensed consolidated financial statements. The following net sales data is presented in accordance with accounting standards related to disclosures about segments of an enterprise.

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>13 Weeks Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2021</td>
<td>May 1, 2020</td>
<td></td>
</tr>
<tr>
<td>Classes of similar products:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumables</td>
<td>$6,378,135</td>
<td>$6,703,449</td>
<td></td>
</tr>
<tr>
<td>Seasonal</td>
<td>1,050,382</td>
<td>917,912</td>
<td></td>
</tr>
<tr>
<td>Home products</td>
<td>571,315</td>
<td>498,282</td>
<td></td>
</tr>
<tr>
<td>Apparel</td>
<td>401,132</td>
<td>328,806</td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>$8,400,964</td>
<td>$8,448,449</td>
<td></td>
</tr>
</tbody>
</table>

9. 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 March 17, 2021, the Company’s Board of Directors authorized a $2.0 billion increase to the existing common stock repurchase program, bringing the cumulative total to $12.0 billion authorized under the program since its inception in 2012. The repurchase authorization has no expiration date and allows repurchases from time to time in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or in privately negotiated transactions. The timing, manner and number of shares repurchased will depend on a variety of factors, including 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.

Pursuant to its common stock repurchase program, during the 13-week periods ended April 30, 2021 and May 1, 2020, the Company repurchased in the open market approximately 5.0 million shares of its common stock at a total cost of $1.0 billion and approximately 0.5 million shares of its common stock at a total cost of $63.1 million, respectively.

The Company paid a cash dividend of $0.42 per share during the first quarter of 2021. On May 25, 2021, the Company’s Board of Directors declared a quarterly cash dividend of $0.42 per share, which is payable on or before July 20, 2021 to shareholders of record on July 6, 2021. 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.
Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Dollar General Corporation

Results of Review of Interim Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of Dollar General Corporation and subsidiaries (the Company) as of April 30, 2021, and the related condensed consolidated statements of income, comprehensive income, shareholders’ equity and cash flows for the thirteen week periods ended April 30, 2021 and May 1, 2020, and the related notes (collectively referred to as the “condensed consolidated interim financial statements”). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of January 29, 2021, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the year then ended, and the related notes (not presented herein); and in our report dated March 19, 2021, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 29, 2021, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. 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 SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

May 27, 2021
Nashville, Tennessee
ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

This discussion and analysis is based on, should be read with, and is qualified in its entirety by, the accompanying unaudited condensed consolidated financial statements and related notes, as well as our consolidated financial statements and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations as contained in our Annual Report on Form 10-K for the fiscal year ended January 29, 2021. It also should be read in conjunction with the disclosure under “Cautionary Disclosure Regarding Forward-Looking Statements” in this report.

Impact of COVID-19

The COVID-19 (coronavirus) pandemic has resulted in widespread and continuing impacts on the global economy and has affected our business, as well as our customers, suppliers, and other business partners. In responding to the pandemic and its effects, our priority has been the health and safety of our employees and customers. In order to serve our employees and customers during this time while prioritizing their well-being, we have taken a variety of actions across our stores, distribution centers and store support center, including (as applicable): enhancing cleaning protocols, designating one hour each day for our elderly customers to shop our stores with limited crowds, implementing social distancing measures, providing personal protective equipment (e.g., gloves, masks and hand sanitizer) for employees, providing employee temperature checks at our distribution facilities, installing plexiglass barriers at registers, providing paid time off for those who received a COVID-19 diagnosis, or who were required to care for an immediate family or household member who received a COVID-19 diagnosis, and providing a one-time payment for hourly frontline employees who receive a complete COVID-19 vaccination.

In early March 2020, we began seeing heightened demand from customers, particularly for consumable products such as paper, food and cleaning products, which continued throughout 2020, although with some variability as to the volume and product mix. Beginning in April 2020, we also saw a significant increase in demand in many non-consumable products, including home, seasonal and apparel, resulting in an overall significant mix shift into non-consumable categories in the remainder of 2020 and the first quarter of 2021. In both 2020 and 2021, we believe this dynamic was due in part to the economic stimulus payments distributed to consumers. Also beginning in early March 2020, many new customers began shopping with us for their everyday essential needs, and we have seen encouraging retention rates of those customers in the months following as we continue to work hard to retain as many as possible. In 2020, we saw a shift in customer behavior toward trip consolidation, as customers shopped our stores less frequently than in 2019, but purchased a larger average basket amount, and these general trends toward trip consolidation and larger basket size have continued in the first quarter of 2021. To address the increased demand, we have worked and continue to work with suppliers to incorporate new items in stores to meet the essential needs of customers while addressing certain product shortages and vendor allocation limitations, some of which we expect to persist through at least the first half of 2021. We believe that this increased customer demand significantly benefited our results of operations, and in particular, sales, gross profit, operating income and net income for fiscal 2020 and the first quarter of 2021. Although we incurred additional payroll related expenses throughout fiscal 2020, including employee appreciation bonuses of approximately $167 million, increased distribution and transportation costs, and other costs to meet the significant customer demand and to protect the health and safety of our employees and customers, these costs were more than offset by the incremental sales. The overall net impact of the pandemic to operating income and net income for fiscal 2021 may be less favorable than in 2020 primarily due to the moderating positive impact to our net sales. We anticipate that some of these incremental costs, particularly those related to health and safety measures, will continue into 2021, though to a significantly lesser extent than in 2020.

We expect to continue to be affected, although the extent and duration is unknown, by the COVID-19 pandemic and its effects on the economy in a variety of ways, potentially including changing consumer demand (whether higher or lower) in certain product categories, supply chain interruptions, increased distribution and transportation costs, increased payroll expenses, and increased costs in an effort to maintain safe work and shopping environments. The potential impacts of additional economic stabilization efforts, including additional government stimulus payments and enhanced unemployment benefits and other government assistance and the effects thereof, are uncertain. We may experience adverse effects on our business, results of operations and cash flows from a recessionary economic environment that
may persist after the COVID-19 pandemic has moderated. As a result, the quarterly cadence of our results of operations, which varied from historical patterns in fiscal 2020, may continue to do so in fiscal 2021.

Due to the significant uncertainty surrounding the COVID-19 pandemic and its effects, there may be consequences that we do not anticipate at this time or that develop in unexpected ways. We will continue to monitor the evolving situation, and we will continue to take actions as necessary to serve our employees, customers, communities and shareholders.

Executive Overview

We are the largest discount retailer in the United States by number of stores, with 17,426 stores located in 46 states as of April 30, 2021, 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 resulting from the imposition of tariffs), and changes to certain government assistance programs, such as the Supplemental Nutrition Assistance Program, unemployment benefits, economic stimulus payments, and the child tax credit. In 2020 and the first quarter of 2021, our customers experienced impacts to many of these factors, as detailed above under “Impact of COVID-19”. Additionally, our customers are impacted by increases in those expenses that generally comprise a large portion of their household budgets, such as rent, healthcare and fuel prices. Finally, significant unseasonable or unusual weather patterns can impact customer shopping behaviors.

We remain committed to our long-term operating priorities as we consistently strive to improve our performance while retaining our customer-centric focus. These priorities include: 1) driving profitable sales growth, 2) capturing growth opportunities, 3) enhancing our position as a low-cost operator, and 4) investing in our diverse teams through development, empowerment and inclusion.

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 strategic and other sales-driving initiatives are also designed to capture growth opportunities and are discussed in more detail below.

Historically, our sales in our consumables category, which tend to have lower gross margins, have been the key drivers of net sales and customer traffic, while sales in our non-consumables categories, which tend to have higher gross margins, have contributed to more profitable sales growth and an increase in average transaction amount. Prior to 2020, our sales mix had continued to shift toward consumables, and, within consumables, toward lower margin departments such as perishables. Although this trend did not occur in 2020 or the first quarter of 2021 (as discussed above under “Impact of COVID-19”), we continue to expect some sales mix challenges to persist, and we expect the mix trend toward consumables will eventually resume. Several of our initiatives, including certain of those discussed below, are intended to address these mix challenges; however, there can be no assurances that these efforts will be successful.

We continue to make progress on and invest in certain strategic initiatives that we believe will help drive profitable sales growth, both with new and existing customers, 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. This technology includes our Dollar General app, which contains a variety of tools to enhance the in-store shopping experience. Additionally, DG Pickup, which is a buy online, pickup in-store initiative aimed at offering another convenient access point for customers, is now available in more than 17,000 stores across the chain.

Our non-consumables initiative, or “NCI,” offers a new, differentiated and limited assortment that will change throughout the year. NCI is continuing to evolve and help shape our approach to non-consumables categories throughout the chain and is contributing to improved overall sales and gross margin performance in the stores where it is offered. As we extend this initiative more broadly, as well as incorporate certain related merchandising efforts throughout our chain, our goal is to provide our customers with a broader, even more relevant non-consumables merchandise assortment, while continuing to deliver exceptional value within key areas of our non-consumables categories. Additionally, as we expand this offering, we plan to incorporate the full NCI set in certain stores as well as an “NCI Lite” version in others so as to reach a greater number of stores and customers more quickly. The NCI Lite version incorporates the majority of the NCI assortment, but without the same degree of footprint and display changes in the store. We plan to significantly expand the number of stores with either the full NCI or NCI Lite version in 2021, with a goal of more than 11,000 stores by the end of fiscal 2021. Further, we plan to complete our initial rollout of NCI in our store base by the end of fiscal 2022.

Additionally, in the third quarter of 2020, we introduced pOpshelf, a unique retail concept that incorporates certain of the lessons learned from NCI in a differentiated format that is focused on categories such as seasonal and home décor, health and beauty, home cleaning supplies, and party and entertainment goods. Our goal is to operate up to 50 pOpshelf locations, as well as up to an additional 25 pOpshelf store-within-a-store offerings in Dollar General Market stores, by the end of fiscal 2021.

We are continuing our rollout of the “DG Fresh” initiative, a self-distribution model for frozen and refrigerated products that is designed to reduce product costs, enhance item assortment, improve our in-stock position, and enhance sales. In an acceleration of our previously announced timing, we now plan to complete our initial rollout of DG Fresh distribution facilities, which will serve essentially all stores across the chain, by the end of the second quarter of 2021. DG Fresh contributed to our strong sales performance in the first quarter of 2021, driven by higher in-stock levels and the introduction of new products in select stores. In addition, DG Fresh benefitted gross profit in the first quarter of 2021 through improved initial markups on inventory purchases, which were partially offset by increased distribution and transportation costs. DG Fresh, which initially launched in January of 2019, is now serving more than 17,000 stores, and we expect the overall net benefit to our financial results to continue throughout 2021 as we complete the initial rollout.

To support our other operating priorities, we remain focused on capturing growth opportunities. In the first quarter of 2021, we opened 260 new stores, remodeled 543 stores, and relocated 33 stores. The COVID-19 pandemic has not materially delayed our real estate plans, and, based on information currently known to management, we do not expect any significant delays in 2021. For 2021, we plan to open approximately 1,050 new stores (including any pOpshelf stores), remodel approximately 1,750 stores, and relocate approximately 100 stores, for a total of 2,900 real estate projects.

We continue to innovate within our channel and are able to utilize the most productive of our various Dollar General 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 2021. We expect approximately 75% of our planned remodels in 2021 to feature our higher-cooler-count store format that enables us to offer an increased selection of perishable items. In addition, the majority of these and other real estate projects in 2021 will also incorporate high-capacity coolers. Our smaller format store (less than 6,000 square feet) is expected to allow us to capture growth opportunities in urban areas. We have also recently introduced two new larger format stores (one at approximately 8,500 square feet and the other at approximately 9,500 square feet), which allows us to further expand our offering and our ability to serve our customers. Beginning later in 2021, we expect the 8,500 square foot box, along with our existing Dollar General Plus format of a similar size, to become our base prototypes for nearly all new stores moving forward, replacing our traditional 7,300 square foot store format and higher-cooler count Dollar General Traditional Plus format. The innovation in store formats is expected to allow us to capture additional growth opportunities within our existing markets. Additionally, the larger formats allow for expanded high-capacity-cooler counts; an extended queue line; and a broader product assortment, including NCI, a larger health and beauty section, and produce in select stores. We continue to incorporate lessons learned from our various store formats and layouts into our existing store base. These lessons
contribute to innovation in developing new formats, with a goal of driving increased customer traffic, average transaction amount, same-store sales and overall store productivity.

