
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-K

(Mark One)

- Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended February 3, 2023, or
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from _____ to _____
Commission file number: 001-11421

DOLLAR GENERAL CORPORATION

(Exact name of registrant as specified in its charter)

TENNESSEE
*(State or other jurisdiction of
incorporation or organization)*

61-0502302
*(I.R.S. Employer
Identification No.)*

**100 MISSION RIDGE
GOODLETTSVILLE, TN 37072**

(Address of principal executive offices, zip code)

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

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

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

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

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

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

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the registrant's common stock outstanding and held by non-affiliates as of July 29, 2022 was \$55.9 billion calculated using the closing market price of the registrant's common stock as reported on the NYSE on such date (\$248.43). For this purpose, directors, executive officers and greater than 10% record shareholders are considered the affiliates of the registrant.

The registrant had 219,108,477 shares of common stock outstanding as of March 22, 2023.

DOCUMENTS INCORPORATED BY REFERENCE

Certain of the information required in Part III of this Form 10-K is incorporated by reference to the registrant's definitive proxy statement to be filed for the Annual Meeting of Shareholders to be held on May 31, 2023.

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INTRODUCTION

General

This report contains references to years 2023, 2022, 2021, and 2020, which represent fiscal years ending or ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021, respectively. Our fiscal year ends on the Friday closest to January 31. Our 2022 fiscal year consisted of 53 weeks, while each of the remaining years listed consists of 52 weeks. All of the discussion and analysis in this report should be read with, and is qualified in its entirety by, the Consolidated Financial Statements and related notes.

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

Cautionary Disclosure Regarding Forward-Looking Statements

We include “forward-looking statements” within the meaning of the federal securities laws throughout this report, particularly under the headings “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Note 7 – Commitments and Contingencies,” among others. You can identify these statements because they are not limited to historical fact or they use words such as “may,” “will,” “should,” “could,” “can,” “would,” “believe,” “anticipate,” “project,” “plan,” “expect,” “estimate,” “goal,” “seek,” “ensure,” “potential,” “opportunity,” “intend,” “predict,” “committed,” “likely,” “continue,” “strive,” “aim,” “scheduled,” “focused on,” “long-term,” “future,” “over time,” “ongoing,” “uncertain,” “moving forward,” or “subject to” and similar expressions that concern our strategies, plans, initiatives, intentions or beliefs about future occurrences or results or other future matters. For example, all statements relating to, among others, the following are forward-looking statements:

- our projections and expectations regarding expenditures, costs, cash flows, results of operations, financial condition and liquidity;
- our expectations regarding economic and competitive market conditions;
- our plans, objectives, and expectations regarding, future operations, growth, investments and initiatives, including but not limited to our real estate, store growth and international expansion plans, store formats or concepts, shrink and damages reduction actions, planned approximately \$100 million investment in our stores, and anticipated progress and impact of our strategic initiatives (including but not limited to our non-consumables and digital initiatives, DG Media Network, DG Well Being, DG Fresh, Fast Track, and pOpshelf) and our merchandising, margin enhancing, and distribution/transportation efficiency (including but not limited to self-distribution and our private fleet) and other initiatives;
- expectations regarding sales and mix of consumable and non-consumable products, customer traffic, basket size and inventory levels;
- expectations regarding inflationary and labor pressures, fuel prices, and other supply chain challenges;
- anticipated stock repurchases and cash dividends;
- anticipated borrowing under our unsecured revolving credit agreement, our 364-day unsecured revolving credit facility and our commercial paper program;
- potential impact of legal or regulatory changes or governmental assistance or stimulus programs and our responses thereto, including without limitation the potential increase of federal, state and/or local minimum wage rates/salary levels, as well as changes to certain government assistance programs, such as SNAP benefits, unemployment benefits, and economic stimulus payments, or potential changes to the corporate tax rate; and
- expected outcome or effect of pending or threatened legal disputes, litigation or audits.

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

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

PART I

ITEM 1. BUSINESS

General

We are the largest discount retailer in the United States by number of stores, with 19,147 stores located in 47 U.S. states and Mexico as of March 3, 2023, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. Our first store in Mexico opened in February of 2023. We offer a broad selection of merchandise, including consumable items, seasonal items, home products and apparel. Our merchandise includes national brands from leading manufacturers, as well as our own private brand selections with prices at substantial discounts to national brands. We offer our customers these national brand and private brand products at everyday low prices (typically \$10 or less) in our convenient small-box locations.

Our History

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

Our Business Model

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

Our long-term operating priorities are: 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. For more information on these operating priorities, see the “Executive Overview” section of Management’s Discussion and Analysis of Financial Condition and Results of Operations, included in Part II, Item 7 of this report.

From 1990 through 2020, we achieved 31 consecutive years of positive same-store sales growth. Following unusually high sales results in 2020 during the height of the COVID pandemic, we did not achieve positive same-store sales growth in 2021. However, we achieved positive same-store sales growth once again in 2022. Notwithstanding the unusual circumstances of 2020 and 2021 resulting from the COVID pandemic, we believe that this consistent growth over many years, which has taken place in a variety of economic conditions, is a result of our compelling value and convenience proposition, although no assurances can be given that we will achieve positive same-store sales growth in any given year.

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

limited shopping alternatives, as well as in larger and more competitive markets. Our value and convenience proposition is evidenced by the following attributes of our business model:

- *Everyday Low Prices on Quality Merchandise.* Our research indicates that we offer a price advantage over most food and drug retailers and that our prices are competitive with even the largest discount retailers. Our ability to offer everyday low prices on quality merchandise is supported by our low-cost operating structure and our strategy to maintain a limited number of items per merchandise category, which we believe helps us maintain strong purchasing power. We offer nationally advertised brands at these everyday low prices in addition to offering our own private brands at substantially lower prices.
- *Convenient Locations.* Our stores are conveniently located in a variety of rural, suburban and urban communities. We seek to locate our stores in close proximity to our customers, which helps drive customer loyalty and trip frequency and makes us an attractive alternative to large discount and other large-box retail and grocery stores.
- *Time-Saving Shopping Experience.* We strive to provide customers with a highly convenient, easy to navigate shopping experience. Our small-box stores make it easier to get in and out quickly, and our digital tools and offerings help drive even greater convenience and additional access points. Our product offering includes most necessities, such as basic packaged and refrigerated or frozen food and dairy products, cleaning supplies, paper products, health and beauty care items, greeting cards and other stationery items, basic apparel, housewares, hardware and automotive supplies, among others. Our convenient hours and broad merchandise offering allow our customers to fulfill their requirements for basic goods and minimize their need to shop elsewhere.

Substantial Growth Opportunities. We believe we have substantial long-term growth potential in the U.S., and we have identified significant opportunities to add new stores, including our pOpshelf concept, in both existing and new markets. In addition, we have opportunities to relocate or remodel locations within our existing store base to better serve our customers. Our pOpshelf concept represents an important growth opportunity as a unique small-box retail concept that focuses on categories such as seasonal and home décor, health and beauty, home cleaning supplies, and party and entertainment goods. We have also identified international expansion as an important growth opportunity, with an initial focus on opening and operating stores in Mexico. We opened our first Mi Súper Dollar General store in Mexico in February of 2023, and believe there is additional growth potential in Mexico in the years ahead. Our attractive store economics, including a relatively low initial investment and simple, low-cost operating model, and our variety of store formats have allowed us to grow our store base to current levels and provide us significant opportunities to continue our profitable store growth strategy.

Our Merchandise

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

Consumables is our largest merchandise category and includes paper and cleaning products (such as paper towels, bath tissue, paper dinnerware, trash and storage bags, disinfectants, and laundry); packaged food (such as cereals, pasta, canned soups, fruits and vegetables, condiments, spices, sugar and flour); perishables (such as milk, eggs, bread, refrigerated and frozen food, beer, wine and produce); snacks (such as candy, cookies, crackers, salty snacks and carbonated beverages); health and beauty (such as over-the-counter medicines and personal care products including soap, body wash, shampoo, cosmetics, dental hygiene and foot care products); pet (such as pet supplies and pet food); and tobacco products.

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

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Consumables	79.7 %	76.7 %	76.8 %
Seasonal	11.0 %	12.2 %	12.1 %
Home products	6.2 %	6.8 %	6.5 %
Apparel	3.1 %	4.3 %	4.6 %

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

The Dollar General Store

The typical Dollar General store is operated by a store manager, one or more assistant store managers, and three or more sales associates. Our stores generally feature a low-cost, no frills building with limited capital requirements, low operating costs, and a focused merchandise offering within a broad range of categories, allowing us to deliver low retail prices while generating strong cash flows and capital investment returns. Our stores currently average approximately 7,500 square feet of selling space, and over 80% of our stores are located in towns of 20,000 or fewer people. Our primary new store format currently averages approximately 8,500 square feet of selling space. We generally have had good success in locating suitable store sites in the past, and we believe that there is ample opportunity for new store growth in existing and new markets. In addition, we believe we have significant opportunities available for our relocation and remodel programs.

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

<u>Year</u>	<u>Stores at Beginning of Year</u>	<u>Stores Opened</u>	<u>Stores Closed</u>	<u>Net Store Increase</u>	<u>Stores at End of Year</u>
2020	16,278	1,000	101	899	17,177
2021	17,177	1,050	97	953	18,130
2022	18,130	1,039	65	974	19,104

Our Customers

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

Our Suppliers

We purchase merchandise from a wide variety of suppliers and maintain direct buying relationships with many producers of national brand merchandise. Despite our broad offering, we maintain only a limited number of items per category, allowing us to keep our average costs low. Our two largest suppliers accounted for approximately 10% and 8%, respectively, of our purchases in 2022. Our private brands come from a wide variety of suppliers. We directly imported approximately 9% of our purchases at cost in 2022.

In 2020 and 2021, COVID-19 and its impacts caused disruptions in our supply chain, at times making it more difficult to obtain certain products in sufficient quantities to meet customer demand and increasing distribution and transportation costs. We began to see normalization in the global supply chain during 2022 and anticipate continuing improvement moving forward. In situations where it becomes necessary to secure alternative sources, we may experience increased merchandise costs and supply chain lead time and expenses, a temporary reduction in store inventory levels, and reduced product selection or quality. An inability to obtain alternative sources could adversely affect our sales.

Distribution and Transportation

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

Most of our merchandise flows through our distribution centers and is delivered to our stores by our private fleet and by third-party trucking firms, utilizing our trailers. In addition, vendors or third-party distributors deliver or ship certain food items and other merchandise directly to our stores.

In the second half of 2022, we experienced a temporary shortage of available warehouse capacity, primarily due to delays in opening temporary warehouse space. This shortage resulted in a significant impact to our operating results due to increased costs associated with delays in unloading inventory into warehouse space, as well as inefficiencies in moving goods throughout our internal supply chain. With the opening of three permanent distribution facilities in the fourth quarter of 2022, significant warehouse capacity is now available and has relieved the vast majority of these constraints.

Seasonality

The nature of our business is somewhat seasonal. Generally, our operating profit has been greater in the fourth quarter, which includes the Christmas selling season, as compared with operating profit in each of the first three quarters of our fiscal year. In addition, our quarterly results can be affected by the timing of certain holidays, new store openings, remodels, relocations, store closings, and weather patterns. See “Item 7. Management’s Discussion & Analysis of Financial Condition and Results of Operation” for further discussion of seasonality.

Our Competition

We operate in the basic discount consumer goods market, which is highly competitive with respect to price, customers, store location, merchandise quality, assortment and presentation, service offerings, in-stock consistency, customer service, promotional activity, employees, and market share. We compete with discount stores and many other retailers, including mass merchandise, warehouse club, grocery, drug, convenience, variety, online, and certain specialty stores. These other retail companies operate stores in many of the areas where we operate, and many of them engage in extensive advertising and marketing efforts. Our direct competitors include Family Dollar, Dollar Tree, Big Lots, 99 Cents Only and various local, independent operators, as well as Walmart, Target, Kroger, Aldi, Walgreens, CVS, and Rite Aid, among others. Certain of our competitors have greater financial, distribution,

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marketing and other resources than we do and may be able to secure better arrangements from suppliers than we can. Competition is intense and we believe it will continue to be so, with certain competitors reducing their store locations while others move into or increase their presence in our geographic and product markets and increase the availability of mobile, web-based and other digital technology to facilitate a more convenient and competitive online and in-store customer shopping experience.

We believe that we differentiate ourselves from other forms of retailing by offering competitive prices in a convenient, small-store format. We are able to maintain competitive prices due in part to our low-cost operating structure and the relatively limited assortment of products offered. Purchasing large volumes of merchandise within our focused assortment in each merchandise category allows us to keep our average product costs low, contributing to our ability to offer competitive everyday low prices to our customers. See “—Our Business Model” above and “Item 1A. Risk Factors” for further discussion of our competitive situation.

Our Intellectual Property

We own marks that are registered with the United States Patent and Trademark Office and are protected under applicable intellectual property laws, including, without limitation, Dollar General®, DG®, Clover Valley®, trueliving®, and pOpshelf® along with variations and formatives of these trademarks. We attempt to obtain registration of our trademarks whenever practicable and to pursue vigorously any infringement of those marks. Our trademark registrations have various expiration dates; however, assuming that the trademark registrations are properly renewed, they have a perpetual duration. We also hold an exclusive license to the Rexall brand through at least March 5, 2029 and the Believe Beauty brand through at least March 18, 2025.

Human Capital Resources

At Dollar General, a foundational element in how we operate is exemplified in our fourth operating priority – Investing in our diverse teams through development, empowerment and inclusion. Building on our core value of respecting the dignity and differences of others, our goal is to create a work environment where each employee is encouraged and empowered to bring their unique perspective and voice to work each day. Based on a talent philosophy of “Attract, Develop, and Retain”, whether an individual works in a store, a distribution center, our store support center or our international offices, over the last 80+ years, we have helped millions of individuals start and progress in their careers, providing employees with numerous opportunities to gain new skills and develop their talents, supported by our award-winning training and development programs.

Attract

We seek to provide market competitive compensation and benefits packages that attract talent to the organization and then retain and incent employees for performance. Although eligibility for and the level of benefits vary depending on the employee’s full-time or part-time status, compensation level, date of hire, and/or length of service, the broad range of benefits we provide or make available may include: medical, prescription, telemedicine, dental and vision plans; flexible spending accounts; disability insurance; 401(k) plan; paid vacation; employee assistance program with access to legal assistance and counseling; healthy lifestyle and disease management programs; education assistance benefits; parental leave; adoption assistance; service award recognition; and a broad range of discounts for other products and services. To help measure the success of our overall employee compensation and benefits programs, we monitor employee applicant flow and staffing levels across the organization, as well as employee turnover, particularly at the store manager level.

Develop

As a testament to our employee development efforts, in February 2021 we were inducted into Training magazine’s Hall of Fame, following two consecutive years as the magazine’s top training and development program and rounding out 10 consecutive years among its Top 100 list. In 2022, we estimate we invested over four million training hours in our employees to promote their education and development.

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We enhance our development programs each year based on the current needs of our employees and the business. We offer a variety of differentiated programs, including mentorship, cohorts, and leader-led and experiential opportunities to ensure there is a path of development for all employees.

Our internal promotion rate helps us measure the success of our development programs. As of March 3, 2023, we employed more than 170,000 full-time and part-time employees, including divisional and regional managers, district managers, store managers, other store personnel, and distribution center, fleet and administrative personnel. As of the end of 2022, more than 70% of store managers and thousands of additional employees, including several members of our senior leadership, have been promoted from within our organization.

Retain

We strive to create an environment where our employees feel respected, safe, empowered, and valued. We regularly monitor retention and engagement levels across the organization through a variety of means, working to understand what is important to our employees and how we can best continue to meet their evolving needs.

Compliance with Governmental Regulations

Our operations are subject to the applicable federal, state, local and foreign laws, rules, and regulations of the jurisdictions in which we operate or conduct business. These laws, rules and regulations relate to, among other things, the sale of products, including without limitation product and food safety, marketing and labeling; information security and privacy; labor and employment; employee wages and benefits; health and safety; real property; public accommodations; anti-bribery; financial reporting and disclosure; pricing; antitrust and fair competition; anti-money laundering; transportation; imports and customs; intellectual property; taxes; and environmental compliance.

We routinely incur significant compliance related costs, both direct and indirect, including investments in store standards and labor such as our approximately \$100 million investment planned for 2023, which we believe to be material. Although we can make no guarantees that other future such costs will not be material, to date, other than the investment referenced above, compliance with these laws, rules and regulations has not had a material effect on our capital expenditures, earnings or competitive position. Many of our entry-level store employees are paid at rates in line with the applicable state minimum wage, and consequently, in certain situations, increases to such wage rates have increased our labor costs. If federal, state and/or local minimum wage rates/salary levels were to increase significantly and/or rapidly, compliance with such increases could adversely affect our earnings. Additionally, if significant changes in the federal, state or foreign corporate tax rates occur in the future, such change could adversely affect our overall effective tax rate and earnings. See “Item 1A. Risk Factors” for additional information regarding government regulations that could impact our business.

Available Information

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

ITEM 1A. RISK FACTORS

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

Business, Strategic and Competitive Risks

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

Many of our customers have fixed or low incomes and limited discretionary spending dollars. Any factor that could adversely affect their disposable income could decrease our customers' spending or cause them to shift their spending to our lower margin product choices, which could result in materially decreased sales and/or profitability. Factors that could reduce our customers' disposable income include but are not limited to high unemployment or underemployment levels or decline in real wages; inflation; pandemics (such as the COVID-19 pandemic); higher fuel, energy, healthcare and housing costs; higher interest rates, consumer debt levels, and tax rates; lack of available credit; tax law changes that negatively affect credits and refunds; and decreases in, or elimination of, government assistance programs or subsidies such as unemployment, food/nutrition assistance programs, and economic stimulus payments.

Many of the economic factors listed above, as well as 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); changes in applicable laws and regulations (including tax laws related to the corporate tax rate); and other economic factors, also could impair our ability to successfully execute our strategies and initiatives, as well as increase our cost of goods sold and selling, general and administrative expenses (including real estate costs), and may have other adverse consequences that we are unable to fully anticipate or control, all of which may materially decrease our sales or profitability.

Inflation in the United States rose significantly in 2022, primarily believed to be the result of the economic impacts from the COVID-19 pandemic, including the global supply chain disruptions, strong economic recovery and associated widespread demand for goods, and government stimulus packages, among other factors. While we believe the growth rate of inflation is beginning to moderate, if inflation continues to increase, we may not be able to adjust prices sufficiently to offset the effect without negatively impacting customer demand or our gross margin. Additionally, to the extent that these inflationary pressures result in a recessionary environment, we may experience material adverse effects on our business, results of operations and cash flows.

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

We have short-term and long-term strategies, initiatives and investments (such as those relating to merchandising, real estate and new store development, international expansion, store formats and concepts, digital, marketing, health services, shrink, damages, sourcing, private brand, inventory management, supply chain, private fleet, store operations, expense reduction, and technology) in various stages of testing, evaluation, and implementation, which are designed to continue to improve our results of operations and financial condition. The effectiveness of these initiatives is inherently uncertain, even when tested successfully, and is dependent on consistency of training and execution, workforce stability, ease of execution and scalability, and the absence of

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offsetting factors that can influence results adversely. The number and diverse geographic locations of our stores and distribution centers and our decentralized field management also contribute to the challenging nature of these factors. Other risk factors described herein also could negatively affect general implementation. Failure to achieve successful or cost-effective implementation of our initiatives could materially and adversely affect our business, results of operations and financial condition.

The success of our merchandising initiatives, particularly our non-consumable initiatives (including our new pOpshelf concept) and efforts to increase sales of higher margin products within the consumables category, further depends in part upon our ability to predict the products that our customers will demand and to identify and timely respond to evolving trends in consumer preferences and demographic mixes in our markets. If we are unable to select and timely obtain products that are attractive to customers and at costs that allow us to sell them at an acceptable profit, or to effectively market such products, it could result in materially decreased sales and profitability. Despite these initiatives, since the first quarter of 2022, we have experienced a sales mix trend reversion from non-consumables to consumables exceeding pre-pandemic levels.

The success of our Fast Track initiative, which is designed to enhance our in-store labor productivity, on-shelf availability and customer convenience, further depends in part on successful acquisition, implementation and maintenance of the necessary hardware and new point of sale software, continued customer interest in and adoption of self-checkout, our ability to gain cost efficiencies and control shrink levels from the initiative, and vendor cooperation. The success of DG Media Network, which is our platform for connecting brand partners with our customers to drive even greater value for each, further depends on our ability to successfully gather target customer audiences that deliver consistent, predictable and beneficial returns on advertising spending so as to generate interest and demand from our brand partners, as well as to properly handle and secure all sensitive customer data.

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

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

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

Operational Risks

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

Delays in or failure to complete a significant portion of our real estate projects, or failure to meet our financial expectations for these projects, could materially and adversely affect our growth and our profitability. Our ability to timely open, relocate and remodel profitable stores and expand into additional market areas is a key component of our planned future growth and may depend in part on: the availability of suitable store locations and capital funding; the absence of entitlement process, permitting or occupancy delays, including zoning restrictions and moratoria on small box discount retail development such as those passed by certain local governments in areas where we operate or seek to operate; supply chain volatility resulting in delivery delays, and in some cases, lack of availability of store equipment, building materials, and store merchandise for resale; the ability to negotiate acceptable lease and development terms (for example, real estate development requirements and cost of building materials and labor), to cost-effectively hire and train qualified new personnel, especially store managers, and to identify and accurately assess sufficient customer demand; and general economic conditions. While we continued to experience certain of these factors at heightened levels in 2022, to date, they have not materially impaired our ability to complete our planned real estate projects or growth, and thus, have not had a material adverse effect on our financial performance. However, if the levels which we have experienced escalate for an extended period of time, we expect that they could have a material adverse effect on our ability to complete our future planned real estate projects or growth, and in turn, a material adverse effect on our financial performance.

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

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

We experience significant inventory shrinkage and damages. Although some level of inventory shrinkage and damages is an unavoidable cost of doing business, higher rates of inventory shrinkage and damages or increased security or other costs to combat inventory theft could adversely affect our results of operations and financial condition. During 2022, our inventory shrink levels returned to pre-COVID-19 levels, and higher damages also impacted our results. There can be no assurance that we will be successful in our efforts to contain or reduce inventory shrinkage and damages.

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

Our inventory balance represented approximately 53% of our total assets exclusive of goodwill, operating lease assets, and other intangible assets as of February 3, 2023. Efficient inventory management is a key component of our business success and profitability. We must maintain sufficient inventory levels and an appropriate product mix to meet our customers' demands without allowing those levels to increase such that the costs to store and hold the goods unduly impacts our financial results or increases the risk of inventory shrinkage or damages. If we do not accurately predict customer trends, spending levels, or price sensitivity, we may have to take unanticipated markdowns to dispose of the excess inventory, which also can adversely affect our financial results. We continue to focus on ways to reduce these risks, but we cannot make assurances that we will be successful in our inventory

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

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

In connection with sales, we transmit confidential credit and debit card information which is encrypted using point-to-point encryption. We also have access to, collect or maintain certain private or confidential information regarding our customers, employees and their dependents, and vendors, as well as our business. Some of this information is stored electronically in connection with our e-commerce and mobile applications, some of which may leverage third-party service providers. Additionally, we may share information with and depend upon select vendors to assist us in conducting our business. While we have implemented procedures and technology intended to protect such information and require appropriate controls of our vendors, external attackers could compromise such controls and result in unauthorized disclosure of such information, as attacks are becoming increasingly sophisticated, may include attacks on our third-party business partners, and do not always or immediately produce detectable indicators of compromise. Moreover, inadvertent or malicious internal personnel actions could result in a defeat of security measures and a compromise of our or our third-party vendors' information systems. Furthermore, if a vendor is the victim of a cyberattack, including a ransomware attack, such attack could have a corresponding material effect on our ability to do business with that vendor or to receive information that may be required to timely prepare our financial statements. Due to the political tensions involving China and the conflict between Russia and Ukraine, there is an increased likelihood that escalation of tensions could result in cyberattacks that could directly or indirectly impact our operations. Like other retailers, we and our vendors have experienced threats to, and incidents involving, data and systems, including by perpetrators of attempted random or targeted malicious attacks; computer malware, ransomware, bots, or other destructive or disruptive software; and attempts to misappropriate our information and cause system failures and disruptions, although to date none have been material to our business. If attackers obtain customer, employee or vendor passwords through unrelated third-party breaches, and if impacted customers, employees, or vendors do not employ good online security practices (e.g., use the same password across different sites or do not use multifactor authentication), these passwords could be used to gain access to their information or accounts with us in certain situations.

Because we accept debit and credit cards for payment, we are subject to industry data protection standards and protocols, such as the Payment Card Industry Data Security Standards, issued by the Payment Card Industry Security Standards Council. Nonetheless, we may be vulnerable to, and unable to detect and appropriately respond to, cardholder data security breaches and data loss, including successful attacks on applications, systems, or networks.

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

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

We depend on a variety of information technology systems, including systems owned and managed by third-party vendors, for the efficient functioning of our business, including, without limitation, transaction processing and the management of our employees, facilities, logistics, inventories, stores and customer-facing digital applications and operations. Our technology initiatives may not deliver desired results or may do so on a delayed schedule. Additionally, such systems are subject to damage or interruption from power surges and outages, facility damage, physical theft, computer and telecommunications failures, inadequate or ineffective redundancy, malicious code (including malware, ransomware, or similar), successful attacks (e.g., account compromise; phishing; denial of service; and application, network or system vulnerability exploitation), software upgrade failures or code defects, natural disasters and human error. Due to the political tensions involving China and the conflict between Russia and Ukraine, there is an increased likelihood that escalation of tensions could result in cyberattacks that could either directly or indirectly impact our operations. Design defects, damage to, or interruption to these systems may require a significant investment to repair or replace, disrupt our operations and affect our ability to meet business and reporting requirements, result in the loss or corruption of critical data, and harm our reputation, all of which could materially and adversely affect our business or results of operations.