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 competitiveness and profitability. We have experienced incremental costs related to the COVID-19 pandemic as discussed above under “Impact of COVID-19” and below under “Results of Operations,” some of which are expected to continue in 2021.

We also have launched “Fast Track”, an initiative aimed at further enhancing our convenience proposition and in-stock position as well as increasing labor efficiencies 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 completed the sorting process optimization at all of our non-refrigerated distribution centers in 2019. Additionally, we expect to continue to add self-checkout capabilities in additional stores throughout 2021 and beyond. These and the other strategic initiatives discussed above will require us to incur upfront expenses for which there may not be an immediate 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, including increases in minimum wage rates. Further federal, state and/or local minimum wage increases could have a material negative impact on our operating expenses, although the magnitude and timing of such impact is uncertain. We have also experienced incremental payroll, distribution and transportation costs related to the COVID-19 pandemic as discussed above under “Impact of COVID-19”. As we move through 2021, rising inflationary pressures due to higher input costs which may affect us as well as our vendors, including higher commodity, transportation and other costs, may result in pressure to our operating results. While we expect these increases to persist, certain of our initiatives and plans are intended to help offset these challenges, however, they are somewhat dependent on the scale and timing of the increases, among other factors. There can be no assurance that our mitigation efforts will be successful.

Our diverse teams are a competitive advantage, and we proactively seek ways to continue investing in their development. Our goal is to create an environment that attracts, develops, and retains talented personnel, particularly at the store manager 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 in the first quarter of 2021. We expect to continue our share repurchase activity, and to pay quarterly cash dividends, throughout the remainder of 2021, 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 contributed to our overall operating and financial performance in the 2021 and 2020 periods. The 2021 period was enhanced by what we believe to be government stimulus-related sales in our non-consumable categories, while the 2020 period was enhanced by increased consumer demand, as discussed above under “Impact of Covid-19”.

Highlights of our 2021 first quarter results of operations compared to the 2020 first quarter and our financial condition at April 30, 2021 are set forth below. Basis points amounts referred to below are equal to 0.01% as a percentage of net sales.

- Net sales decreased 0.6% to $8.40 billion. Sales in same-stores decreased 4.6% primarily reflecting a decrease in customer traffic. Average sales per square foot for all stores over the 52-week period ended April 30, 2021 was $269.

- Gross profit, as a percentage of net sales, was 32.8% in the 2021 period and 30.7% in the 2020 period, an increase of 208 basis points, primarily reflecting higher initial inventory markups, favorable markdowns, and an increase in sales of products in non-consumable categories.

- SG&A expense, as a percentage of net sales, was 22.0% in the 2021 period compared to 20.5% in the 2020 period, an increase of 152 basis points, due in part to higher store occupancy, winter storm disaster, and retail labor costs as a percentage of net sales.

- Operating profit increased 4.9% to $908.9 million in the 2021 period compared to $866.8 million in the 2020 period.

- Interest expense increased by $9.9 million in the 2021 period primarily due to higher average outstanding debt balances in the first quarter of 2021.

- The effective income tax rate for the 2021 period was 22.0% compared to a rate of 22.2% for the 2020 period primarily due to increased tax benefits associated with share-based compensation.

- Net income was $677.7 million, or $2.82 per diluted share, in the 2021 period compared to net income of $650.4 million, or $2.56 per diluted share, in the 2020 period.

- Cash generated from operating activities was $0.70 billion for the 2021 period, a decrease of $1.03 billion, or 59.5%, from the comparable 2020 period.

- Total cash dividends of $99.8 million, or $0.42 per share, were paid during the 2021 period, compared to $90.6 million, or $0.36 per share, in the comparable 2020 period.

- Inventory turnover was 4.8 times on a rolling four-quarter basis. On a per store basis, inventories at April 30, 2021 increased by 17.6% compared to the balances at May 1, 2020.

The above discussion is a summary only. Readers should refer to the detailed discussion of our results of operations below in the current year periods as compared with the prior year periods as well as our financial condition at April 30, 2021.

Results of Operations

**Accounting Periods.** We utilize a 52-53 week fiscal year convention that ends on the Friday nearest to January 31. The following text contains references to years 2021 and 2020, which represent the 52-week fiscal years ending or ended January 28, 2022 and January 29, 2021, respectively. References to the first quarter accounting periods for 2021 and 2020 contained herein refer to the 13-week accounting periods ended April 30, 2021 and May 1, 2020, respectively.

**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 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. Consumer behavior driven by the COVID-19 pandemic and the U.S. government’s response thereto, including economic stimulus legislation has resulted in a departure from seasonal norms we have experienced in recent years and may continue to disrupt the historical quarterly cadence of our results of operations for an unknown period of time.

The following table contains results of operations data for the first 13-week periods of 2021 and 2020, and the dollar and percentage variances among those periods:

<table>
<thead>
<tr>
<th>(amounts in millions, except per share amounts)</th>
<th>13 Weeks Ended</th>
<th>2021 vs. 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2021</td>
<td>May 1, 2020</td>
</tr>
<tr>
<td>Net sales by category:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumables</td>
<td>$6,378.1</td>
<td>$6,703.4</td>
</tr>
<tr>
<td>% of net sales</td>
<td>75.92 %</td>
<td>79.35 %</td>
</tr>
<tr>
<td>Seasonal</td>
<td>1,050.4</td>
<td>917.9</td>
</tr>
<tr>
<td>% of net sales</td>
<td>12.50 %</td>
<td>10.86 %</td>
</tr>
<tr>
<td>Home products</td>
<td>571.3</td>
<td>498.3</td>
</tr>
<tr>
<td>% of net sales</td>
<td>6.80 %</td>
<td>5.90 %</td>
</tr>
<tr>
<td>Apparel</td>
<td>401.1</td>
<td>328.8</td>
</tr>
<tr>
<td>% of net sales</td>
<td>4.77 %</td>
<td>3.89 %</td>
</tr>
<tr>
<td>Net sales</td>
<td>$8,401.0</td>
<td>$8,448.4</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>5,645.3</td>
<td>5,852.8</td>
</tr>
<tr>
<td>% of net sales</td>
<td>67.20 %</td>
<td>69.28 %</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2,755.7</td>
<td>2,595.7</td>
</tr>
<tr>
<td>% of net sales</td>
<td>32.80 %</td>
<td>30.72 %</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>1,846.8</td>
<td>1,728.9</td>
</tr>
<tr>
<td>% of net sales</td>
<td>21.98 %</td>
<td>20.46 %</td>
</tr>
<tr>
<td>Operating profit</td>
<td>908.9</td>
<td>866.8</td>
</tr>
<tr>
<td>% of net sales</td>
<td>10.82 %</td>
<td>10.26 %</td>
</tr>
<tr>
<td>Interest expense</td>
<td>40.4</td>
<td>30.5</td>
</tr>
<tr>
<td>% of net sales</td>
<td>0.48 %</td>
<td>0.36 %</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>868.5</td>
<td>836.3</td>
</tr>
<tr>
<td>% of net sales</td>
<td>10.34 %</td>
<td>9.90 %</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>190.7</td>
<td>185.8</td>
</tr>
<tr>
<td>% of net sales</td>
<td>2.27 %</td>
<td>2.20 %</td>
</tr>
<tr>
<td>Net income</td>
<td>$677.7</td>
<td>$650.4</td>
</tr>
<tr>
<td>% of net sales</td>
<td>8.07 %</td>
<td>7.70 %</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>$2.82</td>
<td>$2.56</td>
</tr>
</tbody>
</table>

13 WEEKS ENDED APRIL 30, 2021 AND MAY 1, 2020

Net Sales. The net sales decrease in the 2021 period was primarily due to a same-store sales decrease of 4.6% compared to the 2020 period. We believe consumer behavior driven by government stimulus payments in the 2021 period had a positive effect on net sales and same-store sales in our non-consumable product categories, while the effect of the onset of the COVID-19 pandemic on consumer behavior had a significant positive effect on net sales and same-store sales in the 2020 period, each of which affects the comparisons between periods. For the 2021 period, there were 16,261 same-stores which accounted for sales of $8.0 billion. The decrease in same-store sales primarily reflects a decline in customer traffic, partially offset by an increase in average transaction amount. Same-store sales declined in the consumables category and increased in each of the seasonal, apparel and home products categories, with the largest percentage increase in the apparel category. Net sales were positively affected by sales from new stores, modestly offset by sales from closed stores.

Gross Profit. For the 2021 period, gross profit increased by 6.2%, and as a percentage of net sales increased by 208 basis points to 32.8%, compared to the 2020 period. Higher initial markups on inventory purchases and a reduction in markdowns as a percentage of net sales contributed to the increase in the gross profit rate. In recent years a greater proportion of sales have come from our consumables category, which generally has a lower gross profit rate than our other product categories, creating downward pressure on our overall gross profit rate. This sales trend was reversed beginning in the second quarter of 2020 and has continued each subsequent quarter through the first quarter of 2021 as non-consumables sales increased at a higher rate than consumables sales, which added to the increase in the gross profit.
rate. It is uncertain at this time whether the reversal of this trend will continue. A reduction in inventory shrink as a percentage of net sales also contributed to the increase in the gross profit rate. These factors were partially offset by increased transportation costs, which were primarily impacted in the form of higher rates.

Selling, General & Administrative Expenses (“SG&A”). SG&A was 22.0% as a percentage of net sales in the 2021 period compared to 20.5% in the comparable 2020 period, an increase of 152 basis points. Among the expenses that were a greater percentage of net sales in the current year period were store occupancy costs, disaster expenses related to Winter Storm Uri, retail labor, depreciation and amortization, administrative compensation (driven by share-based compensation), utilities, and taxes and licenses.

Interest Expense. Interest expense increased by $9.9 million to $40.4 million in the 2021 period primarily due to higher average outstanding debt balances in connection with the issuance of debt during the first quarter of 2020. See Liquidity and Capital Resources.

Income Taxes. The effective income tax rate for the 2021 period was 22.0% compared to a rate of 22.2% for the 2020 period which represents a net decrease of 0.2 percentage points. The tax rate for the 2021 period was lower than the comparable 2020 period primarily due to increased tax benefits associated with share-based compensation in the 2021 period compared to the 2020 period.

Liquidity and Capital Resources

At April 30, 2021, we had a $1.25 billion unsecured revolving credit agreement (the “Revolving Facility”), $4.0 billion aggregate principal amount of senior notes, and a commercial paper program that may provide borrowing availability in the form of commercial paper notes (“CP Notes”) of up to $1.0 billion. At April 30, 2021, we had total consolidated outstanding long-term obligations of $4.1 billion, most of which was in the form of senior notes. All of our material borrowing arrangements 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.

We believe our cash flow from operations and existing cash balances, combined with availability under the Revolving Facility, the CP Notes and access to the debt markets, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, capital spending, anticipated dividend payments and share repurchases 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 the remainder of fiscal 2021, we anticipate potential combined borrowings under the Revolving Facility and our CP Notes to be a maximum of approximately $500 million outstanding at any one time.

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 April 30, 2021 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 April 30, 2021, 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 April 30, 2021, we were in compliance with all such covenants. The Revolving Facility also contains customary events of default.

As of April 30, 2021, under the Revolving Facility, we had no outstanding borrowings, outstanding letters of credit of $2.9 million, and borrowing availability of approximately $1.25 billion that, due to our intention to maintain borrowing availability related to the commercial paper program described below, could contribute incremental liquidity of $1.07 billion at April 30, 2021. In addition, as of April 30, 2021 we had outstanding letters of credit of $67.9 million which were issued pursuant to separate agreements.

Commercial Paper

As of April 30, 2021, our condensed consolidated balance sheet reflected no outstanding unsecured CP Notes. CP Notes totaling $181.0 million were held by a wholly-owned subsidiary and are therefore not reflected on the condensed consolidated balance sheet. 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.

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. In April 2020 we issued $1.0 billion aggregate principal amount of 3.5% senior notes due 2030 (the “2030 Senior Notes”) at a discount of $0.7 million, which are scheduled to mature on April 3, 2030, and $500.0 million aggregate principal amount of 4.125% senior notes due 2050 (the “2050 Senior Notes”) at a discount of $5.0 million, which are scheduled to mature on April 3, 2050. Collectively, the 2023 Senior Notes, 2025 Senior Notes, 2027 Senior Notes, 2028 Senior Notes, 2030 Senior Notes and 2050 Senior Notes comprise the “Senior Notes”, each of which was 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. Interest on the 2030 and 2050 Senior Notes is payable in cash on April 3 and October 3 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.
Our inventory balance represented approximately 51% of our total assets exclusive of goodwill, operating lease assets, and other intangible assets as of April 30, 2021. 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 unaudited condensed 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.

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.

Unless otherwise noted, all references to the 2021 and 2020 periods in the discussion of cash flows from operating, investing and financing activities below refer to the 13-week periods ended April 30, 2021 and May 1, 2020, respectively.

Cash flows from operating activities. Cash flows from operating activities were $0.70 billion in the 2021 period, which represents a $1.03 billion decrease compared to the 2020 period. Changes in merchandise inventories resulted in a $135.7 million increase in the 2021 period as compared to an increase of $567.9 million in the 2020 period. Changes in accounts payable resulted in a $295.2 million decrease in the 2021 period compared to a $110.1 million increase in the 2020 period, due primarily to the timing of receipts and payments. Changes in accrued expenses and other liabilities resulted in a $136.7 million decrease in the 2021 period compared to an $81.1 million increase in the 2020 period, largely due to the timing of regular and discretionary incentive compensation accruals and payments. Net income increased $27.3 million in the 2021 period over the 2020 period. Changes in income taxes in the 2021 period compared to the 2020 period are primarily due to 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 decreased by 3% in the 2021 period and decreased by 12% in the 2020 period, with changes in our four inventory categories as follows: consumables decreased by 1% compared to a 11% decrease; seasonal decreased 6% compared to a 13% decrease; home products decreased by 3% compared to a 18% decrease; and apparel decreased by 10% compared to a 17% decrease.

Cash flows from investing activities. Significant components of property and equipment purchases in the 2021 period included the following approximate amounts: $126 million for improvements, upgrades, remodels and relocations of existing stores; $74 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; $66 million for distribution and transportation-related capital expenditures; and $11 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 the 2021 period, we opened 260 new stores and remodeled or relocated 576 stores.

Significant components of property and equipment purchases in the 2020 period included the following approximate amounts: $75 million for improvements, upgrades, remodels and relocations of existing stores; $73 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; $32 million for distribution and transportation-related capital expenditures; and $12 million for information systems upgrades and technology-related projects. During the 2020 period, we opened 250 new stores and remodeled or relocated 476 stores.

Capital expenditures for 2021 are currently projected to be in the range of $1.05 billion to $1.15 billion. We anticipate funding 2021 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 CP Notes. We
plan to continue to invest in store growth through the development of new stores and the remodel or relocation of existing stores. Capital expenditures in 2021 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 and other strategic initiatives; as well as routine and ongoing capital requirements.

Cash flows from financing activities. In the 2020 period, net proceeds from the issuance of the 2030 Senior Notes and 2050 Senior Notes totaled $1.5 billion. Net commercial paper borrowings were unchanged in the 2021 period and decreased by $425.2 million in the 2020 period. There were no borrowings or repayments under the Revolving Facility during the 2021 period, and such borrowings and repayments in the 2020 period were $300.0 million each. Also during the 2021 and 2020 periods, we repurchased 5.0 million and 0.5 million shares of our common stock at a total cost of $1.0 billion and $63.1 million, respectively, and paid cash dividends of $99.8 million and $90.6 million, respectively.

Share Repurchase Program

As of April 30, 2021 our common stock repurchase program had a total remaining authorization of approximately $1.68 billion. The authorization allows repurchases from time to time in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or in privately negotiated transactions. The timing, manner and number of shares repurchased will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under our debt agreements and other factors. The repurchase program has no expiration date and may be modified or terminated from time to time at the discretion of our Board of Directors. For more information about our share repurchase program, see Note 9 to the condensed consolidated financial statements contained in Part I, Item 1 of this report and Part II, Item 2 of this report.
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no material changes to the disclosures relating to this item from those set forth in our Annual Report on Form 10-K for the fiscal year ended January 29, 2021.

ITEM 4. 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 Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this report. 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) Changes in Internal Control Over Financial Reporting. There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) or Rule 15d-15(f)) during the quarter ended April 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.
PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The information contained in Note 7 to the unaudited condensed consolidated financial statements under the heading “Legal proceedings” contained in Part I, Item 1 of this report is incorporated herein by this reference.

ITEM 1A. RISK FACTORS.

There have been no material changes to the disclosures relating to this item from those set forth in our Annual Report on Form 10-K for the fiscal year ended January 29, 2021.

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

The following table contains information regarding purchases of our common stock made during the quarter ended April 30, 2021 by or on behalf of Dollar General or any “affiliated purchaser,” as defined by Rule 10b-18(a)(3) of the Exchange Act:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Number of Shares Purchased</th>
<th>Average Price Paid per Share</th>
<th>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(a)</th>
<th>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/30/21-02/28/21</td>
<td>1,521,671</td>
<td>$197.15</td>
<td>1,521,671</td>
<td>$379,314,000</td>
</tr>
<tr>
<td>03/01/21-03/31/21</td>
<td>1,691,829</td>
<td>$197.90</td>
<td>1,691,829</td>
<td>$2,044,502,000</td>
</tr>
<tr>
<td>04/01/21-04/30/21</td>
<td>1,745,127</td>
<td>$209.46</td>
<td>1,745,127</td>
<td>$1,678,963,000</td>
</tr>
<tr>
<td>Total</td>
<td>4,958,627</td>
<td>$201.74</td>
<td>4,958,627</td>
<td>$1,678,963,000</td>
</tr>
</tbody>
</table>

(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 March 17, 2021 to increase the repurchase authorization by $2.0 billion, bringing the cumulative total value of authorized share repurchases under the program since its inception to $12.0 billion. Under the authorization, repurchases may be made from time to time in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Exchange Act, or in privately negotiated transactions. The timing, manner and number of shares repurchased will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under the Company’s debt agreements and other factors. This repurchase authorization has no expiration date.

ITEM 6. EXHIBITS.

See the Exhibit Index to this report immediately before the signature page hereto, which Exhibit Index is incorporated by reference as if fully set forth herein.
CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We include “forward-looking statements” within the meaning of the federal securities laws throughout this report, particularly under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Part I, Item 2, and “Note 7. Commitments and Contingencies” included in Part I, Item 1, among others. You can identify these statements because they are not limited to historical fact or they use words such as “may,” “will,” “can,” “should,” “could,” “would,” “expect,” “believe,” “anticipate,” “project,” “plan,” “estimate,” “aim,” “goal,” “seek,” “strive,” “intend,” “likely,” “scheduled,” “potential,” “subject to,” “focused on,” or “continue,” 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 or concepts, progress of strategic (including our non-consumables and digital initiatives, DG Fresh, Fast Track, and pOpshelf), merchandising, distribution and transportation efficiencies, and margin enhancing initiatives, trends in sales of consumable and non-consumable products, customer traffic and basket size, and level of future costs and expenses; potential future stock repurchases and cash dividends; anticipated borrowing under the Revolving Facility and our commercial paper program; potential impact of the COVID-19 pandemic; potential impact of legal or regulatory changes and our responses thereto, including the potential increase of federal, state and/or local minimum wage rates; and expected outcome or effect of pending or threatened legal disputes, litigation or audits.

Forward-looking statements are subject to risks and uncertainties that may change at any time, so our actual results may differ materially from those that we expected. We derive many of these statements 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 our actual results. Important factors that could cause actual results to differ materially from the expectations expressed in our forward-looking statements include, without limitation:

- risks related to the COVID-19 pandemic, including but not limited to, the effects on our supply chain, distribution network, store and distribution center growth, store and distribution center closures, transportation and distribution costs, SG&A expenses, share repurchase activity, and cybersecurity risk profile, as well as the effects on domestic and foreign economies and customers’ spending patterns;
- economic factors, including but not limited to employment levels; inflation; pandemics; 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; decreases in, or elimination of, government subsidies such as unemployment and food/nutrition assistance programs; commodity rates; transportation, lease and insurance costs; wage rates (including the heightened possibility of increased federal, state and/or local minimum wage rates); foreign exchange rate fluctuations; measures that create barriers to or increase the costs of international trade (including increased import duties or tariffs); and changes in laws and regulations and their effect on as applicable, customer spending and disposable income, our ability to execute our strategies and initiatives, our cost of goods sold, our SG&A expenses (including real estate costs), and our sales and profitability;
- failure to achieve or sustain our strategies and initiatives, including those relating to merchandising, real estate and new store development, store formats and concepts, digital, shrink, sourcing, private brand, inventory management, supply chain, store operations, expense reduction, technology, our Fresh initiative and our Fast Track initiative;
- competitive pressures and changes in the competitive environment and the geographic and product markets where we operate, including, but not limited to, pricing, promotional activity, expanded availability of mobile, web-based and other digital technologies, and alliances or other business combinations;
- failure to timely and cost-effectively execute our real estate projects or to anticipate or successfully address the challenges imposed by our expansion, including into new states or urban areas;
- levels of inventory shrinkage;
● failure to successfully manage inventory balances;

● failure to maintain the security of our business, customer, employee or vendor information or to comply with privacy laws;

● damage or interruption 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;

● a significant disruption to our distribution network, the capacity of our distribution centers or the timely receipt of inventory, or delays in constructing or opening new distribution centers;

● risks and challenges associated with sourcing merchandise from suppliers, including, but not limited to, those related to international trade;

● natural disasters, unusual weather conditions (whether or not caused by climate change), pandemic outbreaks or other health crises, political or civil unrest, acts of violence or terrorism, and disruptive global political events;

● product liability, product recall or other product safety or labeling claims;

● incurrence of material uninsured losses, excessive insurance costs or accident costs;

● failure to attract, develop and retain qualified employees while controlling labor costs (including the heightened possibility of increased federal, state and/or local minimum wage rates) and other labor issues;

● loss of key personnel or inability to hire additional qualified personnel;

● risks associated with our private brands, including, but not limited to, our level of success in improving their gross profit rate;

● seasonality of our business;

● the impact of changes in or noncompliance with governmental regulations and requirements (including, but not limited to, those dealing with the sale of products, including without limitation, product and food safety, marketing or labeling; information security and privacy; labor and employment; employee wages and benefits (including the heightened possibility of increased federal, state and/or local minimum wage rates); health and safety; imports and customs; and environmental compliance, as well as tax laws (including those related to the corporate tax rate), the interpretation of existing tax laws, or our failure to sustain our reporting positions negatively affecting our tax rate) and developments in or outcomes of private actions, class actions, multi-district litigation, arbitrations, derivative actions, administrative proceedings, regulatory actions or other litigation;

● new accounting guidance or changes in the interpretation or application of existing guidance;

● deterioration in market conditions, including market disruptions, limited liquidity and interest rate fluctuations, or changes in our credit profile;

● factors disclosed under “Risk Factors” in Part I, Item 1A of our Form 10-K for the fiscal year ended January 29, 2021; and

● factors disclosed elsewhere in this document (including, without limitation, in conjunction with the forward-looking statements themselves) and other factors.

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 Securities and Exchange Commission filings and public communications. You
should evaluate forward-looking statements in the context of these risks and uncertainties and are cautioned to not place undue reliance on such forward-looking statements. These factors may not contain all of the material factors that are important to you. We cannot assure you that we will realize the results or developments we anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements in this report are made only as of the date hereof. We undertake no obligation, and specifically disclaim any duty, to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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

EXHIBIT INDEX

3.1 Amended and Restated Charter of Dollar General Corporation (effective May 27, 2020) (incorporated by reference to Exhibit 3.1 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended May 1, 2020, filed with the SEC on May 28, 2020 (file no. 001-11421))

3.2 Amended and Restated Bylaws of Dollar General Corporation (effective May 27, 2020) (incorporated by reference to Exhibit 3.2 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended May 1, 2020, filed with the SEC on May 28, 2020 (file no. 001-11421))

10.1 Form of COO/Executive Vice President Employment Agreement with attached Schedule of Executive Officers who have executed an employment agreement in the form of COO/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, 2021, filed with the SEC on April 8, 2021 (file no. 001-11421))

10.2 Form of Senior Vice President Employment Agreement with attached Schedule of Senior Vice President-level Executive Officers who have executed an employment agreement in the form of Senior Vice President Employment Agreement

10.3 Form of Restricted Stock Unit Award Agreement (approved May 25, 2021) for awards beginning May 2021 to non-employee directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan

10.4 Form of Stock Option Award Agreement (approved March 16, 2021) for annual awards beginning March 2021 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 January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))

10.5 Form of Stock Option Award Agreement (approved March 16, 2021) for awards beginning March 2021 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 10.12 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))

10.6 Form of Performance Share Unit Award Agreement (approved March 16, 2021) for awards beginning March 2021 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 January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))

10.7 Form of Restricted Stock Unit Award Agreement (approved March 16, 2021) for awards beginning March 2021 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 10.18 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))
Dollar General Corporation Teamshare Incentive Program for Named Executive Officers (incorporated by reference to Exhibit 10.33 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))

Form of Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 16, 2021) for awards beginning March 16, 2021 (incorporated by reference to Exhibit 10.42 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))

Form of Performance Share Unit Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 16, 2021) for awards beginning March 16, 2021 (incorporated by reference to Exhibit 10.43 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))

Letter re unaudited interim financial information

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

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

Interactive data files for Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2021, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Income (unaudited); (iii) the Condensed Consolidated Statements of Comprehensive Income (unaudited); (iv) the Condensed Consolidated Statements of Shareholders’ Equity (unaudited); (v) the Condensed Consolidated Statements of Cash Flows (unaudited); and (vi) the Notes to Condensed Consolidated Financial Statements (unaudited)

The cover page from Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2021 (formatted in Inline XBRL and contained in Exhibit 101)
Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, both on behalf of the Registrant and in his capacity as principal financial officer of the Registrant.