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

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

We rely on our distribution and transportation network to provide goods to our stores timely and cost-effectively. Using various transportation modes, including ocean, rail, and truck, we and our vendors move goods from vendor locations to our distribution centers and our stores. Any disruption, unanticipated or unusual expense or operational failure related to this process could negatively impact sales and profits. In 2022, we experienced increased fuel costs; inventory receipt and delivery delays; earlier than expected receipt of seasonal inventory leading to capacity constraints that were exacerbated by unexpected delays in acquiring additional temporary warehouse space sufficient for our inventory needs; and increases in transportation costs (including increased import freight costs and carrier and driver wages) as a result of capacity rightsizing, port congestion, and labor shortages. These challenges resulted in materially higher than anticipated supply chain costs in 2022, including detention fees incurred for delays in returning shipping containers, higher temporary storage and transportation costs and labor, which in turn, had a material adverse impact on our business, results of operations, and financial condition. Labor shortages or work stoppages or slowdowns in the transportation industry or disruptions to the national and international transportation infrastructure that necessitate our securing alternative labor or shipping suppliers could also increase our costs or otherwise negatively affect our business.

We maintain a network of distribution facilities and are moving forward with plans to build or lease new facilities (including temperature-controlled distribution centers) to support our growth objectives and strategic initiatives. Delays in opening such facilities could adversely affect our financial performance by slowing store

growth (including accelerated pOpshelf store growth plans) or the rollout/development of certain strategic initiatives, which may in turn reduce revenue growth and/or profitability, or by increasing transportation and product costs. In addition, distribution-related construction or expansion projects entail risks that could cause delays and cost overruns, such as: availability of temperature-controlled distribution centers and refrigerated transportation equipment; shortages of materials or skilled labor; work stoppages; unforeseen construction, scheduling, engineering, environmental or geological problems; weather interference; fires or other casualty losses; and unanticipated cost increases. For these reasons, the completion date and ultimate cost of these projects could differ significantly from initial expectations, and we cannot guarantee that any project will be completed on time or within established budgets.

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

We source our merchandise from a wide variety of domestic and international suppliers, and we depend on them to supply merchandise in a timely and efficient manner and in the large volumes that we may require. In 2022, our two largest suppliers accounted for approximately 10% and 8% respectively, of our purchases. If one or more of our current sources of supply became unavailable, we believe we generally would be able to obtain alternative sources, but it could increase our merchandise costs and supply chain lead time and expenses, result in a temporary reduction in store inventory levels, and reduce the selection and quality of our merchandise. An inability to obtain alternative sources could materially decrease our sales. Additionally, if a supplier fails to deliver on its commitments, we could experience merchandise out-of-stocks that could lead to lost sales and reputational harm. Further, failure of suppliers to meet our compliance protocols could prolong our procurement lead time, resulting in lost sales and adverse margin impact.

We directly imported approximately 9% of our purchases (measured at cost) in 2022, but many of our domestic vendors directly import their products or components of their products. Changes to the prices and flow of these goods often are for reasons beyond our control, such as political or civil unrest, acts of war, disruptive global political events (for example, political tensions involving China and the current conflict between Russia and Ukraine), currency fluctuations, disruptions in maritime lanes, port labor disputes, economic conditions and instability in countries in which foreign suppliers are located, the financial instability of suppliers, suppliers' failure to meet our terms and conditions or our standards, issues with our suppliers' labor practices or labor problems they may experience (such as strikes, stoppages or slowdowns, which could also increase labor costs during and following the disruption), the availability and cost of raw materials, pandemic outbreaks, merchandise quality or safety issues, transport availability and cost, increases in wage rates and taxes, transport security, inflation, and other factors relating to suppliers and the countries in which they are located or from which they import. Such changes could adversely affect our operations and profitability.

While we are working to diversify our sources of imported goods to include Southeast Asia, India, South America and Mexico, a substantial amount of our imported merchandise comes from China, and thus, a change in the Chinese leadership, the effects of pandemic outbreaks, economic and market conditions, internal economic stimulus actions, or currency or other policies, as well as trade and other relations between China and the United States and increases in costs of labor, could negatively impact our merchandise costs. In addition, the United States' foreign trade policies, duties, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries (particularly China) and entities, import limitations on certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade and port labor agreements are beyond our control. These and other factors affecting our suppliers and our access to products could adversely affect our business and financial performance. If we increase our product imports from foreign vendors, the risks associated with these imports also will increase, and we may be exposed to additional or different risks as we increase imports of goods produced in countries other than China.

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

The occurrence of one or more natural disasters, such as hurricanes, fires, floods, tornadoes and earthquakes, unusual or extreme weather conditions, pandemic outbreaks or other health crises (for example, the COVID-19 pandemic), political or civil unrest, acts of war, violence or terrorism (including within our stores, distribution centers or other Company property), or disruptive global political events (for example, the political tensions involving China and the current conflict between Russia and Ukraine) or similar disruptions could adversely affect our reputation, business and financial performance. If any of these events result in the closure, or a limitation on operating hours, of one or more of our distribution centers, a significant number of stores, our sourcing offices, our corporate headquarters or data center or impact one or more of our key suppliers, our operations and financial performance could be materially and adversely affected through an inability or reduced ability to make deliveries, process payroll or provide other support functions to our stores and through lost sales. These events also could affect consumer shopping patterns or prevent customers from reaching our stores, which could lead to lost sales and higher markdowns, or result in increases in fuel or other energy prices, fuel shortage(s), new store or distribution center opening delays, the temporary lack of an adequate work force in a market, the temporary or long-term disruption of product availability in our stores, the temporary or long-term inability to obtain or access technology needed to effectively run our business, disruption of our utility services or information systems, and damage to our reputation. For example, in 2022, Winter Storm Elliott had a significant impact on our fourth quarter results because of lost sales, increased damages and increased markdowns. These events may also increase the costs of insurance if they result in significant loss of property or other insurable damage by us or in the market more generally.

Furthermore, the long-term impacts of global climate change present the possibility of both physical risks (such as extreme weather conditions or rising sea levels) and transition risks (such as regulatory or technology changes), which may be widespread and unpredictable. Over time, these changes, as well as regulatory efforts related thereto, could affect, for example, the availability and cost of products, commodities and energy (including utilities), which in turn may impact our ability to procure goods and services required for the operation of our businesses at the quantities and levels we require. In addition, our operations and facilities may be located in areas impacted by the physical risks of climate change, and we face the risk of losses incurred as a result of physical damage to stores, distribution centers, or our corporate offices, as well as loss or spoilage of inventory and business interruption caused by such events. We also use natural gas, diesel fuel and gasoline and electricity in our operations, all of which could face increased regulation relating to climate change or other environmental concerns. Regulations limiting greenhouse gas emissions and energy inputs may also increase in coming years, which may increase our costs associated with compliance and merchandise. These events and their impacts could otherwise disrupt and adversely affect our operations and could materially adversely affect our financial performance.

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

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

We seek but may not be successful in obtaining contractual indemnification and insurance coverage for product-related claims and issues from our vendors. If we do not have adequate contractual indemnification or insurance available, or our vendors fails to adhere to their obligations to us, such claims could materially and adversely affect our business, financial condition and results of operations. Our ability to obtain indemnification from foreign vendors may be hindered by our ability to obtain jurisdiction over them to enforce contractual obligations. Even with adequate insurance and indemnification, such claims could significantly harm our reputation

and consumer confidence in our products and we could incur significant litigation expenses, which also could materially affect our results of operations even if a product liability claim is unsuccessful or not fully pursued.

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

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

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

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

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

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

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

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

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

Primarily because of sales of Christmas-related merchandise, our most profitable sales mix generally occurs in the fourth quarter. In anticipation of this holiday, we purchase substantial amounts of seasonal inventory, and if sales fall below seasonal norms or our expectations it could result in unanticipated markdowns. Adverse events, such as deteriorating economic conditions, high unemployment rates, high gas or energy prices, transportation disruptions, or unusual or unanticipated adverse weather could result in lower-than-planned sales during the Christmas selling season, which in turn could reduce our profitability and otherwise adversely affect our financial performance and operating results. For example, in 2022, Winter Storm Elliott had a significant impact on our fourth quarter results, specifically lost sales and higher than anticipated damages and markdowns.

Failure to protect our reputation could adversely affect our business.

Our success depends in part on the protection of the reputation of Dollar General and the products and services we sell, including our private brands. Failure to comply or accusation of failure to comply, even if unfounded, with ethical, social, product, labor, data privacy, consumer protection, safety, environmental and other applicable standards could jeopardize our reputation and potentially lead to various adverse consumer, shareholder or non-governmental organization (NGO) actions, litigation and governmental investigations and/or require a costly response. In addition, our position or perceived lack of position on certain issues (e.g., public policy, social, or environmental issues), and any perceived lack of transparency about such matters, could harm our reputation and potentially lead to adverse consumer, shareholder or NGO actions, including negative public statements. Similar incidents or factors involving vendors and other third parties with whom we conduct business also may affect our reputation. Public comments on social media, whether or not they are accurate, have the potential to quickly influence negative perceptions of Dollar General or our goods and services, including our private brands. Any failure, or perceived failure, to meet any of our published ESG-related aspirations or goals, which is often outside of our control, could adversely affect public perception of our business, employee morale or customer or shareholder support. Negative reputational incidents could adversely affect our business through lost sales, loss of new store and development opportunities, or employee retention and recruiting difficulties.

Regulatory, Legal, Compliance and Accounting Risks

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

We routinely incur significant costs in complying with numerous and frequently changing laws and regulations. The complexity of this regulatory environment and related compliance costs continue to increase due to additional legal and regulatory requirements, our expanding operations, and increased regulatory scrutiny and enforcement efforts. New or revised laws, regulations, orders, policies and related interpretations and enforcement practices, particularly those dealing with the sale of products, including without limitation, product and food safety,

marketing, labeling or pricing; information security and privacy; labor and employment; employee wages and benefits; health and safety; imports and customs; taxes; bribery; climate change; and environmental compliance, may significantly increase our expenses or require extensive system and operating changes that could materially increase our cost of doing business. In 2023, we plan to invest approximately \$100 million, which we believe to be material, in our stores, primarily in the form of labor, to enhance store standards, our compliance efforts and the employee and customer experience. Violations of applicable laws and regulations or untimely or incomplete execution of a required product recall can result in significant penalties (including loss of licenses, eligibility to accept certain government benefits such as SNAP or significant fines), class action or other litigation, governmental investigation or action and reputational damage. Additionally, changes in tax laws (including those related to the federal, state or foreign corporate tax rate), the interpretation of existing laws, or our failure to sustain our reporting positions on examination could adversely affect our overall effective tax rate, or in the case of the recently enacted stock buyback excise tax, our cash flows. Furthermore, significant and/or rapid increases to federal, state and/or local minimum wage rates/salary levels could adversely affect our earnings if we are not able to otherwise offset these increased labor costs elsewhere in our business. Moreover, the adoption of new environmental laws and regulations in connection with climate change and the transition to a low carbon economy, including any federal or state laws enacted to regulate greenhouse gas emissions, could significantly increase our operating or merchandise costs or reduce the demand for our products. These laws and regulations may include, but are not limited to, requirements relating to hazardous waste materials, recycling, single-use plastics, extended producer responsibility, use of refrigerants, carbon pricing or carbon taxes, product energy efficiency standards and product labeling. If carbon pricing requirements or carbon taxes are adopted, there is a significant risk that the cost of merchandise from our suppliers will increase and adversely affect our business and results of operations.

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

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

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

The implementation of new accounting standards could require certain systems, internal process and controls and other changes that could increase our operating costs and result in changes to our financial statements.

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

Financial and Capital Market Risks

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

We rely on the positive cash flow we generate from our operating activities and our access to the credit and capital markets to fund our operations, growth strategy, and return of cash to our shareholders through share repurchases and dividends. Changes in the credit and capital markets, including market disruptions, limited liquidity and interest rate increases, may increase the cost of financing or restrict our access to these potential sources of future liquidity. In 2022, as interest rates rose, our interest expense rose as well. There continues to be market uncertainty, which could result in further increases in our cost of borrowing. Our continued access to liquidity sources on favorable terms depends on multiple factors, including our operating performance and credit ratings. Our debt securities currently are rated investment grade, and a downgrade of this rating likely would negatively impact our access to the debt capital markets and increase our cost of borrowing. As a result, disruptions in the debt markets or any downgrade of our credit ratings could adversely affect our business operations and financial condition and our ability to return cash to our shareholders. We can make no assurances that our ability to obtain additional financing through the debt markets will not be adversely affected by economic conditions or that we will be able to maintain or improve our current credit ratings.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of March 3, 2023, we operated 19,147 retail stores, including those located in 47 U.S. states as listed in the table below, and one store in Mexico.

<u>State</u>	<u>Number of Stores</u>	<u>State</u>	<u>Number of Stores</u>
Alabama	907	Nevada	21
Arizona	137	New Hampshire	45
Arkansas	528	New Jersey	186
California	259	New Mexico	119
Colorado	72	New York	575
Connecticut	86	North Carolina	1,035
Delaware	51	North Dakota	66
Florida	1,030	Ohio	977
Georgia	1,059	Oklahoma	527
Idaho	6	Oregon	85
Illinois	659	Pennsylvania	914
Indiana	669	Rhode Island	25
Iowa	310	South Carolina	644
Kansas	268	South Dakota	77
Kentucky	702	Tennessee	953
Louisiana	643	Texas	1,802
Maine	67	Utah	11
Maryland	166	Vermont	39
Massachusetts	55	Virginia	470
Michigan	696	Washington	38
Minnesota	206	West Virginia	285
Mississippi	621	Wisconsin	260
Missouri	634	Wyoming	15
Nebraska	146		

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

As of March 3, 2023, we operated 19 distribution centers for non-refrigerated products, 10 cold storage distribution centers, and two combination distribution centers which have both refrigerated and non-refrigerated products. We lease 14 of these facilities and the remainder are owned. We have a total of 20.5 million square feet of non-refrigerated space and a total of 2.6 million square feet of cold storage space. Approximately 7.25 acres of the land for one of the distribution centers is subject to a ground lease. We also leased approximately 4.8 million square feet of additional warehouse space in support of our distribution network for non-refrigerated merchandise.

Our executive offices are located in approximately 302,000 square feet of owned buildings in Goodlettsville, Tennessee.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

None.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Information regarding our current executive officers as of March 24, 2023 is set forth below. Each of our executive officers serves at the discretion of our Board of Directors and is elected annually by the Board to serve until a successor is duly elected or their earlier resignation or termination. There are no familial relationships between any of our directors or executive officers.

Name	Age	Position
Jeffery C. Owen	53	Chief Executive Officer and Director
Todd J. Vasos	61	Senior Advisor and Director
John W. Garratt	54	President and Chief Financial Officer
Kathleen A. Reardon	51	Executive Vice President and Chief People Officer
Steven G. Sunderland	59	Executive Vice President, Store Operations
Emily C. Taylor	47	Executive Vice President and Chief Merchandising Officer
Rhonda M. Taylor	55	Executive Vice President and General Counsel
Carman R. Wenkoff	55	Executive Vice President and Chief Information Officer
Antonio Zuazo	51	Executive Vice President, Global Supply Chain
Anita C. Elliott	58	Senior Vice President and Chief Accounting Officer

Mr. Owen has served as our Chief Executive Officer and as a member of our Board of Directors since November 2022. He previously served as our Chief Operating Officer from August 2019 to November 2022. He returned to Dollar General in June 2015 as Executive Vice President of Store Operations, with over 21 years of previous employment experience with the Company, including Senior Vice President, Store Operations (August 2011 to July 2014); Vice President, Division Manager (March 2007 to July 2011); Retail Division Manager (November 2006 to March 2007); and various other operations roles of increasing importance and responsibility. He began his employment at Dollar General in December 1992. Mr. Owen served as a director of Kirkland’s Inc. from March 2015 to September 2022.

Mr. Vasos served as our Chief Executive Officer from June 2015 to November 2022 when he transitioned to Senior Advisor. He has served as a member of our Board of Directors since June 2015. He joined Dollar General in December 2008 as Executive Vice President, Division President and Chief Merchandising Officer and was

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promoted to Chief Operating Officer in November 2013 and to Chief Executive Officer in June 2015. As previously announced, Mr. Vasos plans to retire from Dollar General effective April 2, 2023, but will remain on our Board. Prior to joining Dollar General, Mr. Vasos served in executive positions with Longs Drug Stores Corporation for seven years, including Executive Vice President and Chief Operating Officer (February 2008 to November 2008) and Senior Vice President and Chief Merchandising Officer (2001 to 2008), where he was responsible for all pharmacy and front-end marketing, merchandising, procurement, supply chain, advertising, store development, store layout and space allocation, and the operation of three distribution centers. He also previously served in leadership positions at Phar-Mor Food and Drug Inc. and Eckerd Corporation. Mr. Vasos has served as a director of KeyCorp since July 2020.

Mr. Garratt has served as President and Chief Financial Officer since September 2022. As previously announced, Mr. Garratt plans to retire from Dollar General effective June 2, 2023. He joined Dollar General in October 2014 as Senior Vice President, Finance & Strategy, and subsequently served as Interim Chief Financial Officer from July 2015 to December 2015, and as Executive Vice President and Chief Financial Officer from December 2015 to September 2022. Mr. Garratt previously held various positions of increasing responsibility in corporate strategy and financial planning with Yum! Brands, Inc., one of the world's largest restaurant companies, between May 2004 and October 2014, including Vice President, Finance and Division Controller for the KFC division and earlier for the Pizza Hut division and for Yum Restaurants International (October 2013 to October 2014); Senior Director, Yum Corporate Strategy (March 2010 to October 2013), reporting directly to the corporate Chief Financial Officer and leading corporate strategy as well as driving key cross-divisional initiatives; and various other financial positions. He previously held financial management positions at Alcoa Inc. (April 2002 to May 2004) and General Electric (March 1999 to April 2002), after beginning his career with Alcoa in May 1990. Mr. Garratt has served as a director of Humana Inc. since February 2020.

Ms. Reardon has served as Executive Vice President and Chief People Officer since August 2020. She joined Dollar General as Director, Human Resources in September 2009 and was promoted to Vice President, Talent Management in October 2012. She became Vice President, Retail Human Resources in October 2014 and was promoted to Senior Vice President, Human Resources in March 2019 and to Senior Vice President and Chief People Officer in May 2019. Prior to joining Dollar General, Ms. Reardon held several positions of increasing responsibility at Centex from August 2005 until September 2009, serving as Director of Human Resources from October 2007 until September 2009. Since beginning her career in May 1998, Ms. Reardon also held various roles with Carrier Corporation, including Manager of Human Resources from August 2003 until August 2005, and was also a Career Consultant at the Darden Graduate School of Business Administration, University of Virginia, from August 2001 until August 2003.

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

Ms. E. Taylor has served as Executive Vice President and Chief Merchandising Officer since September 2020. She joined Dollar General in 1998 and held roles of increasing responsibility in investor relations, financial planning and analysis, merchandise planning, pricing and merchandising operations prior to her promotion to Vice President, Pricing & Merchandise Data Optimization in March 2011. She served as Vice President, Merchandising Operations (March 2012 to April 2014) and was subsequently promoted to Senior Vice President, General Merchandise Manager in April 2014. She most recently served as Senior Vice President, Channel Innovation (September 2019 to September 2020).

Ms. R. Taylor has served as Executive Vice President and General Counsel since March 2015. She joined Dollar General as an Employment Attorney in March 2000 and was subsequently promoted to Senior Employment Attorney in 2001, Deputy General Counsel in 2004, Vice President and Assistant General Counsel in March 2010, and Senior Vice President and General Counsel in June 2013. Prior to joining Dollar General, she practiced law

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with Ogletree, Deakins, Nash, Smoak & Stewart, P.C., where her practice was focused on labor law and employment litigation. She has also held attorney positions with Ford & Harrison LLP.

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

Mr. Zuazo has served as Executive Vice President, Global Supply Chain since April 2021. He joined Dollar General as Senior Director, Inventory and Planning Systems in May 2010, became Vice President, Inventory and Demand Management in February 2013, and was promoted to Senior Vice President, Inventory and Transportation in August 2018. Prior to joining Dollar General, Mr. Zuazo served as Director of Pricing Strategy for Dreyer’s Grand Ice Cream from January 2009 to May 2010 and Director of Procurement for Longs Drug Stores Corporation from January 2006 to December 2008, and prior thereto, held various roles of increasing responsibility with Safeway Inc., primarily in its corporate business processes department, from August 1998 to December 2005. Mr. Zuazo began his career in January 1988 with Lucky Stores and served as a pricing analyst for its Northern California division from October 1995 to August 1998.

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

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Information**

Our common stock is traded on the New York Stock Exchange under the symbol "DG." On March 22, 2023, there were approximately 2,747 shareholders of record of our common stock.

Dividends

We have paid quarterly cash dividends since 2015. Our Board of Directors most recently increased the amount of the quarterly cash dividend from \$0.55 to \$0.59 beginning with the dividend payable on April 25, 2023. While our Board of Directors currently expects to continue regular quarterly cash dividends, the declaration and amount of future cash dividends are subject to the Board's sole discretion and will depend upon, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Board may deem relevant in its sole discretion.

Issuer Purchases of Equity Securities

The following table contains information regarding purchases of our common stock made during the quarter ended February 3, 2023 by or on behalf of Dollar General or any "affiliated purchaser," as defined by Rule 10b-18(a)(3) of the Securities Exchange Act of 1934:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(a)
10/29/22-11/30/22	—	\$ —	—	\$ 2,487,795,000
12/01/22-12/31/22	3,200,346	\$ 245.64	3,200,346	\$ 1,701,653,000
01/01/23-02/03/23	1,301,273	\$ 245.93	1,301,273	\$ 1,381,631,000
Total	4,501,619	\$ 245.73	4,501,619	\$ 1,381,631,000

- (a) On September 5, 2012, the Company announced a program permitting the Company to repurchase a portion of its outstanding shares not to exceed a dollar maximum established by the Company's Board of Directors. The program was most recently amended on August 24, 2022 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 \$16.0 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. RESERVED

Not applicable.

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

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

Executive Overview

We are the largest discount retailer in the United States by number of stores, with 19,147 stores located in 47 U.S. states and Mexico as of March 3, 2023, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. Our first store in Mexico opened in February of 2023. 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 unemployment and underemployment rates, wage growth, changes in U.S. and global trade policy, and changes to certain government assistance programs (including cost of living adjustments), such as the Supplemental Nutrition Assistance Program ("SNAP"), unemployment benefits, and economic stimulus payments. Additionally, our customers are impacted by increases in those expenses that generally comprise a large portion of their household budgets, such as rent, healthcare, energy and fuel prices, as well as cost inflation in frequently purchased household products (including food), such as that which we have continued to experience as further discussed below. Finally, significant unseasonable or unusual weather patterns or extreme weather, such as that discussed below, 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 pricing and markdown optimization, effective category management, distribution and transportation efficiencies, private brands penetration, global sourcing, and inventory shrink and damage reduction initiatives. Several of our strategic and other sales-driving initiatives are also designed to capture growth opportunities and are discussed in more detail below.

During the second half of 2022, we experienced higher inventory damages and shrink than we anticipated. We believe these increases are due to multiple factors, including the challenging macroeconomic environment, materially higher inventory levels, and, as to damages, Winter Storm Elliott in December. In addition, we believe some portion of the increase in damages is a residual impact of the warehouse capacity constraints and associated store and supply chain inefficiencies we faced, which are discussed in more detail below. While we anticipate shrink and damages may continue to pressure our results through the first half of 2023, we believe we are taking actions that we believe will reduce the impact of these challenges to our business as we move throughout the year.

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Historically, 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. This trend did not occur in 2020 or the first quarter of 2021, as we 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 during those periods. Beginning in the second quarter of 2021 and continuing thereafter, we began to see reversion toward the historical mix trends. We continue to expect sales mix challenges to persist as the mix trend reversion toward consumables returned to pre-pandemic levels in the fourth quarter of 2021 and has exceeded pre-pandemic levels since the first quarter of 2022. 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.

In 2022, we saw continued growth in average transaction amount, which was driven primarily by inflation, and we believe, to a lesser degree, our merchandising efforts. In the second and third quarters of 2022, we experienced a slight to modest increase in customer traffic, respectively. In addition, although we believe our sales growth in the first half of 2022 was negatively impacted by the global and domestic supply chain challenges and disruptions discussed further below, primarily in the form of lower merchandise in-stock levels in our stores, we have seen some improvement in our in-stock levels and in the global supply chain environment. However, in the second half of 2022, we experienced what we believe to be temporary warehouse capacity constraints and inefficiencies within our internal supply chain, including unanticipated temporary delays in opening or securing additional storage facilities, all of which is discussed further below.

We continue to implement and invest in certain strategic initiatives that we believe will help drive profitable sales growth with both new and existing customers and capture long-term growth opportunities. Such opportunities include providing our customers with additional shopping access points and even greater convenience by leveraging and developing digital tools and technology, such as our Dollar General app, which contains a variety of tools to enhance the in-store shopping experience. Additionally, we launched a partnership with a third party delivery service during 2021, which is now available in the majority of our stores, and we continue to grow our DG Media Network, which is our platform for connecting brand partners with our customers to drive even greater value for each.

Further, our non-consumables initiative, which offers a new, differentiated and limited assortment that will change throughout the year, continues to contribute to improved overall sales and gross margin performance in stores where it has been deployed. We have completed the rollout in the vast majority of our Dollar General stores.

Additionally, we are continuing to grow the footprint of pOpshelf, a unique retail concept that incorporates certain of the lessons learned from the non-consumables initiative 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. At the end of fiscal 2022, we operated 140 standalone pOpshelf locations and 40 pOpshelf store-within-a-store concepts within existing Dollar General Market stores. We believe this concept represents a significant growth opportunity and are targeting nearly 300 standalone pOpshelf stores by the end of fiscal 2023, and approximately 1,000 stores by the end of fiscal 2025.

Our “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, has positively contributed to our sales performance since we completed the initial rollout in the second quarter of 2021, driven by higher in-stock levels and the introduction of new products in select stores. DG Fresh now wholly or partially serves essentially all stores across the chain and has benefitted gross profit through improved initial markups on inventory purchases, which were partially offset by increased distribution and transportation costs. Moving forward, we plan to focus on additional optimization of the distribution footprint and product assortment within DG Fresh to further drive profitable sales growth.

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We also have a health initiative, branded as “DG Well Being”, with the goal of increasing access to basic healthcare products, and ultimately services over time, particularly in rural communities. The initial focus of this initiative is a significantly expanded health product assortment in certain stores, primarily those in our larger formats.