DOLLAR GENERAL CORPORATION

Date: May 27, 2021

By: /s/ John W. Garratt
John W. Garratt
Executive Vice President & Chief Financial Officer
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement"), effective [Date] ("Effective Date"), is made and entered into by and between DOLLAR GENERAL CORPORATION (the "Company"), and [Name of Senior Vice President] ("Employee").

W I T N E S S E T H:

WHEREAS, Company desires to employ or cause any wholly-owned subsidiary of the Company to employ Employee upon the terms and subject to the conditions hereinafter set forth, and Employee desires to accept such employment;

NOW, THEREFORE, for and in consideration of the premises, the mutual promises, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Employment. Subject to the terms and conditions of this Agreement, the Company agrees to employ or to cause any wholly-owned subsidiary of the Company to employ (any such wholly-owned subsidiary caused by the Company to employ Employee being hereinafter referred to as the "Subsidiary") Employee as [Title] of the Company or the Subsidiary, as the case may be.

2. Term. The term of this Agreement shall end March 31, 2024 ("Term"), unless otherwise terminated pursuant to Sections 8, 9, 10, 11 or 12 hereof. The Term shall be automatically extended from month to month, for up to six (6) months, unless the Company gives written notice to Employee at least one month prior to the expiration of the original or any extended Term that no extension or further extension, as applicable, will occur or unless the Company replaces this Agreement with a new agreement or, in writing, extends or renews the Term of this Agreement for a period that is longer than six (6) months from the expiration of the original Term. Unless otherwise noted, all references to the "Term" shall be deemed to refer to the original Term and any extension or renewal thereof.


   a. Position. Employee shall perform the duties of the position noted in Section 1 above and shall perform such other duties and responsibilities as Employee’s supervisor or the Company’s CEO may reasonably direct.
b. **Full-Time Efforts.** Employee shall perform and discharge faithfully and diligently such duties and responsibilities and shall devote Employee’s full-time efforts to the business and affairs of Company and, if applicable, the Subsidiary. Employee agrees to promote the best interests of the Company and, if applicable, the Subsidiary and to take no action that is likely to damage the public image or reputation of the Company, its subsidiaries or its affiliates.

c. **Administrative Support.** Employee shall be provided with office space and administrative support.

d. **No Interference with Duties.** Employee shall not devote time to other activities which would inhibit or otherwise interfere with the proper performance of Employee’s duties and shall not be directly or indirectly concerned or interested in any other business occupation, activity or interest without the express approval of the CEO other than by reason of holding a non-controlling interest as a shareholder, securities holder or debenture holder in a corporation quoted on a nationally recognized exchange (subject to any limitations in the Company’s Code of Business Conduct and Ethics). Employee may not serve as a member of a board of directors of a for-profit company, other than the Company or any of its subsidiaries or affiliates, without the express approval of the CEO and, if required pursuant to Company policy, the Board of Directors of the Company (“Board”) (or an authorized Board committee).

4. **Work Standard.** Employee agrees to comply with all terms and conditions set forth in this Agreement, as well as all applicable Company and, if applicable, Subsidiary work policies, procedures and rules. Employee also agrees to comply with all federal, state and local statutes, regulations and public ordinances governing Employee’s performance hereunder.

5. **Compensation.**

   a. **Base Salary.** Subject to the terms and conditions set forth in this Agreement, the Company shall pay or shall cause the Subsidiary to pay to Employee, and Employee shall accept, an annual base salary (“Base Salary”) of no less than [xxx,xxx Dollars ($xxx,xxx)]. The Base Salary shall be paid in accordance with the Company’s or the Subsidiary’s, as applicable, normal payroll practices (but no less frequently than monthly) and may be increased from time to time at the sole discretion of the Company.

   b. **Incentive Bonus.** Employee’s incentive compensation for the Term of this Agreement shall be determined under the Company’s annual bonus program for officers at
Employee’s grade level, as it may be amended from time to time. The actual bonus paid by the Company or caused by the Company to be paid by the Subsidiary, as applicable, pursuant to this Section 5(b), if any, shall be based on criteria established by the Board, its Compensation Committee and/or the CEO, as applicable, in accordance with the terms and conditions of the annual bonus program for officers. Any bonus payments due hereunder shall be payable to Employee no later than two and one-half (2 1/2) months after the end of the Company’s taxable year or the calendar year, whichever is later, in which Employee is first vested in such bonus payments for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”).

c. **Vacation.** Employee shall be entitled to four weeks paid vacation time within the first year of employment. Vacation time is granted on the anniversary of Employee’s hire date each year. Any available but unused vacation as of the annual anniversary of employment date or at Employee’s termination date shall be forfeited.

d. **Business Expenses.** Employee shall be reimbursed for all reasonable business expenses incurred in carrying out the work hereunder. Employee shall adhere to the Company’s or the Subsidiary’s, as applicable, expense reimbursement policies and procedures. In no event will any such reimbursement be made later than the last day of Employee’s taxable year following Employee’s taxable year in which Employee incurs the reimbursable expense.

e. **Perquisites.** Employee shall be entitled to receive, and if applicable the Company shall cause the Subsidiary to provide, such other executive perquisites, fringe and other benefits as are provided to officers at the same grade level under any of the Company’s plans and/or programs in effect from time to time.

6. **Cooperation.** Employee agrees to cooperate with the Company and, if applicable, the Subsidiary in the investigation, review, audit, or assessment, whether internal or external, of any matters involving the Company or, if applicable, the Subsidiary as well as the defense or prosecution of any claims or other causes of action made against or on behalf of the Company or, if applicable, the Subsidiary, including any claims or actions against its affiliates, officers, directors and employees. Employee’s cooperation in connection with such matters includes, without limitation, being available (upon reasonable notice and without unreasonably interfering with his/her other professional obligations) to meet with the Company and, if applicable, the Subsidiary and its legal or other designated advisors regarding any matters in which Employee has been involved; to prepare for
any proceeding (including, without limitation, depositions, consultation, discovery or trial); to provide truthful affidavits; to assist with any audit, inspection, proceeding or other inquiry; and to act as a witness to provide truthful testimony in connection with any legal proceeding affecting the Company or, if applicable, the Subsidiary. Employee further agrees that if Employee is contacted by any person or entity regarding matters Employee knows or reasonably should know to be adverse to the Company or, if applicable, the Subsidiary, Employee shall promptly (within forty-eight (48) hours) notify the Company in writing by sending such notification to the General Counsel, Dollar General Corporation, 100 Mission Ridge, Goodlettsville, Tennessee 37072; facsimile (615) 855-5517. The Company agrees to reimburse or cause the Subsidiary to reimburse, as applicable, Employee for any reasonable documented expenses incurred in providing such cooperation.

7. **Benefits.** During the Term, Employee (and, where applicable, Employee’s eligible dependents) shall be eligible to participate in those various Company welfare benefit plans, practices and policies in place during the Term (including, without limitation, medical, pharmacy, dental, vision, disability, employee life, accidental death and travel accident insurance plans and other programs, if any) to the extent allowed under and in accordance with the terms of those plans. In addition, Employee shall be eligible to participate, pursuant to their terms, in any other benefit plans offered by the Company to similarly-situated officers or other employees from time to time during the Term (excluding plans applicable solely to certain officers of the Company in accordance with the express terms of such plans). Collectively the plans and arrangements described in this Section 7, as they may be amended or modified in accordance with their terms, are hereinafter referred to as the “Benefits Plans.” Notwithstanding the above, Employee understands and acknowledges that Employee is not eligible for benefits under any other severance plan, program, or policy maintained by the Company, if any exists, and that the only severance benefits Employee is entitled to are set forth in this Agreement.

8. **Termination for Cause.** This Agreement is not intended to change the at-will nature of Employee’s employment with the Company or the Subsidiary, as applicable, and it may be terminated at any time by either party, with or without cause. If this Agreement and Employee’s employment are terminated by the Company or the Subsidiary, as applicable, for “Cause” (Termination for Cause) as that term is defined below, it will be without any liability owing to Employee or Employee’s dependents and beneficiaries under this Agreement (recognizing, however, that benefits covered by or owed under any other plan or agreement covering Employee shall be governed by the
Any one of the following conditions or Employee conduct shall constitute “Cause”:

a. Any act involving fraud or dishonesty, or any material act of misconduct relating to Employee’s performance of his or her duties;

b. Any material breach of any SEC or other law or regulation or any Company policy governing trading or dealing with stocks, securities, public debt instruments, bonds, or investments and the like or with inappropriate disclosure or “tipping” relating to any stock, security, public debt instrument, bond or investment;

c. Any material violation of the Company’s Code of Business Conduct and Ethics (or the equivalent code in place at the time);

d. Other than as required by law, the carrying out of any activity or the making of any public statement which prejudices or reduces the good name and standing of Company or any of its subsidiaries or affiliates or would bring any one of these into public contempt or ridicule;

e. Attendance at work in a state of intoxication or being found with any drug or substance, possession of which would amount to a criminal offense;

f. Assault or other act of violence;

g. Conviction of or plea of guilty or nolo contendre to any felony whatsoever or any misdemeanor that would preclude employment by the Company or the Subsidiary, as applicable, under the Company’s or, if applicable, Subsidiary’s hiring policy; or

h. Willful or repeated refusal or failure substantially to perform Employee’s material obligations and duties hereunder or those reasonably directed by Employee’s supervisor, the CEO and/or the Board (except in connection with a Disability).

A termination for Cause shall be effective when the Company or, if applicable, the Subsidiary has given Employee written notice of its or of the Subsidiary’s intention to terminate for Cause, describing those acts or omissions that are believed to constitute Cause, and has given Employee ten (10) days to respond.

9. **Termination upon Death.** Notwithstanding anything herein to the contrary, this Agreement shall terminate immediately upon Employee’s death, and the Company shall have no
further liability to Employee or Employee’s dependents and beneficiaries under this Agreement, except for those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement.

10. **Disability.** If a Disability (as defined below) of Employee occurs during the Term, unless otherwise prohibited by law, the Company of the Subsidiary, as applicable, may notify Employee of the Company’s or the Subsidiary’s intention to terminate Employee’s employment. In that event, employment shall terminate effective on the termination date provided in such notice of termination (the “Disability Effective Date”), and this Agreement shall terminate without further liability to Employee, Employee’s dependents and beneficiaries, except for those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. In this Agreement, “Disability” means:

a. A long-term disability, as defined in the Company’s applicable long-term disability plan as then in effect, if any; or

b. Employee’s inability to perform the duties under this Agreement in accordance with the Company’s or the Subsidiary’s, as applicable, expectations because of a medically determinable physical or mental impairment that (i) can reasonably be expected to result in death or (ii) has lasted or can reasonably be expected to last longer than ninety (90) consecutive days. Under this Section 10(b), unless otherwise required by law, the existence of a Disability shall be determined by the Company or the Subsidiary, as applicable, only upon receipt of a written medical opinion from a qualified physician selected by or acceptable to the Company or the Subsidiary, as applicable. In this circumstance, to the extent permitted by law, Employee shall, if reasonably requested by the Company or the Subsidiary, as applicable, submit to a physical examination by that qualified physician. Nothing in this Section 10(b) is intended to nor shall it be deemed to broaden or modify the definition of “disability” in the Company’s long-term disability plan.