To support our other operating priorities, we remain focused on capturing growth opportunities. In fiscal 2022, we opened a total of 1,039 new stores, remodeled 1,795 stores, and relocated 127 stores. In fiscal 2023, we plan to open approximately 1,050 new stores in the United States (including any pOpshelf stores), remodel approximately 2,000 stores, and relocate approximately 120 stores, for a total of 3,170 real estate projects. We opened our first store in Mexico in the first quarter of fiscal 2023. Our goal is to operate approximately 20 stores in Mexico by the end of 2023, all of which would be incremental to our planned 1,050 new store openings.

We continue to innovate within our channel and utilize the most productive of our various Dollar General store formats based on the specific market opportunity. We expect store format innovation to allow us to capture additional growth opportunities within our existing markets. We are now using two larger format stores (approximately 8,500 square feet and 9,500 square feet, respectively), and expect the 8,500 square foot format, along with our existing Dollar General Plus format of a similar size, to continue as our base prototypes for the majority of new stores, replacing our traditional 7,300 square foot format and higher-cooler count Dollar General Traditional Plus format. The larger formats allow for expanded high-capacity-cooler counts; an extended queue line; and a broader product assortment, including the non-consumable initiative, 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 are continuing to deploy “Fast Track,” an initiative aimed at further enhancing our convenience proposition and in-stock position as well as creating labor efficiencies within our stores. The completed portion of the first phase of Fast Track involved sorting process optimization within our non-refrigerated distribution centers, as well as increased shelf-ready packaging, to allow for greater store-level stocking efficiencies, while the current focus involves adding a self-checkout option, which we now have in the majority of our stores. These and the other strategic initiatives discussed above have required and will require us to incur upfront expenses for which there may not be an immediate return in terms of sales or enhanced profitability.

To further optimize our cost structure and facilitate greater operational control within our supply chain, we more-than-doubled the size of our private tractor fleet in 2022 to more than 1,600 tractors. We plan to continue expanding the size of our fleet to drive additional savings, and our goal is to have more than 2,000 tractors in the fleet by the end of fiscal 2023.

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 labor availability, increases in minimum wage rates and increases in property rents. 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. In 2023, we plan to make an investment of approximately \$100 million to further enhance our store standards and compliance efforts as well as the customer and associate experience in our stores, primarily through incremental labor hours. We believe these investments will also elevate consistency of experience in our stores, and amplify the potential of our strategic initiatives, while driving greater on-shelf availability and market share gains.

In addition, we have experienced challenges such as increased costs and disruptions in our business as a result of various global events, including the COVID-19 pandemic and its associated impacts. Such challenges include incremental transportation, distribution, and payroll costs, as well as supply chain disruptions. While we have begun to see some improvement in the overall global supply chain environment, we experienced some

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unanticipated delays in acquiring additional temporary warehouse space sufficient for our inventory needs, which caused delays and inefficiencies within our internal supply chain in the second half of fiscal 2022. These challenges resulted in materially higher than anticipated supply chain costs, including detention fees incurred for delays in returning shipping containers and higher temporary storage and transportation costs and labor. We have made significant progress in acquiring additional temporary and permanent warehouse capacity and plan to add a significant amount of additional warehouse capacity in fiscal 2023. We believe these additional facilities will support greater efficiencies throughout our supply chain.

In addition, while we believe the growth rate of inflation is beginning to moderate, we expect continued inflationary pressures in the near term due to higher input costs and that higher energy and fuel prices will continue to affect us as well as our vendors and customers, resulting in higher commodity, transportation and other costs, including product costs, all of which may result in continued pressure to our operating results. To the extent that these inflationary pressures result in a recessionary environment, we may experience adverse effects on our business, results of operations and cash flows. Certain of our initiatives and plans are intended to help offset these inflation-driven challenges; however, they are somewhat dependent on the scale and timing of any increased costs, among other factors. There can be no assurance that our mitigation efforts will be successful. Moreover, recent increases in market interest rates have had a negative impact on our interest expense, both with respect to issuances of commercial paper notes and other indebtedness.

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.

To further enhance shareholder returns, we repurchased shares of our common stock and paid quarterly cash dividends in 2022, and our Board of Directors recently increased the quarterly cash dividend, beginning with the dividend to be paid on or before April 25, 2023. We expect to continue our share repurchase activity and to pay quarterly cash dividends for the foreseeable future, subject to Board discretion and approval.

During the fourth quarter of 2022, Winter Storm Elliott significantly impacted our operations during the month of December, resulting in negative impacts to customer traffic, sales growth and associated gross margin, as well as incremental damages and repairs and maintenance expense.

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 our 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. The method of calculating same-store sales varies across the retail industry. As a result, our calculation of same-store sales is not necessarily comparable to similarly titled measures reported by other companies. Average 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.

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A continued focus on our four operating priorities as discussed above, and other impacts as discussed below, resulted in the following overall operating and financial performance in 2022 as compared to 2021. Basis points, as referred to below, are equal to 0.01% as a percentage of net sales.

- Net sales in 2022 increased 10.6% over 2021. Sales in same-stores increased 4.3%, primarily due to an increase in average transaction amount. Average sales per square foot in 2022 were \$273, including a \$5 contribution from the 53rd week.
- The gross profit rate decreased by 37 basis points due primarily to an increased LIFO provision and a greater proportion of lower margin consumables sales.
- SG&A as a percentage of sales increased by 25 basis points primarily due to increases in utilities, retail labor, and repairs and maintenance.
- Operating profit increased 3.3% to \$3.33 billion in 2022 compared to \$3.22 billion in 2021.
- Interest expense increased by \$53.7 million in 2022 primarily due to higher average borrowings and higher interest rates.
- The change in the effective income tax rate to 22.5% in 2022 from 21.7% in 2021 was primarily due to decreased income tax benefits associated with stock-based compensation compared to 2021.
- We reported net income of \$2.42 billion, or \$10.68 per diluted share, for 2022 compared to net income of \$2.40 billion, or \$10.17 per diluted share, for 2021.
- We generated approximately \$1.98 billion of cash flows from operating activities in 2022, a decrease of 30.8% compared to 2021.
- Inventory turnover was 4.0 times, and inventories increased 14.3% on a per store basis compared to 2021.
- We repurchased approximately 11.6 million shares of our outstanding common stock for \$2.7 billion.

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

Results of Operations

Accounting Periods. The following text contains references to years 2022, 2021, and 2020, which represent fiscal years ended February 3, 2023, January 28, 2022, and January 29, 2021, respectively. Our fiscal year ends on the Friday closest to January 31. Fiscal year 2022 was a 53-week accounting period and fiscal years 2021 and 2020 were 52-week accounting periods.

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

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The following table contains results of operations data for fiscal years 2022, 2021 and 2020, and the dollar and percentage variances among those years.

(amounts in millions, except per share amounts)	2022	2021	2020	2022 vs. 2021		2021 vs. 2020	
				Amount Change	% Change	Amount Change	% Change
<u>Net sales by category:</u>							
Consumables	\$ 30,155.2	\$ 26,258.6	\$ 25,906.7	\$ 3,896.6	14.8 %	\$ 351.9	1.4 %
% of net sales	79.68 %	76.73 %	76.77 %				
Seasonal	4,182.8	4,182.2	4,083.7	0.6	0.0	98.5	2.4
% of net sales	11.05 %	12.22 %	12.10 %				
Home products	2,332.4	2,322.4	2,210.0	10.0	0.4	112.4	5.1
% of net sales	6.16 %	6.79 %	6.55 %				
Apparel	1,174.4	1,457.3	1,546.6	(282.9)	(19.4)	(89.2)	(5.8)
% of net sales	3.10 %	4.26 %	4.58 %				
Net sales	\$ 37,844.9	\$ 34,220.4	\$ 33,746.8	\$ 3,624.4	10.6 %	\$ 473.6	1.4 %
Cost of goods sold	26,024.8	23,407.4	23,028.0	2,617.3	11.2	379.5	1.6
% of net sales	68.77 %	68.40 %	68.24 %				
Gross profit	11,820.1	10,813.0	10,718.9	1,007.1	9.3	94.1	0.9
% of net sales	31.23 %	31.60 %	31.76 %				
Selling, general and administrative expenses	8,491.8	7,592.3	7,164.1	899.5	11.8	428.2	6.0
% of net sales	22.44 %	22.19 %	21.23 %				
Operating profit	3,328.3	3,220.7	3,554.8	107.6	3.3	(334.1)	(9.4)
% of net sales	8.79 %	9.41 %	10.53 %				
Interest expense	211.3	157.5	150.4	53.7	34.1	7.1	4.7
% of net sales	0.56 %	0.46 %	0.45 %				
Other (income) expense	0.4	—	—	0.4	—	—	—
% of net sales	0.00 %	0.00 %	0.00 %				
Income before income taxes	3,116.6	3,063.1	3,404.4	53.5	1.7	(341.2)	(10.0)
% of net sales	8.24 %	8.95 %	10.09 %				
Income tax expense	700.6	663.9	749.3	36.7	5.5	(85.4)	(11.4)
% of net sales	1.85 %	1.94 %	2.22 %				
Net income	\$ 2,416.0	\$ 2,399.2	\$ 2,655.1	\$ 16.8	0.7 %	\$ (255.8)	(9.6)%
% of net sales	6.38 %	7.01 %	7.87 %				
Diluted earnings per share	\$ 10.68	\$ 10.17	\$ 10.62	\$ 0.51	5.0 %	\$ (0.45)	(4.2)%

Net Sales. The net sales increase in 2022 was primarily due to sales from new stores, and an increase in same-store sales of 4.3% compared to 2021, partially offset by the impact of store closures. In 2022, our 17,886 same-stores accounted for sales of \$35.3 billion. The increase in same-store sales reflects an increase in average transaction amount which was driven by higher average item retail prices as a result of higher inflation, partially offset by a decline in customer traffic. Same-store sales decreased in each of our product categories except consumables, with the largest percentage decrease in the apparel category. Net sales for the 53rd week of 2022 totaled \$678.1 million.

The net sales increase in 2021 was primarily due to sales from new stores, partially offset by a decrease in same-store sales of 2.8% compared to 2020 as well as the impact of store closures. In 2021, our 16,954 same-stores accounted for sales of \$32.4 billion. The decrease in same-store sales reflects a decline in customer traffic partially offset by an increase in average transaction amount which was driven by higher average item retail prices. Same-store sales decreased in each of our product categories, with the largest percentage decrease in the apparel category.

Gross Profit. In 2022, gross profit increased by 9.3%, and as a percentage of net sales decreased by 37 basis points to 31.2% compared to 2021. A greater LIFO provision which was driven by higher product costs, a higher proportion of lower margin consumables sales, and increases in inventory markdowns, damages and shrink each contributed to the decrease in the gross profit rate. These factors were partially offset by higher inventory markups and improvements in transportation costs.

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In 2021, gross profit increased by 0.9%, and as a percentage of net sales decreased by 16 basis points to 31.6% compared to 2020. Increased transportation costs, a greater LIFO provision which was driven by higher product costs, increased inventory damages and higher distribution costs each contributed to the decrease in the gross profit rate. These factors were partially offset by higher inventory markups, a reduction in markdowns as a percentage of net sales, and a lower inventory shrink rate. In 2021, consumables and non-consumables sales increased at approximately the same rate when compared to 2020.

SG&A. SG&A as a percentage of net sales was 22.4% in 2022 compared to 22.2% in 2021, an increase of 25 basis points. The primary expenses that were higher as a percentage of net sales in 2022 were utilities, retail labor, and repairs and maintenance, partially offset by incentive compensation expenses and store occupancy costs.

SG&A as a percentage of net sales was 22.2% in 2021 compared to 21.2% in 2020, an increase of 96 basis points. The primary expenses that were higher as a percentage of net sales in 2021 were retail labor, store occupancy costs, depreciation and amortization, employee benefits, utilities, and workers' compensation and general liability expenses, partially offset by reductions in discretionary employee bonus and other miscellaneous COVID-related expenses and incentive compensation expenses.

Interest Expense. Interest expense increased \$53.7 million to \$211.3 million in 2022 compared to 2021 and increased \$7.1 million to \$157.5 million in 2021 compared to 2020 primarily due to higher outstanding borrowings and higher interest rates. See the detailed discussion under "Liquidity and Capital Resources" regarding the financing of various long-term obligations.

Income Taxes. The effective income tax rate for 2022 was 22.5% compared to a rate of 21.7% for 2021 which represents a net increase of 0.8 percentage points. The effective income tax rate was higher in 2022 primarily due to decreased income tax benefits associated with stock-based compensation compared to 2021.

The effective income tax rate for 2021 was 21.7% compared to a rate of 22.0% for 2020 which represents a net decrease of 0.3 percentage points. The effective income tax rate was lower in 2021 primarily due to increased income tax benefits associated with federal tax credits partially offset by a higher state effective tax rate compared to 2020.

Effects of Inflation

In 2022 and 2021, we experienced increases in product costs due in part to higher rates of inflation, particularly to the global supply chain as well as our own internal supply chain. In 2022, higher rates of inflation affected the costs of building materials and certain of our other capital costs.

Liquidity and Capital Resources

Current Financial Condition and Recent Developments

During the past three years, we have generated an aggregate of approximately \$8.7 billion in cash flows from operating activities and incurred approximately \$3.7 billion in capital expenditures. During that period, we expanded the number of stores we operate by 2,826, representing growth of approximately 17%, and we remodeled or relocated 5,554 stores, or approximately 34% of the stores we operated as of the beginning of the three-year period. In 2023, we intend to continue our current strategy of pursuing store growth, remodels and relocations.

At February 3, 2023, we had a \$2.0 billion unsecured revolving credit agreement (the "Revolving Facility"), \$750.0 million 364-day unsecured revolving credit facility (the "364-Day Revolving Facility"), \$5.4 billion aggregate principal amount of senior notes, and a commercial paper program that may provide borrowing availability of up to \$2.0 billion. At February 3, 2023, we had total consolidated outstanding debt (including the current portion of long-term obligations) of \$7.0 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 commercial paper notes ("CP Notes") as further described

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below. The information contained in Note 5 to the consolidated financial statements contained in Part II, Item 8 of this report is incorporated herein by reference.

We believe our cash flow from operations, and our existing cash balances, combined with availability under the Revolving Facility, 364-Day Revolving Facility, CP Notes and access to the debt markets, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, capital spending and anticipated dividend payments for a period that includes the next twelve months as well as the next several years. However, our ability to maintain sufficient liquidity may be affected by numerous factors, many of which are outside of our control. Depending on our liquidity levels, conditions in the capital markets and other factors, we may from time to time consider the issuance of debt, equity or other securities, the proceeds of which could provide additional liquidity for our operations.

For fiscal 2023, we anticipate potential combined borrowings under the Revolving Facility, 364-Day Revolving Facility, and CP Notes to be a maximum of approximately \$2.0 billion outstanding at any one time, including any anticipated borrowings to fund repurchases of common stock.

Revolving Credit Facilities

Our Revolving Facility consists of a \$2.0 billion senior unsecured revolving credit facility of which up to \$100.0 million is available for the issuance of letters of credit and which is scheduled to mature on December 2, 2026.

Borrowings under the Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at our option, either (a) Adjusted Term SOFR (which is Term SOFR (as published by CME Group Benchmark Administration Limited) plus a credit spread adjustment of 0.10%) or (b) a base rate (which is usually equal to the prime rate). The applicable interest rate margin for borrowings as of February 3, 2023 was 1.015% for Adjusted Term SOFR 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 February 3, 2023, 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.

We entered into the 364-Day Revolving Facility on January 31, 2023, which will expire on January 30, 2024. At February 3, 2023, the 364-Day Revolving Facility had no outstanding borrowings.

Borrowings under the 364-Day Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at our option, either (a) Adjusted Term SOFR (which is Term SOFR (as published by CME Group Benchmark Administration Limited) plus a credit spread adjustment of 0.10%) or (b) a base rate (which is usually equal to the prime rate). We are also required to pay a facility fee to the lenders under the 364-Day Revolving Facility for any used and unused commitments. As of February 3, 2023, the applicable interest rate margin for Adjusted Term SOFR loans was 1.035% and the facility fee rate was 0.09% per annum. The applicable interest rate margins for borrowings and the facility fees under the 364-Day Revolving Facility are subject to adjustment from time to time based on our long-term senior unsecured debt ratings.

The Revolving Facility and the 364-Day Revolving Facility contain a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, our (and our subsidiaries') ability to: incur additional liens; sell all or substantially all of the our assets; consummate certain fundamental changes or change in the our lines of business; and incur additional subsidiary indebtedness. The Revolving Facility and the 364-Day Revolving Facility also contain financial covenants which require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of February 3, 2023, we were in compliance with all such covenants. Both facilities also contain customary events of default.

As of February 3, 2023, we had no outstanding borrowings, no outstanding letters of credit, and borrowing availability of \$2.0 billion under the Revolving Facility that, due to our intention to maintain borrowing availability related to the commercial paper program described below, could contribute liquidity of \$0.3 billion. As of February

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3, 2023, under the 364-Day Revolving Facility, we had no outstanding borrowings and borrowing availability of \$750 million. At February 3, 2023 we had combined availability under the credit facilities of \$1.0 billion. In addition, we had outstanding letters of credit of \$39.7 million which were issued pursuant to separate agreements.

Commercial Paper

We may issue the CP Notes from time to time in an aggregate amount not to exceed \$2.0 billion outstanding at any time. The CP Notes may have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of our other unsecured and unsubordinated indebtedness. We intend to maintain available commitments under the Revolving Facility in an amount at least equal to the amount of CP Notes outstanding at any time. As of February 3, 2023, our consolidated balance sheet reflected outstanding unsecured CP Notes of \$1.5 billion. CP Notes totaling \$230.8 million were held by a wholly-owned subsidiary and therefore are not reflected in the consolidated balance sheets.

Senior Notes

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. In September 2022, we issued \$750.0 million aggregate principal amount of 4.25% senior notes due 2024 (the “2024 Senior Notes”), net of discount of \$0.7 million, which are scheduled to mature on September 20, 2024, \$550.0 million aggregate principal amount of 4.625% senior notes due 2027 (the “November 2027 Senior Notes”), net of discount of \$0.5 million, which are scheduled to mature on November 1, 2027, \$700.0 million aggregate principal amount of 5.0% senior notes due 2032 (the “2032 Senior Notes”), net of discount of \$2.4 million which are scheduled to mature on November 1, 2032, and \$300.0 million aggregate principal amount of 5.50% senior notes due 2052 (the “2052 Senior Notes”), net of discount of \$0.3 million, which are scheduled to mature on November 1, 2052. Collectively, the 2024 Senior Notes, 2025 Senior Notes, 2027 Senior Notes, November 2027 Senior Notes, 2028 Senior Notes, 2030 Senior Notes, 2032 Senior Notes, 2050 Senior Notes, and 2052 Senior Notes, comprise the “Senior Notes”, each of which were issued pursuant to an indenture as supplemented and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the “Senior Indenture”). Interest on the 2027 Senior Notes is payable in cash on April 15 and October 15 of each year. Interest on the 2025 Senior Notes and the 2028 Senior Notes is payable in cash on May 1 and November 1 of each year. Interest on the 2030 Senior Notes and the 2050 Senior Notes is payable in cash on April 3 and October 3 of each year. Interest on the 2024 Senior Notes is payable in cash on March 20 and September 20 of each year, commencing on March 20, 2023. Interest on the November 2027 Senior Notes, the 2032 Senior Notes and the 2052 Senior Notes is payable in cash on May 1 and November 1 of each year, commencing on May 1, 2023.

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. In October 2022 we redeemed \$900.0 million aggregate principal amount of 3.25% senior notes due 2023 and incurred a loss on redemption of \$0.4 million.

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.

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

Rating Agencies

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

Future Cash Requirements

The following table summarizes significant estimated future cash requirements under our various contractual obligations and other commitments at February 3, 2023, in total and disaggregated into current (<1 year) and long-term (1 or more years) obligations (in thousands):

Contractual obligations	Payments Due by Period				
	Total	< 1 year	1 - 3 years	3 - 5 years	5+ years
Long-term debt obligations	\$ 7,102,596	\$ 1,516,478	\$ 1,278,878	\$ 1,178,910	\$ 3,128,329
Interest(a)	2,385,726	317,474	443,478	359,908	1,264,866
Self-insurance liabilities(b)	274,160	136,611	94,560	34,630	8,359
Operating lease obligations	12,737,264	1,675,193	3,138,929	2,651,776	5,271,366
Subtotal	\$ 22,499,745	\$ 3,645,756	\$ 4,955,845	\$ 4,225,224	\$ 9,672,920

Commercial commitments(c)	Commitments Expiring by Period				
	Total	< 1 year	1 - 3 years	3 - 5 years	5+ years
Letters of credit	\$ 39,838	\$ 39,838	\$ —	\$ —	\$ —
Purchase obligations(d)	2,465,087	2,409,635	55,452	—	—
Subtotal	\$ 2,504,925	\$ 2,449,473	\$ 55,452	\$ —	\$ —
Total contractual obligations and commercial commitments	\$ 25,004,670	\$ 6,095,229	\$ 5,011,297	\$ 4,225,224	\$ 9,672,920

- (a) Represents obligations for interest payments on long-term debt and includes projected interest on variable rate long-term debt using 2022 yearend rates and balances. Variable rate long-term debt includes the Revolving Facility (although such facility had a balance of zero as of February 3, 2023), the 364-Day Revolving Facility (although such facility had a balance of zero as of February 3, 2023), the CP Notes (which had a balance of \$1.5 billion as of February 3, 2023, and which amount is net of \$230.8 million held by a wholly-owned subsidiary), and interest rate swaps being accounted for as fair value hedges.
- (b) We retain a significant portion of the risk for our workers’ compensation, employee health, general liability, property loss, automobile, and certain third-party landlord claims exposures. As these obligations do not have scheduled maturities, these amounts represent undiscounted estimates based upon actuarial assumptions. Substantially all amounts are reflected on an undiscounted basis in our consolidated balance sheets.
- (c) Commercial commitments include information technology license and support agreements, supplies, fixtures, letters of credit for import merchandise, and other inventory purchase obligations.
- (d) Purchase obligations include legally binding agreements for software licenses and support, supplies, fixtures, and merchandise purchases (excluding such purchases subject to letters of credit).

Share Repurchase Program

Our common stock repurchase program had a total remaining authorization of approximately \$1.38 billion at February 3, 2023. 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 detail about our share repurchase program, see Part II, Item 5 of this report and Note 11 to the consolidated financial statements contained in Part II, Item 8 of this report.

Other Considerations

In March 2023, the Board of Directors declared a quarterly cash dividend of \$0.59 per share which is payable on or before April 25, 2023 to shareholders of record of our common stock on April 11, 2023. We paid quarterly cash dividends of \$0.55 per share in 2022. Although the Board currently expects to continue regular quarterly cash dividends, the declaration and amount of future cash dividends are subject to the Board's sole discretion and will depend upon, among other factors, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board may deem relevant in its sole discretion.

Our inventory balance represented approximately 53% of our total assets exclusive of operating lease assets, goodwill, and other intangible assets as of February 3, 2023. Our ability to effectively manage our inventory balances can have a significant impact on our cash flows from operations during a given fiscal year as discussed further below. 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.

We utilize supply chain finance programs whereby qualifying suppliers may elect at their sole discretion to sell our payment obligations to designated third party financial institutions. While the terms of these agreements are between the supplier and the financial institution, the supply chain finance financial institutions allow the participating suppliers to utilize our creditworthiness in establishing credit spreads and associated costs. As of February 3, 2023, the amount due to suppliers participating in these supply chain finance programs was \$300.9 million.

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

Cash Flows

Cash flows from operating activities. Cash flows from operating activities were \$1.98 billion in 2022, which represents a \$881.3 million decrease compared to 2021. Changes in merchandise inventories resulted in a \$1.7 billion decrease in our working capital in 2022 compared to the decrease of \$550.1 million in 2021 as described in greater detail below. Changes in other noncash losses resulted in a \$530.5 million increase as compared to a \$191.0 million increase in 2021 primarily due to an increase in the LIFO provision. Changes in accounts payable resulted in a \$194.7 million decrease in our working capital in 2022 compared to a \$98.7 million increase in 2021, due primarily to the timing of inventory receipts and related payments. Changes in accrued expenses resulted in a \$25.4 million decrease in our working capital in 2022 compared to a \$37.3 million decrease in 2021, due primarily to the timing of accruals and payments for freight, payroll taxes and incentive compensation. Changes in income taxes in 2022 compared to 2021 are primarily due to the timing of payments for income taxes.

Cash flows from operating activities were \$2.87 billion in 2021, which represents a \$1.01 billion decrease compared to 2020. The COVID-19 pandemic resulted in significantly increased sales, gross profit, and operating income in 2020, and our net income decreased \$255.8 million in 2021 compared to 2020. Changes in accounts

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payable resulted in a \$98.7 million increase in our working capital in 2021 compared to a \$745.6 million increase in 2020, due primarily to the timing of receipts and payments. Changes in accrued expenses resulted in a \$37.3 million decrease in our working capital in 2021 compared to a \$388.6 million increase in 2020, due primarily to the timing of accruals and payments for payroll taxes and incentive compensation. Changes in merchandise inventories resulted in a \$550.1 million decrease in our working capital in 2021 which was similar to the decrease of \$575.8 million in 2020 as described in greater detail below. Changes in income taxes in 2021 compared to 2020 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 increased by 20% in 2022, by 7% in 2021 and by 12% in 2020. The increase in the 2022 period primarily reflects the impact of product cost inflation, as well as a greater mix of higher-value products, particularly in the home products and seasonal categories, primarily due to the continued rollout of our non-consumables initiative. Inventory levels in the consumables category increased by \$367.8 million, or 11%, in 2022, decreased by \$1.8 million, or 0%, in 2021, and increased by \$455.6 million, or 15% in 2020. The seasonal category increased by \$455.5 million, or 42%, in 2022, by \$177.8 million, or 20%, in 2021, and by \$35.7 million, or 4%, in 2020. The home products category increased by \$315.4 million, or 43%, in 2022, by \$230.0 million, or 45%, in 2021, and by \$66.3 million, or 15%, in 2020. The apparel category increased by \$7.8 million, or 2%, in 2022, decreased by \$39.2 million, or 10%, in 2021, and increased by \$12.9 million, or 3%, in 2020.