11. **Employee’s Termination of Employment.**

a. Notwithstanding anything herein to the contrary, Employee may terminate employment and this Agreement at any time, for no reason, with thirty (30) days written notice to the Company and, if applicable, the Subsidiary (and in the event that Employee is providing notice of termination for Good Reason, Employee must provide such notice within thirty (30)
days after the event purported to give rise to Employee’s claim for Good Reason first occurs). In such event, Employee shall not be entitled to those payments and benefits listed in Section 12 below unless Employee terminates employment for Good Reason, as defined below, or unless Section 12(a)(iii) applies.

b. Upon any termination of employment, Employee shall be entitled to any earned but unpaid Base Salary through the date of termination and such other vested benefits under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. Notwithstanding anything to the contrary herein, such unpaid Base Salary shall be paid to Employee as soon as practicable after the effective date of termination in accordance with the Company’s or the Subsidiary’s, as applicable, usual payroll practices (not less frequently than monthly); provided, however, that if payment at such time would result in a prohibited acceleration under Section 409A of the Internal Revenue Code, then such amount shall be paid at the time the amount would otherwise have been paid absent such prohibited acceleration.

c. **Good Reason** shall mean any of the following actions:

   (i) A reduction by the Company or the Subsidiary, as applicable, in Employee’s Base Salary or target bonus level (i.e., percentage of Base Salary for which a bonus may be earned under the Company’s annual bonus program);

   (ii) The Company or the Subsidiary, as applicable, shall fail to continue offering or providing Employee any significant Company-sponsored compensation plan or benefit (without replacing it with a similar plan or with a compensation equivalent), unless (A) such failure is in connection with across-the-board plan changes or terminations similarly affecting at least ninety-five percent (95%) of all officers of the Company or one hundred percent (100%) of officers at the same grade level; or (B) such failure occurs after having received notice of Employee’s voluntary resignation or retirement;

   (iii) The Company’s or the Subsidiary’s, as applicable, principal executive offices shall be moved to a location outside the middle-Tennessee area, or Employee is required (absent mutual agreement) to be based anywhere other than the Company’s or the Subsidiary’s, as applicable, principal executive offices;
(iv) Without Employee’s written consent, the assignment to Employee by the Company or the Subsidiary, as applicable, of duties inconsistent with, or the significant reduction of the title, powers and functions associated with, Employee’s position, title or office as described in Section 3 above, unless such action is the result of a restructuring or realignment of duties and responsibilities by the Company or the Subsidiary for business reasons that leaves Employee at the same rate of Base Salary, annual target bonus opportunity, and officer level (i.e., Senior Vice President, etc.) and with a similar level of responsibility, or unless such action is the result of Employee’s failure to meet pre-established and objective performance criteria;

(v) Any material breach by the Company of this Agreement; or

(vi) The failure of any successor (whether direct or indirect, by purchase, merger, assignment, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

Good Reason shall not include Employee’s death, Disability or Termination for Cause or Employee’s termination for any reason other than Good Reason as defined above.

d. Prior to Employee being entitled to the payments or benefits described in Section 12 below, the Company shall have the opportunity to cure or to cause the Subsidiary, if applicable, to cure any claimed event of Good Reason within thirty (30) days after receiving written notice from Employee specifying the same.

12. **Termination without Cause or by Employee for Good Reason.**

   a. The continuation of Base Salary and other payments and benefits described in Section 12(b) shall be triggered only upon one or more of the following circumstances:

      (i) The Company or the Subsidiary, as applicable, terminates Employee (as it may do at any time) without Cause; it being understood that termination by death or Disability does not constitute termination without Cause;

      (ii) Employee terminates for Good Reason;
(iii) The Company fails to offer to renew, extend or replace this Agreement before, at, or within six (6) months after, the end of its original three (3)-year Term (or any term provided for in a written renewal or extension of the original Term), and Employee resigns from employment with the Company or the Subsidiary, as applicable, within sixty (60) days after such failure, unless such failure is accompanied by a mutually agreeable severance arrangement between the Company or the Subsidiary, as applicable, and Employee or is the result of Employee’s retirement or other termination from the Company or the Subsidiary, as applicable, other than for Good Reason notwithstanding the Company’s offer to renew, extend or replace this Agreement.

b. In the event of one of the triggers referenced in Sections 12(a)(i) through (iii) above, then, on the sixtieth (60th) day after Employee’s termination of employment, but subject to the six (6)-month delay (called the “409A Deferral Period”) provided in Section 24(o)(iii) below, if applicable, and contingent upon the execution and effectiveness of the Release attached hereto and made a part hereof, Employee shall be entitled to the following:

   (i) Continuation of Employee’s Base Salary as of the date immediately preceding the termination (or, if the termination of employment is for Good Reason due to the reduction of Employee’s Base Salary, then such rate of Base Salary as in effect immediately prior to such reduction) for eighteen (18) months, payable in accordance with the Company’s or the Subsidiary’s, as applicable, normal payroll cycle and procedures (but not less frequently than monthly) with a lump sum payment on the sixtieth (60th) day (or at the end of six (6) months if the 409A Deferral Period applies) after Employee’s termination of employment of the amounts Employee would otherwise have received during the sixty (60) days (or six (6) months if the 409A Deferral Period applies) after Employee’s termination had the payments begun immediately after Employee’s termination of employment.

   (ii) A lump sum payment of one and one-half (1.5) times: the amount of the average percentage of target bonus paid to Employee under the Company’s annual bonus program with respect to the Company’s two (2) most recently completed fiscal years (not including a completed fiscal year for which financial performance has not yet been certified by the Compensation Committee) for which annual bonuses have been paid to executives under such program (referred to hereinafter as the “applicable
fiscal years”) multiplied by (A) Employee’s target bonus level (applicable as of the date immediately preceding the termination of Employee’s employment or, if the termination of employment is for Good Reason due to the reduction of Employees’ target bonus level, then Employee’s target bonus level applicable immediately prior to such reduction) and (B) Employee’s Base Salary (applicable as of the date immediately preceding the termination of Employee’s employment or, if the termination of employment is for Good Reason due to the reduction of Employee’s Base Salary, then Employee’s Base Salary applicable immediately prior to such reduction). If Employee was not eligible for a bonus with respect to one of the two (2) applicable fiscal years due to length of employment, then such amount shall be calculated based upon the percentage of target bonus to Employee for the applicable fiscal year for which a bonus was paid. If no bonus was paid with respect to the applicable fiscal years due to length of employment, then no amount shall be paid under this Section 12(b)(ii). If no bonus was paid to Employee with respect to one or both of the applicable fiscal years due to Company or individual performance, then such bonus amount shall be zero (0) in calculating the amount of the average.

(iii) A lump sum payment in an amount equal to one and one-half (1.5) times the annual contribution that would have been made by the Company or the Subsidiary, as applicable, in respect of the plan year in which such termination of employment occurs for Employee’s participation in the Company’s medical, pharmacy, dental and vision benefits programs.

(iv) Reasonable outplacement services, as determined and provided by the Company or the Subsidiary, as applicable, for one year or until other employment is secured, whichever comes first.

All payments and benefits otherwise provided to Employee pursuant to this Section 12 shall be forfeited if a copy of the Release attached hereto executed by Employee is not provided to the Company and, if applicable, the Subsidiary within twenty-one (21) days after Employee’s termination date (unless otherwise required by law) or if the Release is revoked; and no payment or benefit hereunder shall be provided to Employee prior to the Company’s and, if applicable, the Subsidiary’s receipt of the Release and the expiration of the period of revocation provided in the Release.
c. In the event that there is a material breach by Employee of any continuing obligations under this Agreement or the Release after termination of employment, any unpaid amounts under this Section 12 shall be forfeited and the Company and, if applicable, the Subsidiary shall retain any other rights available to it under law or equity. Any payments or reimbursements under this Section 12 shall not be deemed the continuation of Employee’s employment for any purpose. Except as specifically enumerated in the Release, the Company’s obligations under this Section 12 will not negate or reduce (i) any amounts otherwise due but not yet paid to Employee by the Company or the Subsidiary, as applicable, or (ii) any other amounts payable to Employee outside this Agreement, or (iii) those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. The Company may, at any time and in its sole discretion, make or cause the Subsidiary to make, as applicable, a lump-sum payment of any or all amounts, or any or all remaining amounts, due to Employee under this Section 12 if, or to the extent, the payment is not subject to Section 409A of the Internal Revenue Code.

d. To the extent permitted by applicable law, in the event that the Company or the Subsidiary, as applicable, reasonably believes that Employee engaged in conduct during his or her employment that would have resulted in his or her termination for Cause as defined under Section 8, any unpaid amounts under Section 12 of this Agreement may be forfeited and the Company or the Subsidiary, as applicable, may seek to recover such portion of any amounts paid under Section 12.

13. **Effect of 280G.** Any payments and benefits due under Section 12 that constitute “parachute payments” within the meaning of Section 280G of the Internal Revenue Code (“Code Section 280G”), plus all other “parachute payments” as defined under Code Section 280G that might otherwise be due to Employee (collectively, with payments and benefits due under Section 12, “Total Payments”), shall be limited to the Capped Amount. The “Capped Amount” shall be the amount otherwise payable, reduced in such amount and to such extent so that no amount of the Total Payments, would constitute an “excess parachute payment” under Code Section 280G. Notwithstanding the preceding sentence but contingent upon Employee’s timely execution and the effectiveness of the Release attached hereto and made a part hereof as provided in Section 12 hereof, Employee’s Total Payments shall not be limited to the Capped Amount if it is determined that Employee would receive at least fifty thousand dollars ($50,000) in greater after-tax proceeds if no such reduction is made. The calculation of the Capped Amount and all other determinations relating to the applicability of Code Section 280G (and the rules and regulations promulgated thereunder) to the Total Payments shall be
made by the tax department of an independent public accounting firm, or, at Company’s discretion, by a compensation consulting firm, and such determinations shall be binding upon Employee and the Company.

Unless Employee and the Company shall otherwise agree (provided such agreement does not cause any payment or benefit hereunder which is deferred compensation covered by Section 409A of the Internal Revenue Code to be in non-compliance with Section 409A of the Internal Revenue Code), in the event the Total Payments are to be reduced, the Company shall, or shall cause the Subsidiary, as applicable, to, reduce or eliminate the payments or benefits to Employee by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the date of the “change in ownership or control” (within the meaning of Code Section 280G). Any reduction pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Employee’s rights and entitlements to any benefits or compensation.

14. **Publicity; No Disparaging Statement.** Except as otherwise provided in Sections 15 and 23 hereof, Employee and the Company covenant and agree that they shall not engage in any communications to persons outside the Company which shall disparage one another or any of the Company’s subsidiaries or affiliates or interfere with their existing or prospective business relationships of either party hereto or the Company’s subsidiaries or affiliates.

15. **Confidentiality and Legal Process.** Employee agrees to keep the proprietary terms of this Agreement confidential and to refrain from disclosing any information concerning this Agreement to anyone other than Employee’s immediate family and personal agents or advisors. Notwithstanding the foregoing, nothing in this Agreement is intended to prohibit Employee or the Company or, if applicable, the Subsidiary from performing any duty or obligation that shall arise as a matter of law. Specifically, Employee, the Company and, if applicable, the Subsidiary shall continue to be under a duty to truthfully respond to any legal and valid subpoena or other legal process. This Agreement is not intended in any way to proscribe Employee’s, the Company’s or the Subsidiary’s right and ability to provide information to any federal, state or local agency in response or adherence to the lawful exercise of such agency’s authority. To the extent Employee accepts any payments under this Agreement and signs and does not revoke the Release, Employee expressly waives and releases any right to recover any future monetary recovery directly from the Company or the Subsidiary, as applicable, including Company or Subsidiary payments that result from any complaints or charges that
Employee files with any federal, state, or local government agency or that are filed on Employee’s behalf as they relate to any matters released by Employee.


a. **Preamble.** As a material inducement to the Company to enter into this Agreement and in recognition of the valuable experience, knowledge and proprietary information Employee has gained or will gain while employed, Employee agrees to abide by and adhere to the business protection provisions in Sections 16, 17, 18, 19 and 20 herein.

b. **Definitions.** For purposes of Sections 16, 17, 18, 19, 20 and 21 herein:

   (i) “Competitive Position” shall mean any employment, consulting, advisory, directorship, agency, promotional or independent contractor arrangement between Employee and (x) any person or Entity engaged wholly or in material part in the business in which the Company is engaged (i.e., the discount consumable basics or general merchandise retail business), including but not limited to such other similar businesses as Albertsons/Safeway, ALDI, Big Lots, Casey’s General Stores, Circle K, Costco, CVS, Dollar Tree Stores, Family Dollar Stores, Fred’s, Kmart, Kroger, 99 Cents Only Stores, The Pantry, Pilot Flying J, Rite-Aid, Sam’s Club, 7-Eleven, Target, Tractor Supply, Walgreen’s and Wal-Mart, or (y) any person or Entity then attempting or planning to enter the discount consumable basics retail business, whereby Employee is required to perform services on behalf of or for the benefit of such person or Entity which are substantially similar to the services Employee provided or directed at any time while employed by the Company or any of its subsidiaries or affiliates.