Cash flows from investing activities. Significant components of property and equipment purchases in 2022 included the following approximate amounts: \$589 million for improvements, upgrades, remodels and relocations of existing stores; \$443 million for distribution and transportation-related capital expenditures; \$373 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; and \$62 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 2022, we opened 1,039 new stores and remodeled or relocated 1,922 stores.

Significant components of property and equipment purchases in 2021 included the following approximate amounts: \$510 million for improvements, upgrades, remodels and relocations of existing stores; \$268 million for distribution and transportation-related capital expenditures; \$244 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; and \$44 million for information systems upgrades and technology-related projects. During 2021, we opened 1,050 new stores and remodeled or relocated 1,852 stores.

Significant components of property and equipment purchases in 2020 included the following approximate amounts: \$447 million for improvements, upgrades, remodels and relocations of existing stores; \$271 million for distribution and transportation-related capital expenditures; \$250 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; and \$50 million for information systems upgrades and technology-related projects. During 2020, we opened 1,000 new stores and remodeled or relocated 1,780 stores.

Capital expenditures during 2023 are projected to be in the range of \$1.8 billion to \$1.9 billion. We anticipate funding 2023 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 364-Day Revolving Facility and/or the issuance of additional senior notes and CP Notes. We plan to continue to invest in store growth and development of approximately 1,050 new stores and approximately 2,120 stores to be remodeled or relocated. Capital expenditures in 2023 are anticipated to support our store growth as well as our remodel and relocation initiatives, including capital outlays for leasehold improvements, fixtures and equipment; the construction of new stores; costs to support and enhance our supply chain initiatives including new and existing distribution center facilities and our private fleet; technology initiatives; as well as routine and ongoing capital requirements.

Cash flows from financing activities. During the 2022 period we had proceeds from the issuance of long-term debt of \$2.3 billion, and our repayments of long-term debt totaled \$911.3 million. Net commercial paper borrowings increased by \$1.4 billion and we had no borrowings or repayments under the Revolving Facility or the

364-Day Revolving Facility. We repurchased 11.6 million shares of our common stock at a total cost of \$2.7 billion and paid cash dividends of \$493.7 million.

In 2021, net commercial paper borrowings increased by \$54.3 million, and we had no borrowings or repayments under the Revolving Facility. We repurchased 12.1 million shares of our common stock at a total cost of \$2.5 billion and paid cash dividends of \$392.2 million.

In 2020, net proceeds from the issuance of long-term debt totaled \$1.5 billion, net commercial paper borrowings decreased by \$425.2 million, and borrowings and repayments under the Revolving Facility were \$300.0 million each. We repurchased 12.3 million shares of our common stock at a total cost of \$2.5 billion and paid cash dividends of \$355.9 million.

Critical Accounting Policies and Estimates

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

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

Merchandise Inventories. Merchandise inventories are stated at the lower of cost or market (“LCM”) with cost determined using the retail last in, first out (“LIFO”) method. We use the retail inventory method (“RIM”) to calculate gross profit and the resulting valuation of inventories at cost, which are computed utilizing a calculated cost-to-retail inventory ratio to the retail value of sales at an inventory department level. We apply the RIM to these departments, which are groups of products that are fairly uniform in terms of cost, selling price relationship and turnover. The RIM will result in valuing inventories at LCM if permanent markdowns are currently taken as a reduction of the retail value of inventories. Inherent in the RIM calculation are certain management judgments and estimates that may impact the ending inventory valuation at cost, as well as the gross profit recognized. These judgments include ensuring departments consist of similar products, recording estimated shrinkage between physical inventories, and timely recording of markdowns needed to sell inventory.

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

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

We perform physical inventories in a significant majority of our stores on an annual basis. We calculate our shrink provision based on actual physical inventory results during the fiscal period and an accrual for estimated shrink occurring subsequent to a physical inventory through the end of the fiscal reporting period. This accrual is

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calculated as a percentage of sales at each retail store, at a department level, based on the store's most recent historical shrink rate. To the extent that subsequent physical inventories yield different results than the estimated accrual, our effective shrink rate for a given reporting period will include the impact of adjusting to the actual results.

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

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

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

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

Lease Accounting. Lease liabilities are recorded at a discount based upon our estimated collateralized incremental borrowing rate which involves significant judgments and estimates. Factors incorporated into the calculation of lease discount rates include the valuations and yields of our senior notes, their credit spread over comparable U.S. Treasury rates, and an index of the credit spreads for all North American investment grade companies by rating. To determine an indicative secured rate, we use the estimated credit spread improvement that would result from an upgrade of one ratings classification by tenor. Many of our stores are subject to build-to-suit arrangements with landlords, which typically carry a primary lease term of up to 15 years with multiple renewal options. We also have stores subject to shorter-term leases and many of these leases have renewal options. We record single lease expense on a straight-line basis over the lease term including any option periods that are reasonably certain to be renewed, commencing on the date that we take physical possession of the property from the landlord. Tenant allowances, to the extent received, are recorded as a reduction of the right of use asset. Improvements of leased properties are amortized over the shorter of the life of the applicable lease term or the estimated useful life of the asset.

Share-Based Payments. Our stock option awards are valued on an individual grant basis using the Black-Scholes-Merton closed form option pricing model. We believe that this model fairly estimates the value of our stock option awards. The application of this valuation model involves assumptions that are judgmental in the valuation of stock options, which affects compensation expense related to these options. These assumptions include the term that

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the options are expected to be outstanding, the historical volatility of our stock price, applicable interest rates and the dividend yield of our stock. Other factors involving judgments that affect the expensing of share-based payments include estimated forfeiture rates of share-based awards. Historically, these estimates have been materially accurate; however, if our estimates differ materially from actual experience, we may be required to record additional expense or reductions of expense, which could be material to our future financial results.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Risk Management

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

Interest Rate Risk

We are exposed to changes in interest rates as a result of our short-term borrowings and long-term debt. We manage our interest rate risk through the strategic use of fixed and variable interest rate debt and, from time to time, derivative financial instruments. Currently, we are counterparty to certain interest rate swaps with a total notional amount of \$350.0 million entered into in May 2021. These swaps are scheduled to mature in April 2030. Under the terms of these agreements, we swapped fixed interest rates on a portion of our 2030 Senior Notes for three-month LIBOR rates. In recent years, our principal interest rate exposure has been from outstanding borrowings under our Revolving Facility as well as our commercial paper program. As of February 3, 2023, we had \$1.5 billion of consolidated commercial paper borrowings and no borrowings outstanding under our Revolving Facility or our 364-Day Revolving Facility. For a detailed discussion of our Revolving Facility, our 364-Day Revolving Facility and our commercial paper program, see Note 5 to the consolidated financial statements.

A change in interest rates on variable rate debt impacts our pre-tax earnings and cash flows; whereas a change in interest rates on fixed rate debt impacts the economic fair value of debt but not our pre-tax earnings and cash flows. At February 3, 2023, our primary interest rate exposure was from changes in interest rates which affect our variable rate debt. Based on our outstanding variable rate debt as of February 3, 2023, after giving consideration to our interest rate swap agreements, the annualized effect of a one percentage point increase in variable interest rates would have resulted in a pretax reduction of our earnings and cash flows of approximately \$18.5 million in 2022.

At January 28, 2022, our primary interest rate exposure was from changes in interest rates which affect our variable rate debt. Based on our outstanding variable rate debt as of January 28, 2022, after giving consideration to our interest rate swap agreements, the annualized effect of a one percentage point increase in variable interest rates would have resulted in a pretax reduction of our earnings and cash flows of approximately \$4.1 million in 2021.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dollar General Corporation and subsidiaries (the Company) as of February 3, 2023 and January 28, 2022, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended February 3, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at February 3, 2023 and January 28, 2022, and the results of its operations and its cash flows for each of the three years in the period ended February 3, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of February 3, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 24, 2023, expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matter

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

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audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosure to which it relates.

Estimate of Workers' Compensation and General Liability Reserves

Description of the Matter

The Company records expenses and reserves for workers' compensation matters related to alleged work-related employee accidents and injuries, as well as general liability matters related to alleged non-employee incidents and injuries. At February 3, 2023, the Company's reserves for self-insurance risks were \$274.8 million, which includes workers' compensation and general liability reserves. As discussed in Note 1 of the consolidated financial statements, the Company retains a significant portion of risk related to its workers' compensation and general liability exposures. Accordingly, provisions are recorded for the Company's estimates of such losses. The undiscounted future claim costs for the workers' compensation and general liability exposures are estimated using actuarial methods.

Auditing management's assessment of the recorded workers' compensation and general liability self-insurance exposure reserves was complex and judgmental due to the significant assumptions required in projecting the exposure on incurred claims (including those which have not been reported to the Company). In particular, the estimate was sensitive to significant assumptions such as loss development factors, trend factors, and pure loss rates.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's accounting for these self-insurance exposures. For example, we tested controls over the appropriateness of the assumptions management used in the calculation and the completeness and accuracy of the data underlying the reserves.

To test the Company's determination of the estimated required workers' compensation and general liability self-insurance reserves, we performed audit procedures that included, among others, assessing the actuarial valuation methodologies utilized by management, testing the significant assumptions discussed above, testing the completeness and accuracy of the underlying data used by the Company in its evaluation, and testing the mathematical accuracy of the calculations. We also compared the significant assumptions used by management to industry accepted actuarial assumptions, reassessed the accuracy of management's historical estimates utilized in prior period evaluations, and utilized an actuarial valuation specialist to assist in assessing the valuation methodologies and significant assumptions used in the valuation analysis, as well as to compare the Company's recorded reserve to an independently developed range of actuarial reserves.

/s/ Ernst & Young LLP

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

Nashville, Tennessee
March 24, 2023

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS***(In thousands, except per share amounts)*

	February 3, 2023	January 28, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 381,576	\$ 344,829
Merchandise inventories	6,760,733	5,614,325
Income taxes receivable	135,775	97,394
Prepaid expenses and other current assets	302,925	247,295
Total current assets	7,581,009	6,303,843
Net property and equipment	5,236,309	4,346,127
Operating lease assets	10,670,014	10,092,930
Goodwill	4,338,589	4,338,589
Other intangible assets, net	1,199,700	1,199,750
Other assets, net	57,746	46,132
Total assets	<u>\$ 29,083,367</u>	<u>\$ 26,327,371</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of operating lease liabilities	1,288,939	1,183,559
Accounts payable	3,552,991	3,738,604
Accrued expenses and other	1,036,919	1,049,139
Income taxes payable	8,919	8,055
Total current liabilities	5,887,768	5,979,357
Long-term obligations	7,009,399	4,172,068
Long-term operating lease liabilities	9,362,761	8,890,709
Deferred income taxes	1,060,906	825,254
Other liabilities	220,761	197,997
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock; \$0.875 par value, 1,000,000 shares authorized, 219,105 and 230,016 shares issued and outstanding at February 3, 2023 and January 28, 2022, respectively	191,718	201,265
Additional paid-in capital	3,693,871	3,587,914
Retained earnings	1,656,140	2,473,999
Accumulated other comprehensive income (loss)	43	(1,192)
Total shareholders' equity	5,541,772	6,261,986
Total liabilities and shareholders' equity	<u>\$ 29,083,367</u>	<u>\$ 26,327,371</u>

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME***(In thousands, except per share amounts)*

	For the Year Ended		
	February 3, 2023	January 28, 2022	January 29, 2021
Net sales	\$ 37,844,863	\$ 34,220,449	\$ 33,746,839
Cost of goods sold	26,024,765	23,407,443	23,027,977
Gross profit	11,820,098	10,813,006	10,718,862
Selling, general and administrative expenses	8,491,796	7,592,331	7,164,097
Operating profit	3,328,302	3,220,675	3,554,765
Interest expense	211,273	157,526	150,385
Other (income) expense	415	—	—
Income before income taxes	3,116,614	3,063,149	3,404,380
Income tax expense	700,625	663,917	749,330
Net income	\$ 2,415,989	\$ 2,399,232	\$ 2,655,050
Earnings per share:			
Basic	\$ 10.73	\$ 10.24	\$ 10.70
Diluted	\$ 10.68	\$ 10.17	\$ 10.62
Weighted average shares outstanding:			
Basic	225,148	234,261	248,171
Diluted	226,297	235,812	250,076
Dividends per share	\$ 2.20	\$ 1.68	\$ 1.44

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	For the Year Ended		
	February 3, 2023	January 28, 2022	January 29, 2021
Net income	\$ 2,415,989	\$ 2,399,232	\$ 2,655,050
Unrealized net gain (loss) on hedged transactions and currency translation, net of related income tax expense (benefit) of \$353, \$346, and \$346, respectively	1,235	971	972
Comprehensive income	<u>\$ 2,417,224</u>	<u>\$ 2,400,203</u>	<u>\$ 2,656,022</u>

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands except per share amounts)