   (ii) “Confidential Information” shall mean the proprietary or confidential data, information, documents or materials (whether oral, written, electronic or otherwise) belonging to or pertaining to the Company or, if applicable, the Subsidiary, other than “Trade Secrets” (as defined below), which is of tangible or intangible value to the Company or, if applicable, the Subsidiary and the details of which are not generally known to the competitors of the Company or, if applicable, the Subsidiary. Confidential Information shall also include any items marked “CONFIDENTIAL” or some similar designation or which are otherwise identified as being confidential.
(iii) “Entity” or “Entities” shall mean any business, individual, partnership, joint venture, agency, governmental agency, body or subdivision, association, firm, corporation, limited liability company or other entity of any kind.

(iv) “Restricted Period” shall mean two (2) years following Employee’s termination date.

(v) “Territory” shall include individually and as a total area those states in the United States in which the Company and, if applicable, the Subsidiary maintains stores at Employee’s termination date or those states in which the Company and, if applicable, the Subsidiary has specific and demonstrable plans to open stores within six (6) months of Employee’s termination date.

(vi) “Trade Secrets” shall mean information or data of or about the Company and, if applicable, the Subsidiary, including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans or lists of actual or potential customers or suppliers that: (A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and (C) any other information which is defined as a “trade secret” under applicable law.

(vii) “Work Product” shall mean all tangible work product, property, data, documentation, “know-how,” concepts or plans, inventions, improvements, techniques and processes relating to the Company or, if applicable, the Subsidiary that were conceived, discovered, created, written, revised or developed by Employee while employed by the Company or the Subsidiary, as applicable.

17. **Nondisclosure: Ownership of Proprietary Property.**

   a. In recognition of the Company’s and, if applicable, the Subsidiary’s need to protect its legitimate business interests, Employee hereby covenants and agrees that, for the Term and thereafter (as described below), Employee shall regard and treat Trade Secrets and Confidential Information as strictly confidential and wholly-owned by the Company or the Subsidiary, as applicable, and shall not, for any reason, in any fashion, either directly or
indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, misappropriate or otherwise communicate any Trade Secrets or Confidential Information to any person or Entity for any purpose other than in accordance with Employee’s duties under this Agreement or as required by applicable law. This provision shall apply to each item constituting a Trade Secret at all times it remains a “trade secret” under applicable law and shall apply to any Confidential Information, during employment and for the Restricted Period thereafter.

b. Employee shall exercise best efforts to ensure the continued confidentiality of all Trade Secrets and Confidential Information and shall immediately notify the Company and, if applicable, the Subsidiary of any unauthorized disclosure or use of any Trade Secrets or Confidential Information of which Employee becomes aware. Employee shall assist the Company and, if applicable, the Subsidiary, to the extent reasonably requested, in the protection or procurement of any intellectual property protection or other rights in any of the Trade Secrets or Confidential Information.

c. All Work Product shall be owned exclusively by the Company or the Subsidiary, as applicable. To the greatest extent possible, any Work Product shall be deemed to be “work made for hire” (as defined in the Copyright Act, 17 U.S.C.A. § 101 et seq., as amended), and Employee hereby unconditionally and irrevocably transfers and assigns to the Company or the Subsidiary, as applicable, all right, title and interest Employee currently has or may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks (and the goodwill associated therewith), trade secrets, service marks (and the goodwill associated therewith) and other intellectual property rights. Employee agrees to execute and deliver to the Company or the Subsidiary, as applicable, any transfers, assignments, documents or other instruments which the Company or the Subsidiary, as applicable, may deem necessary or appropriate, from time to time, to protect the rights granted herein or to vest complete title and ownership of any and all Work Product, and all associated intellectual property and other rights therein, exclusively in the Company or the Subsidiary, as applicable.

18. **Non-Interference with Employees.** Through employment and thereafter through the Restricted Period, Employee will not, either directly or indirectly, alone or in conjunction with any other person or Entity: actively recruit, solicit, attempt to solicit, induce or attempt to induce any person
who is an exempt employee of the Company or any of its subsidiaries or affiliates (or has been within the last six (6) months) to leave or cease such employment for any reason whatsoever;

19. **Non-Interference with Business Relationships.**

   a. Employee acknowledges that, in the course of employment, Employee will learn about the Company’s and, if applicable, the Subsidiary’s business, services, materials, programs and products and the manner in which they are developed, marketed, serviced and provided. Employee knows and acknowledges that the Company and, if applicable, the Subsidiary has invested considerable time and money in developing its product sales and real estate development programs and relationships, vendor and other service provider relationships and agreements, store layouts and fixtures, and marketing techniques and that those things are unique and original. Employee further acknowledges that the Company and, if applicable, the Subsidiary has a strong business reason to keep secret information relating to Company’s or, if applicable, the Subsidiary’s business concepts, ideas, programs, plans and processes, so as not to aid Company’s competitors. Accordingly, Employee acknowledges and agrees that the protection outlined in (b) below is necessary and reasonable.

   b. During the Restricted Period, Employee will not, on Employee’s own behalf or on behalf of any other person or Entity, solicit, contact, call upon, or communicate with any person or entity or any representative of any person or entity who has a business relationship with the Company and, if applicable, the Subsidiary and with whom Employee had contact while employed, if such contact or communication would likely interfere with the Company’s or, if applicable, the Subsidiary’s business relationships or result in an unfair competitive advantage over the Company or, if applicable, the Subsidiary.

20. **Agreement Not to Work in Competitive Position.** Employee covenants and agrees not to accept, obtain or work in a Competitive Position for a company or entity that operates anywhere within the Territory for eighteen (18) months from the termination of Employee’s employment.

21. **Acknowledgements Regarding Sections 16 – 20.**

   a. Employee and the Company expressly covenant and agree that the scope, territorial, time and other restrictions contained in Sections 16 through 20 of this Agreement constitute the most reasonable and equitable restrictions possible to protect the business interests of the Company and, if applicable, the Subsidiary given: (i) the business of the Company and, if applicable, the Subsidiary; (ii) the competitive nature of the Company’s and,
if applicable, the Subsidiary’s industry; and (iii) that Employee’s skills are such that Employee could easily find alternative, commensurate employment or consulting work in Employee’s field which would not violate any of the provisions of this Agreement.

b. Employee acknowledges that the compensation and benefits described in Sections 5 and 12 are also in consideration of his/her covenants and agreements contained in Sections 16 through 20 hereof and that a breach by Employee of the obligations contained in Sections 16 through 20 hereof shall forfeit Employee’s right to such compensation and benefits.

c. Employee acknowledges and agrees that a breach by Employee of the obligations set forth in Sections 16 through 20 will likely cause the Company and/or, if applicable, the Subsidiary irreparable injury and that, in such event, the Company and/or, if applicable, the Subsidiary shall be entitled to injunctive relief in addition to such other and further relief as may be proper.

d. The parties agree that if, at any time, a court of competent jurisdiction determines that any of the provisions of Section 16 through 20 are unreasonable under Tennessee law as to time or area or both, the Company shall be entitled to enforce this Agreement for such period of time or within such area as may be determined reasonable by such court.

22. **Return of Materials.** Upon Employee’s termination, Employee shall return to the Company and, if applicable, the Subsidiary all written, electronic, recorded or graphic materials of any kind belonging or relating to the Company or its subsidiaries or affiliates, including any originals, copies and abstracts in Employee’s possession or control.

23. **Whistleblower and Other Protections.** Nothing in this Agreement is intended to or will be used in any way to limit Employee’s rights to voluntarily communicate with, file a claim or report with, or to otherwise participate in an investigation with, any federal, state, or local government agency, as provided for, protected under or warranted by applicable law. Employee does not need prior approval before making any such communication, report, claim, disclosure or participation and is not required to notify the Company or, if applicable, the Subsidiary that such communication, report, claim, or participation has been made. Additionally, federal law provides certain protections to individuals who disclose a Trade Secret to their attorney, a court, or a government official in certain, confidential circumstances. Specifically, Employee may not be held criminally or civilly liable under
any state or federal trade secret law for the disclosure of a Trade Secret that: (i) is made (A) in confidence to a state, federal or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding; or (iii) in a lawsuit alleging retaliation by the Company or, if applicable, the Subsidiary against Employee for reporting a suspected violation of law, Employee discloses to Employee’s attorney and uses in the court proceeding, as long as any document containing the Trade Secret is filed under seal and Employee does not disclose the Trade Secret except pursuant to a court order.

24. **General Provisions.**

   a. **Amendment.** This Agreement may be amended or modified only by a writing signed by both of the parties hereto.

   b. **Binding Agreement.** This Agreement shall inure to the benefit of and be binding upon Employee, his/her heirs and personal representatives, and the Company and its successors and assigns.

   c. **Waiver of Breach; Specific Performance.** The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other breach. Each of the parties to this Agreement will be entitled to enforce this Agreement, specifically, to recover damages by reason of any breach of this Agreement, and to exercise all other rights existing in that party’s favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief to enforce or prevent any violations of the provisions of this Agreement.

   d. **Unsecured General Creditor.** The Company shall not, and shall not cause the Subsidiary to, as applicable, reserve or specifically set aside funds for the payment of the Company’s or the Subsidiary’s obligations under this Agreement, and such obligations shall be paid solely from the general assets of the Company or the Subsidiary, as applicable.

   e. **No Effect on Other Arrangements.** It is expressly understood and agreed that the payments made in accordance with this Agreement are in addition to any other benefits or compensation to which Employee may be entitled or for which Employee may be eligible.
f. **Tax Withholding.** There shall be deducted from each payment under this Agreement the amount of any tax required by any governmental authority to be withheld and paid over by the Company or the Subsidiary, as applicable, to such governmental authority for the account of Employee.

g. **Notices.**

(i) All notices and all other communications provided for herein shall be in writing and delivered personally to the other designated party, or mailed by certified or registered mail, return receipt requested, or delivered by a recognized national overnight courier service, or sent by facsimile, as follows:

If to Company to:  
Dollar General Corporation  
Attn: General Counsel  
100 Mission Ridge  
Goodlettsville, TN 37072-2171  
Facsimile: (615) 855-5517

If to the Subsidiary to:  
[name of Subsidiary]  
c/o Dollar General Corporation  
Attn: General Counsel  
100 Mission Ridge  
Goodlettsville, TN 37072-2171  
Facsimile: (615) 855-5517

If to Employee to:  
(Last address of Employee known to Company unless otherwise directed in writing by Employee)

(ii) All notices sent under this Agreement shall be deemed given twenty-four (24) hours after sent by facsimile or courier, seventy-two (72) hours after sent by certified or registered mail and when delivered if by personal delivery.

(iii) Either party hereto may change the address to which notice is to be sent hereunder by written notice to the other party in accordance with the provisions of this Section.

h. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee (without giving effect to conflict of laws).
i. **Arbitration.** If any contest or dispute arises between the parties with respect to this Agreement, such contest or dispute shall be submitted to binding arbitration for resolution in Nashville, Tennessee in accordance with the rules and procedures of the Employment Dispute Resolution Rules of the American Arbitration Association then in effect. The Company and Employee shall each bear fifty percent (50%) of the costs related to such arbitration (the Company may obtain reimbursement of its share of the costs from the Subsidiary, if applicable). If the arbitrator determines that Employee is the prevailing party in the dispute, then the Company shall or, if applicable, shall cause the Subsidiary to reimburse Employee for his/her reasonable legal or other fees and expenses incurred in such arbitration subject to and within ten (10) days after his/her request for reimbursement accompanied by evidence that the fees and expenses were incurred. Any reimbursement hereunder shall be paid to Employee promptly and in no event later than the end of the year next following the date the expense was incurred. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator’s reasoning. Notwithstanding the foregoing, Employee acknowledges and agrees that the Company, its subsidiaries and any of their respective affiliates shall be entitled to injunctive or other relief in order to enforce the covenant not to compete, covenant not to solicit and/or confidentiality covenants as set forth in Sections 14, 16 through 20, and 22 of this Agreement.

j. **Entire Agreement.** This Agreement contains the full and complete understanding of the parties hereto with respect to the subject matter contained herein and, unless specifically provided herein, this Agreement supersedes and replaces any prior agreement, either oral or written, which Employee may have with Company that relates generally to the same subject matter.

k. **Assignment.** This Agreement may not be assigned by Employee, and any attempted assignment shall be null and void and of no force or effect.

l. **Severability.** If any one or more of the terms, provisions, covenants or restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect, and to that end the provisions hereof shall be deemed severable.
m. **Section Headings.** The Section headings set forth herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement whatsoever.

g. **Voluntary Agreement.** Employee and Company represent and agree that each has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement. Each party represents and agrees that such party has had the opportunity to review any and all aspects of this Agreement with legal, tax or other adviser(s) of such party’s choice before executing this Agreement.

o. **Deferred Compensation Omnibus Provision.** It is intended that any payment or benefit which is provided pursuant to or in connection with this Agreement which is considered to be deferred compensation subject to Section 409A of the Internal Revenue Code ("Code Section 409A") shall be paid and provided in a manner, and at such time, including without limitation payment and provision of benefits only in connection with the occurrence of a permissible payment event contained in Code Section 409A (e.g. death, disability, separation from service from the Company and its affiliates as defined for purposes of Code Section 409A), and in such form, as complies with the applicable requirements of Code Section 409A to avoid the unfavorable tax consequences provided therein for non-compliance. In connection with effecting such compliance with Code Section 409A, the following shall apply:

(i) Notwithstanding any other provision of this Agreement, the Company is authorized to amend this Agreement, to void or amend any election made by Employee under this Agreement and/or to delay the payment of any monies and/or provision of any benefits in such manner as may be determined by it to be necessary or appropriate to comply, or to evidence or further evidence required compliance, with Code Section 409A.

(ii) Neither Employee nor the Company shall take any action or cause the Subsidiary to take any action, as applicable, to accelerate or delay the payment of any monies and/or provision of any benefits in any manner which would not be in compliance with Code Section 409A.

(iii) If Employee is a specified employee for purposes of Code Section 409A(a)(2)(B)(i), any payments or benefits under this Agreement that are deferred

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compensation subject to Code Section 409A, as determined by the Company, and that are paid in connection with a separation from service payment event (as determined for purposes of Code Section 409A) shall not be made until six months after Employee’s separation from service (the “409A Deferral Period”). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefits may be provided during the 409A Deferral Period at Employee’s expense, with Employee having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled.

(iv) For purposes of this Agreement, all rights to payments and benefits hereunder shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Code Section 409A. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment. In the event any payment payable upon termination of employment would be exempt from Code Section 409A under Treas. Reg. §1.409A-1(b)(9)(iii) but for the amount of such payment, the determination of the payments to Employee that are exempt under such provision shall be made by applying the exemption to payments based on chronological order beginning with the payments paid closest in time on or after such termination of employment.

(v) For purposes of determining time of (but not entitlement to) payment or provision of deferred compensation under this Agreement under Code Section 409A in connection with a termination of employment, termination of employment will be read to mean a “separation from service” within the meaning of Code Section 409A where it is reasonably anticipated that no further services would be performed after that date or that the level of bona fide services Employee would perform after that date (whether as an employee or independent contractor) would permanently
decrease to less than fifty percent (50%) of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period.

(vi) For purposes of this Agreement, a key employee for purposes of Code Section 409A(a)(2)(B)(i) shall be determined on the basis of the applicable twelve (12)–month period ending on the specified employee identification date designated by the Company consistently for purposes of this Agreement and similar agreements or, if no such designation is made, based on the default rules and regulations under Code Section 409A(a)(2)(B)(i).

(vii) With regard to any provision herein that provides for reimbursement of expenses or in-kind benefits that are subject to Code Section 409A, except as permitted by Code Section 409A, (x) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, and (y) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year of Employee shall not affect the expenses eligible for reimbursement, or in-kind benefits, to be provided, in any other taxable year of Employee, provided that the foregoing clause (y) shall not be violated with regard to expenses reimbursed under any arrangement covered by Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect. All reimbursements shall be reimbursed in accordance with the Company’s or the Subsidiary’s, as applicable, reimbursement policies but in no event later than Employee’s taxable year following Employee’s taxable year in which the related expense is incurred.

(viii) When, if ever, a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “payment shall be made within ten (10) days following the date of termination”), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(ix) Notwithstanding any other provision of this Agreement, the neither Company nor the Subsidiary, if applicable, shall be liable to Employee if any payment or benefit which is to be provided pursuant to this Agreement and which is considered deferred compensation subject to Code Section 409A otherwise fails to comply with, or be exempt from, the requirements of Code Section 409A.
p. **Clawback.** Employee acknowledges and agrees that Employee’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 rule or regulation of the Securities and Exchange Commission or by any applicable national exchange, or by any other applicable law, rule or regulation or as set forth in a separate “clawback” or recoupment policy as may be adopted from time to time by the Board or its Compensation Committee. To the extent allowed by state and federal law and as determined by the Board or its Compensation Committee, Employee agrees that such repayment may, in the discretion of the Compensation Committee, be accomplished by withholding of future compensation to be paid to Employee by the Company or the Subsidiary, as applicable. Any recovery of incentive compensation covered by Code Section 409A shall be implemented in a manner which complies with Code Section 409A.
IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representative to execute this Agreement to be effective as of the Effective Date.

DOLLAR GENERAL CORPORATION

By: ________________________________

Name: ______________________________

Its: ________________________________

Date: ______________

“EMPLOYEE”

____________________________________
[Name of Senior Vice President]

Date: ______________

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Addendum to Employment Agreement with [Name of Senior Vice President]

RELEASE AGREEMENT

THIS RELEASE ("Release") is made and entered into by and between _________________ ("Employee") and DOLLAR GENERAL CORPORATION and, if applicable [NAME OF SUBSIDIARY], and its successor or assigns ("Company").

WHEREAS, Employee and Company have agreed that Employee’s employment with Dollar General Corporation shall terminate on ____________________

WHEREAS, Employee and Dollar General Corporation have previously entered into that certain Employment Agreement, effective _______________ (the “Agreement”), in which the form of this Release is incorporated by reference;

WHEREAS, Employee and Company desire to delineate their respective rights, duties and obligations attendant to such termination and desire to reach an accord and satisfaction of all claims arising from Employee’s employment, and termination of employment, with appropriate releases, in accordance with the Agreement;

WHEREAS, the Company desires to compensate Employee in accordance with the Agreement for service Employee has provided and/or will provide for the Company;

NOW, THEREFORE, in consideration of the premises and the agreements of the parties set forth in this Release, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby covenant and agree as follows:

1. **Claims Released Under This Release.**

   In exchange for receiving the payments and benefits described in Section 12 of the Agreement, Employee hereby voluntarily and irrevocably waives, releases, dismisses with prejudice, and withdraws all claims, complaints, suits or demands of any kind whatsoever (whether known or unknown) which Employee ever had, may have, or now has against Company and other current or former subsidiaries or affiliates of the Company and their past, present and future officers, directors, employees, agents, insurers and attorneys (collectively, the “Releasees”), arising from or relating to (directly or indirectly) Employee’s employment or the termination of employment or other events that have occurred as of the date of execution of this Release, including but not limited to:
a. claims for violations of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, 42 U.S.C. § 1981, the Sarbanes Oxley Act of 2002, the National Labor Relations Act, the Labor Management Relations Act, the Genetic Information Nondiscrimination Act, the Uniformed Services Employment and Reemployment Rights Act, Executive Order 11246, Executive Order 11141, the Rehabilitation Act of 1973, or Employee Retirement Income Security Act;

b. claims for violations of any other federal or state statute or regulation or local ordinance;

c. claims for lost or unpaid wages, compensation, or benefits, defamation, intentional or negligent infliction of emotional distress, assault, battery, wrongful or constructive discharge, negligent hiring, retention or supervision, fraud, misrepresentation, conversion, tortious interference, breach of contract, or breach of fiduciary duty;

d. claims to benefits under any bonus, severance, workforce reduction, early retirement, outplacement, or any other similar type plan sponsored by the Company (except for those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement); or

e. any other claims under state law arising in tort or contract.

2. **Claims Not Released Under This Release.**

In signing this Release, Employee is not releasing any claims that may arise under the terms of this Release or which may arise out of events occurring after the date Employee executes this Release.

Employee also is not releasing claims to benefits that Employee is already entitled to receive under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. However, Employee understands and acknowledges that nothing herein is intended to or shall be construed to require the Company to institute or continue in effect any particular plan or benefit sponsored by the Company, and the Company hereby reserves the right to amend or terminate any of its benefit programs at any time in accordance with the procedures set forth in such plans. Employee further understands and acknowledges that any continuing obligation under a Company incentive-based plan, program or arrangement or pursuant to any Company policy or provision.
regarding recoupment of compensation is not altered by this Release and nothing herein is intended to nor shall be construed otherwise.

Nothing in this Release shall prohibit Employee from engaging in activities required or protected under applicable law or from communicating, either voluntarily or otherwise, with any governmental agency concerning any potential violation of the law.

3. **No Assignment of Claim.** Employee represents that Employee has not assigned or transferred, or purported to assign or transfer, any claims or any portion thereof or interest therein to any party prior to the date of this Release.

4. **Compensation.** In accordance with the Agreement, the Company agrees to pay Employee or, if Employee becomes eligible for payments and benefits under Section 12 but dies before receipt thereof, Employee’s spouse or estate, as the case may be, the amounts provided in Section 12 of the Agreement.

5. **Publicity; No Disparaging Statement.** Except as otherwise provided in Section 15, Confidentiality and Legal Process, and Section 23, Whistleblower and Other Protections, of the Agreement, Section 2 of this Release, and as privileged by law, Employee and the Company covenant and agree that they shall not engage in any communications with persons outside the Company which shall disparage one another or interfere with their existing or prospective business relationships.

6. **No Admission of Liability.** This Release shall not in any way be construed as an admission by the Company or Employee of any improper actions or liability whatsoever as to one another, and each specifically disclaims any liability to or improper actions against the other or any other person.

7. **Voluntary Execution.** Employee warrants, represents and agrees that Employee has been encouraged in writing to seek advice regarding this Release from an attorney and tax advisor prior to signing it; that this Release represents written notice to do so; that Employee has been given the opportunity and sufficient time to seek such advice; and that Employee fully understands the meaning and contents of this Release. Employee further represents and warrants that Employee was not coerced, threatened or otherwise forced to sign this Release, and that Employee’s signature appearing hereinafter is voluntary and genuine.

**EMPLOYEE UNDERSTANDS THAT EMPLOYEE MAY TAKE UP TO TWENTY-ONE (21) DAYS (OR, IN THE CASE OF AN EXIT INCENTIVE OR OTHER EMPLOYMENT TERMINATION PROGRAM OFFERED TO A GROUP OR CLASS OF**
EMPLOYEES, UP TO FORTY-FIVE (45) DAYS) TO CONSIDER WHETHER TO ENTER INTO THIS RELEASE.

8. **Ability to Revoke Agreement.** EMPLOYEE UNDERSTANDS THAT THIS RELEASE MAY BE REVOKED BY EMPLOYEE BY NOTIFYING THE COMPANY IN WRITING OF SUCH REVOCATION WITHIN SEVEN (7) DAYS OF EMPLOYEE’S EXECUTION OF THIS RELEASE AND THAT THIS RELEASE IS NOT EFFECTIVE UNTIL THE EXPIRATION OF SUCH SEVEN (7) DAY PERIOD. EMPLOYEE UNDERSTANDS THAT UPON THE EXPIRATION OF SUCH SEVEN (7) DAY PERIOD THIS RELEASE WILL BE BINDING UPON EMPLOYEE AND EMPLOYEE’S HEIRS, ADMINISTRATORS, REPRESENTATIVES, EXECUTORS, SUCCESSORS AND ASSIGNS AND WILL BE IRREVOCABLE.

Acknowledged and Agreed To:

DOLLAR GENERAL CORPORATION

By: ________________________________

Its: ________________________________

[SUBSIDIARY]

By: ________________________________

Its: ________________________________

I UNDERSTAND THAT BY SIGNING THIS RELEASE, I AM GIVING UP RIGHTS I MAY HAVE. I UNDERSTAND THAT I DO NOT HAVE TO SIGN THIS RELEASE.

“EMPLOYEE”

____________________________________

Date ________________________________

WITNESSED BY:

____________________________________

Date ________________________________
SCHEDULE TO EXHIBIT

This Schedule of Senior Vice President-level Executive Officers who have executed an employment agreement in the form of Senior Vice President Employment Agreement is included pursuant to Instruction 2 of Item 601(a) of Regulation S-K for the purposes of setting forth the material details in which the specific agreement executed in the form of Senior Vice President Employment Agreement differs from the form agreement filed herewith as Exhibit 10.2.

<table>
<thead>
<tr>
<th>Name of Executive Officer</th>
<th>Title</th>
<th>Base Salary</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anita C. Elliott</td>
<td>Senior Vice President and Chief Accounting Officer</td>
<td>$430,051</td>
<td>April 1, 2021</td>
</tr>
</tbody>
</table>
DOLLAR GENERAL CORPORATION
RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS AGREEMENT (this “Agreement”) is made effective as of [May 25, 2021] (the “Grant Date”), between Dollar General Corporation, a Tennessee corporation (hereinafter referred to as the “Company”), and the individual whose name is set forth on the signature page hereof, who is a non-employee director of the Company (hereinafter referred to as the “Grantee”). Capitalized terms not otherwise defined herein shall have the same meanings as in the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan, as amended from time to time (the “Plan”), the terms of which are hereby incorporated by reference and made a part of this Agreement.

WHEREAS, the Company desires to grant the Grantee a restricted stock unit award as provided for hereunder, ultimately payable in shares of Common Stock of the Company, par value $0.875 per Share (the “Restricted Stock Unit Award”), pursuant to the terms and conditions of this Agreement and the Plan; and

WHEREAS, the committee of the Company’s Board appointed to administer the Plan (the “Committee”) has determined that it would be to the advantage and in the best interest of the Company and its shareholders to grant the Restricted Stock Unit Award provided for herein to the Grantee;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. Grant of the Restricted Stock Unit Award. Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, the Company hereby grants to the Grantee [_____] Restricted Stock Units. A “Restricted Stock Unit” represents the right to receive one share of Common Stock upon satisfaction of the vesting and other conditions set forth in this Agreement. The Restricted Stock Units shall vest and become nonforfeitable in accordance with Section 2 hereof.

2. Vesting.
   (a) The Restricted Stock Units shall become vested and nonforfeitable on the first anniversary of the Grant Date (the “Vesting Date”), so long as the Grantee continues to be a member of the Board through the Vesting Date and the Restricted Stock Units have not been previously forfeited.
   (b) Notwithstanding the foregoing, but subject to Section 2(e) of this Agreement, to the extent the Restricted Stock Units have not been previously forfeited or become vested and nonforfeitable (i) if the Grantee ceases to be a member of the Board due to the Grantee’s death, Disability (as defined below) or voluntary departure from the Board other than a voluntary departure as contemplated under Section 2(e) of this Agreement, then 100% of the Restricted Stock Units that would have become vested and nonforfeitable on the Vesting Date if the Grantee had remained a member of the Board through such date will become vested and nonforfeitable upon such death, Disability or voluntary departure from the Board; and (ii) the Restricted Stock Units shall become immediately vested and nonforfeitable as to 100% of the shares of Common Stock subject to such
Restricted Stock Units immediately prior to a Change in Control so long as the Grantee is a member of the Board through the date of the Change in Control.

(c) For the purposes of this Agreement, Disability shall have the meaning as provided under Section 409A(a)(2)(C)(i) of the Code.

(d) For purposes of this Agreement, a Change in Control (as defined in the Plan) will be deemed to have occurred with respect to the Grantee only if an event relating to the Change in Control constitutes a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Treas. Reg. Section 1.409A-3(i)(5).

(e) Notwithstanding any other provision of this Agreement, if at the Company’s annual meeting of shareholders to be held on May 26, 2021 the Grantee does not receive at least a majority of votes cast in favor of the Grantee’s re-election to the Company’s Board (a “Re-Election Failure”), the Restricted Stock Units shall be forfeited immediately upon the acceptance by the Board of the Grantee’s resignation from the Board as a result of such Re-Election Failure; provided, however, that no such forfeiture shall occur as a result of a Re-Election Failure if the Board determines to reject the Grantee’s resignation from the Board as a result of the Re-Election Failure.


(a) Shares corresponding to the number of Restricted Stock Units granted herein (“RSU Shares”) are to be paid to the Grantee on the Vesting Date or, if earlier, upon the Grantee’s death or Disability, upon a Change in Control, or upon termination of Board service (but only to the extent the RSU Shares are vested at the time of termination pursuant to Section 2). However, if the Grantee has made a timely and valid irrevocable election to defer receipt of all or any portion of the vested RSU Shares in accordance with the provisions of the RSU Award Deferral Election Form provided to the Grantee and returned it to the Company prior to December 31 of the calendar year preceding the Grant Date (such shares, the “Deferred Shares”), any such Deferred Shares shall instead be paid on the date so elected by the Grantee pursuant to such RSU Award Deferral Election Form, or, if earlier, upon the Grantee’s death or Disability or upon a Change in Control.

(b) On any date on which any RSU Shares or Deferred Shares are to be paid to the Grantee in accordance with Section 3(a) above, the Company shall deliver to the Grantee or the Grantee’s legal representative or, if the Grantee is deceased, the Grantee’s designated beneficiary, or, if none, his or her personal representative, a share certificate or evidence of electronic delivery of such RSU Shares or Deferred Shares in the amount of the RSU Shares or Deferred Shares so delivered to the Grantee, and such RSU Shares or Deferred Shares shall be registered in the name of the Grantee.

(c) The shares of Common Stock deliverable upon the payment of a vested Restricted Stock Unit may be either previously authorized but unissued Shares or issued Shares, which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable.

(d) Only whole shares of Common Stock shall be delivered in payment of a vested Restricted Stock Unit. To the extent a vested Restricted Stock Unit (including any additional
Restricted Stock Units or Deferred Shares credited from dividends pursuant to Section 4 below) includes a fractional share, on the date the RSU Shares or Deferred Shares are to be paid to the Grantee, such fractional share shall be paid to the Grantee or the Grantee’s legal representative or, if the Grantee is deceased, the Grantee’s designated beneficiary, or if none, his or her personal representative, in cash, in an amount that equals the Fair Market Value of such fractional share on such payment date.

4. **Dividend Equivalents.** In the event that the Company pays any ordinary dividend (whether in cash, shares of Common Stock or other property) on its Shares, on the date such dividend is paid to shareholders the Grantee shall be credited, based on the number of unvested Restricted Stock Units held by the Grantee and the number of Deferred Shares (if any) that the Grantee is entitled to receive, in each case as of the record date of such dividend, with additional Restricted Stock Units or Deferred Shares, as applicable, that reflect the amount of such dividend (or if such dividend is paid in shares of Common Stock or other property, the fair value of the dividend, as determined in good faith by the Board). Any such additional Restricted Stock Units and Deferred Shares, as applicable, shall be subject to all terms and conditions of this Agreement.

5. **Transferability.** Neither the Restricted Stock Units prior to becoming vested pursuant to Section 2 nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Grantee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5 shall not prevent transfers by will or by the applicable laws of descent and distribution.

6. **Grantee’s Continued Service on the Board.** Nothing contained in this Agreement or in any other agreement entered into by the Company and the Grantee guarantees that the Grantee will continue to serve as a member of the Board for any specified period of time.

7. **Change in Capitalization.** If any event described in Section 9 of the Plan occurs, this Agreement and the Restricted Stock Units (and any Deferred Shares due to be delivered hereunder) shall be adjusted to the extent required or permitted, as applicable, pursuant to Section 9 of the Plan.

8. **Taxes.** The Grantee shall have full responsibility, and the Company shall have no responsibility, for satisfying any liability for any federal, state or local income or other taxes required by law to be paid with respect to such Restricted Stock Units, including upon the vesting of the Restricted Stock Units and the delivery of any RSU Shares or Deferred Shares. The Grantee is hereby advised to seek his or her own tax counsel regarding the taxation of the grant and vesting of the Restricted Stock Units hereunder (and the tax consequences of any deferral election made in respect of the delivery of any Deferred Shares).

9. **Limitation on Obligations.** This Restricted Stock Unit Award shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company’s obligations under this Agreement. In addition, the Company shall not be liable to the Grantee for damages relating to any delays in issuing the share certificates or electronic delivery thereof to the
Grantee (or the Grantee’s designated entities), any loss of the certificates, or any mistakes or errors in the issuance or registration of the certificates or in the certificates themselves.

10. **Securities Laws.** The Company may require the Grantee to make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws. The granting of the Restricted Stock Units hereunder shall be subject to all applicable laws, rules and regulations and to such approvals of any governmental agencies as may be required.

11. **Notices.** Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary or his or her designee, and any notice to be given to the Grantee shall be addressed to the Grantee at the last address of the Grantee known to the Company unless otherwise directed by the Grantee in a notice provided in accordance with this Section 11. By a notice given pursuant to this Section 11, either party may hereafter designate a different address for the provision of notices under this Agreement. Any notice that is required to be given to the Grantee shall, if the Grantee is then deceased, be given to the Grantee’s personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 11. Any notice shall have been deemed duly given when (a) delivered in person, (b) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service, or (c) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with fees prepaid) in an office regularly maintained by FedEx, UPS, or comparable non-public mail carrier.

12. **Governing Law.** The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

13. **Section 409A of the Code.** The provisions of Section 10(c) of the Plan are hereby incorporated by reference. Notwithstanding the foregoing, the Company shall not be liable to the Grantee in the event this Agreement or any payment or benefit hereunder fails to be exempt from, or comply with, Section 409A of the Code.

14. **Restricted Stock Units Subject to the Plan.** The Restricted Stock Unit Award and the Shares issued to the Grantee upon payment of the Restricted Stock Units shall be subject to all terms and provisions of the Plan, to the extent applicable to the Restricted Stock Units and such Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

15. **Amendment and Termination.** This Agreement may be modified in any manner consistent with Section 10 of the Plan.

16. **Administration.** The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the
Plan or the Restricted Stock Unit Award. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

17. **Rights as Shareholder.** Except as may be otherwise provided in Section 7 of this Agreement, the holder of a Restricted Stock Unit Award shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares issuable upon the payment of a vested Restricted Stock Unit unless and until a certificate or certificates representing such Shares shall have been issued by the Company to such holder or, if the Common Stock is listed on a national securities exchange, a book entry representing such Shares has been made by the registrar of the Company.

18. **Signature in Counterparts.** This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

19. **Electronic Signatures.** This Agreement may be executed by the parties using an original or electronic signature, including PDF or facsimile thereof, and any such electronically affixed signature shall be deemed an original and shall bind such party.

[Signatures on next page.]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DOLLAR GENERAL CORPORATION

By: ________________________________

Name: ______________________________

Title: ______________________________

GRANTEE

[NAME]
May 27, 2021

To the Shareholders and Board of Directors of Dollar General Corporation

We are aware of the incorporation by reference in the Registration Statements (Nos. 333-151047, 333-151049, 333-151655, 333-163200, and 333-254501 on Forms S-8 and No. 333-237519 on Form S-3) of Dollar General Corporation of our report dated May 27, 2021, relating to the unaudited condensed consolidated interim financial statements of Dollar General Corporation that are included in its Form 10-Q for the quarter ended April 30, 2021.

/s/ Ernst & Young LLP
Nashville, Tennessee
CERTIFICATIONS

I, Todd J. Vasos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar General Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 27, 2021

/s/ Todd J. Vasos

Todd J. Vasos
Chief Executive Officer
I, John W. Garratt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar General Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 27, 2021

/s/ John W. Garratt
John W. Garratt
Chief Financial Officer
CERTIFICATIONS
Pursuant to 18 U.S.C. Section 1350

Each of the undersigned hereby certifies that to his knowledge the Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2021 of Dollar General Corporation (the “Company”) filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Todd J. Vasos
Name: Todd J. Vasos
Title: Chief Executive Officer
Date: May 27, 2021

/s/ John W. Garratt
Name: John W. Garratt
Title: Chief Financial Officer
Date: May 27, 2021