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances, January 31, 2020	251,936	\$ 220,444	\$ 3,322,531	\$ 3,162,660	\$ (3,135)	\$ 6,702,500
Net income	—	—	—	2,655,050	—	2,655,050
Dividends paid, \$1.44 per common share	—	—	—	(355,934)	—	(355,934)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	972	972
Share-based compensation expense	—	—	68,609	—	—	68,609
Repurchases of common stock	(12,297)	(10,760)	—	(2,455,674)	—	(2,466,434)
Other equity and related transactions	1,146	1,003	55,472	—	—	56,475
Balances, January 29, 2021	240,785	\$ 210,687	\$ 3,446,612	\$ 3,006,102	\$ (2,163)	\$ 6,661,238
Net income	—	—	—	2,399,232	—	2,399,232
Dividends paid, \$1.68 per common share	—	—	—	(392,217)	—	(392,217)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	971	971
Share-based compensation expense	—	—	78,178	—	—	78,178
Repurchases of common stock	(12,058)	(10,551)	—	(2,539,118)	—	(2,549,669)
Other equity and related transactions	1,289	1,129	63,124	—	—	64,253
Balances, January 28, 2022	230,016	\$ 201,265	\$ 3,587,914	\$ 2,473,999	\$ (1,192)	\$ 6,261,986
Net income	—	—	—	2,415,989	—	2,415,989
Dividends paid, \$2.20 per common share	—	—	—	(493,732)	—	(493,732)
Unrealized net gain (loss) on hedged transactions and currency translation	—	—	—	—	1,235	1,235
Share-based compensation expense	—	—	72,712	—	—	72,712
Repurchases of common stock	(11,643)	(10,188)	—	(2,737,826)	—	(2,748,014)
Excise tax incurred on common stock repurchases	—	—	—	(2,290)	—	(2,290)
Other equity and related transactions	732	641	33,245	—	—	33,886
Balances, February 3, 2023	<u>219,105</u>	<u>\$ 191,718</u>	<u>\$ 3,693,871</u>	<u>\$ 1,656,140</u>	<u>\$ 43</u>	<u>\$ 5,541,772</u>

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Year Ended		
	February 3, 2023	January 28, 2022	January 29, 2021
<i>Cash flows from operating activities:</i>			
Net income	\$ 2,415,989	\$ 2,399,232	\$ 2,655,050
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	724,877	641,316	574,237
Deferred income taxes	235,299	114,359	34,976
Noncash share-based compensation	72,712	78,178	68,609
Other noncash (gains) and losses	530,530	191,040	11,570
Change in operating assets and liabilities:			
Merchandise inventories	(1,665,352)	(550,114)	(575,827)
Prepaid expenses and other current assets	(65,102)	(47,471)	(16,516)
Accounts payable	(194,722)	98,735	745,596
Accrued expenses and other liabilities	(25,409)	(37,328)	388,597
Income taxes	(37,517)	(14,642)	(6,522)
Other	(6,750)	(7,494)	(3,611)
Net cash provided by (used in) operating activities	<u>1,984,555</u>	<u>2,865,811</u>	<u>3,876,159</u>
<i>Cash flows from investing activities:</i>			
Purchases of property and equipment	(1,560,582)	(1,070,460)	(1,027,963)
Proceeds from sales of property and equipment	5,236	4,903	3,053
Net cash provided by (used in) investing activities	<u>(1,555,346)</u>	<u>(1,065,557)</u>	<u>(1,024,910)</u>
<i>Cash flows from financing activities:</i>			
Issuance of long-term obligations	2,296,053	—	1,494,315
Repayments of long-term obligations	(911,330)	(6,402)	(4,640)
Net increase (decrease) in commercial paper outstanding	1,447,600	54,300	(425,200)
Borrowings under revolving credit facilities	—	—	300,000
Repayments of borrowings under revolving credit facilities	—	—	(300,000)
Costs associated with issuance of debt	(16,925)	(2,268)	(13,574)
Repurchases of common stock	(2,748,014)	(2,549,669)	(2,466,434)
Payments of cash dividends	(493,726)	(392,188)	(355,926)
Other equity and related transactions	33,880	64,225	56,467
Net cash provided by (used in) financing activities	<u>(392,462)</u>	<u>(2,832,002)</u>	<u>(1,714,992)</u>
Net increase (decrease) in cash and cash equivalents	36,747	(1,031,748)	1,136,257
Cash and cash equivalents, beginning of period	344,829	1,376,577	240,320
Cash and cash equivalents, end of period	<u>\$ 381,576</u>	<u>\$ 344,829</u>	<u>\$ 1,376,577</u>
<i>Supplemental cash flow information:</i>			
Cash paid for:			
Interest	\$ 195,312	\$ 159,803	\$ 128,211
Income taxes	\$ 500,814	\$ 568,267	\$ 721,570
<i>Supplemental noncash investing and financing activities:</i>			
Right of use assets obtained in exchange for new operating lease liabilities	\$ 1,836,718	\$ 1,778,564	\$ 1,721,530
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	\$ 150,694	\$ 143,589	\$ 118,059

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presentation and accounting policies

Basis of presentation

These notes contain references to the years 2022, 2021, and 2020, which represent fiscal years ended February 3, 2023, January 28, 2022, and January 29, 2021, respectively. The Company's 2022 accounting period was comprised of 53 weeks, and the 2021 and 2020 accounting periods were each comprised of 52 weeks. The Company's fiscal year ends on the Friday closest to January 31. The consolidated financial statements include all subsidiaries of the Company, except for its not-for-profit subsidiary which the Company does not control. Intercompany transactions have been eliminated.

The Company sells general merchandise on a retail basis through 19,104 stores (as of February 3, 2023) in 47 states with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. As of February 3, 2023, the Company operated 19 distribution centers for non-refrigerated products, ten cold storage distribution centers, and two combination distribution centers which have both refrigerated and non-refrigerated products. The Company leases 14 of these facilities and the remainder are owned.

Cash and cash equivalents

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

Payments due from processors for electronic tender transactions classified as cash and cash equivalents totaled approximately \$157.3 million and \$133.9 million at February 3, 2023 and January 28, 2022, respectively.

Investments in debt and equity securities

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

Merchandise inventories

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

The excess of current cost over LIFO cost was approximately \$813.6 million and \$296.3 million at February 3, 2023 and January 28, 2022, respectively. Current cost is determined using the RIM on a first-in, first-out basis. Under the LIFO inventory method, the impacts of rising or falling market price changes increase or decrease cost of sales (the LIFO provision or benefit). The Company recorded a LIFO provision of \$517.3 million in 2022,

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\$180.4 million in 2021, and \$5.1 million in 2020, which is included in cost of goods sold in the consolidated statements of income.

The Company purchases its merchandise from a wide variety of suppliers. The Company's two largest suppliers accounted for approximately 10% and 8%, respectively, of the Company's purchases in 2022.

Vendor rebates

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

Prepaid expenses and other current assets

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

Property and equipment

Property and equipment acquired is recorded at cost. The Company records depreciation and amortization on a straight-line basis over the assets' estimated useful lives. Amounts included in the Company's property and equipment balances and their estimated lives are summarized as follows:

<u>(In thousands)</u>	<u>Life</u>	<u>February 3, 2023</u>	<u>January 28, 2022</u>
Land	Indefinite	\$ 230,814	\$ 227,085
Land improvements	20	98,567	96,402
Buildings	39 - 40	1,561,440	1,446,126
Leasehold improvements	(a)	1,011,788	889,782
Furniture, fixtures and equipment	3 - 10	5,714,456	4,984,534
Construction in progress		313,615	131,073
Right of use assets - finance leases	Various	215,052	162,772
		<u>9,145,732</u>	<u>7,937,774</u>
Less accumulated depreciation and amortization		<u>(3,909,423)</u>	<u>(3,591,647)</u>
Net property and equipment		<u>\$ 5,236,309</u>	<u>\$ 4,346,127</u>

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

Depreciation and amortization expense related to property and equipment was approximately \$717.8 million, \$635.9 million and \$569.3 million for 2022, 2021 and 2020, respectively. Interest on borrowed funds during the construction of property and equipment is capitalized where applicable. Interest costs of \$4.8 million, \$1.2 million, and less than \$0.1 million were capitalized in 2022, 2021 and 2020, respectively.

Impairment of long-lived assets

When indicators of impairment are present, the Company evaluates the carrying value of long-lived assets, excluding goodwill and other indefinite-lived intangible assets, in relation to the operating performance and future cash flows or the appraised values of the underlying assets. Generally, the Company's policy is to review for impairment stores open more than three years for which current cash flows from operations are negative. Impairment results when the carrying value of the assets exceeds the undiscounted future cash flows expected to be

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generated by the assets. The Company's estimate of undiscounted future cash flows is based upon historical operations of the stores and estimates of future store profitability which encompasses many factors that are subject to variability and difficult to predict. If a long-lived asset is found to be impaired, the amount recognized for impairment is equal to the difference between the carrying value and the asset's estimated fair value. The fair value is estimated based primarily upon estimated future cash flows over the asset's remaining useful life (discounted at the Company's credit adjusted risk-free rate) or other reasonable estimates of fair market value. Assets to be disposed of are adjusted to the fair value less the cost to sell if less than the book value.

The Company recorded impairment charges included in SG&A expense of approximately \$2.1 million in 2022, \$2.6 million in 2021 and \$2.7 million in 2020, to reduce the carrying value of certain of its stores' assets. Such action was deemed necessary based on the Company's evaluation that such amounts would not be recoverable primarily due to insufficient sales or excessive costs resulting in the carrying value of the assets exceeding the estimated undiscounted future cash flows generated by the assets at these locations.

Goodwill and other intangible assets

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

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

The quantitative goodwill impairment test requires management to make judgments in determining what assumptions to use in the calculation. The process consists of comparing the fair value of the reporting unit to its carrying amount, including goodwill. If the fair value of the reporting unit is less than its carrying amount, management would then determine if the difference between the carrying amount and fair value is greater than the carrying amount of goodwill allocated to the reporting unit. If it is, the impairment recognized would be equal to the total carrying amount of goodwill allocated to the reporting unit, and if not, impairment would be recognized equal to the difference between the carrying amount of the reporting unit and its fair value.

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

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

Other assets

Noncurrent Other assets consist primarily of investments and qualifying prepaid expenses for maintenance, and utility and other deposits.

Accrued expenses and other liabilities

Accrued expenses and other consist of the following:

<u>(In thousands)</u>	<u>February 3,</u> <u>2023</u>	<u>January 28,</u> <u>2022</u>
Compensation and benefits	\$ 214,472	\$ 215,355
Self-insurance reserves	136,911	127,719
Taxes (other than taxes on income)	296,343	324,438
Other	389,193	381,627
	<u>\$ 1,036,919</u>	<u>\$ 1,049,139</u>

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

Insurance liabilities

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

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

Leases

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

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

Other liabilities

Other liabilities primarily consists of self-insurance which equaled \$137.8 million in 2022 and \$129.7 million in 2021.

Fair value accounting

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

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

Other comprehensive income

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

Revenue recognition

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

The Company recognizes gift card sales revenue at the time of redemption. The liability for gift cards is established for the cash value at the time of purchase of the gift card. The liability for outstanding gift cards was approximately \$10.7 million and \$9.7 million at February 3, 2023 and January 28, 2022, respectively, and is recorded in Accrued expenses and other liabilities. Estimated breakage revenue, a percentage of gift cards that will never be redeemed based on historical redemption rates, is recognized over time in proportion to actual gift card redemptions. The Company recorded breakage revenue of \$2.3 million, \$1.7 million and \$1.3 million in 2022, 2021 and 2020, respectively.

Advertising costs

Advertising costs are expensed upon performance, "first showing" or distribution, and are reflected in SG&A expenses net of earned cooperative advertising amounts provided by vendors which are specific, incremental and otherwise qualifying expenses related to the promotion or sale of vendor products for dollar amounts up to but not exceeding actual incremental costs. Advertising costs were \$126.0 million, \$117.2 million and \$107.4 million in

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2022, 2021 and 2020, respectively. These costs primarily include promotional circulars, targeted circulars supporting new stores, television and radio advertising, and in-store signage. Vendor funding for cooperative advertising offset reported expenses by \$33.4 million, \$34.3 million and \$33.4 million in 2022, 2021 and 2020, respectively.

Share-based payments

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

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

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

Store pre-opening costs

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

Income taxes

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

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

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

Management estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the

consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Accounting standards

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, 2024. The Company does not expect the adoption of this guidance to have a material impact on its consolidated results of operations, financial position or cash flows.

In September 2022, the FASB issued new required disclosures for supplier finance programs. This is intended to enhance the transparency about the use of supplier finance programs for investors. The amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, with the exception of the disclosure of rollforward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. The amendments should be applied retrospectively to each period in which a balance sheet is presented, except for disclosure of rollforward information, which should be applied prospectively. The Company does not expect the adoption of this guidance to have a material impact on its consolidated results of operations, financial position or cash flows.

2. Earnings per share

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

	2022		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	\$ 2,415,989	225,148	\$ 10.73
Effect of dilutive share-based awards		1,149	
Diluted earnings per share	<u>\$ 2,415,989</u>	<u>226,297</u>	<u>\$ 10.68</u>
	2021		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	\$ 2,399,232	234,261	\$ 10.24
Effect of dilutive share-based awards		1,551	
Diluted earnings per share	<u>\$ 2,399,232</u>	<u>235,812</u>	<u>\$ 10.17</u>
	2020		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	\$ 2,655,050	248,171	\$ 10.70
Effect of dilutive share-based awards		1,905	
Diluted earnings per share	<u>\$ 2,655,050</u>	<u>250,076</u>	<u>\$ 10.62</u>

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

Share-based awards that were outstanding at the end of the respective periods, but were not included in the computation of diluted earnings per share because the effect of exercising such options would be antidilutive, were approximately 0.1 million, 0.1 million and 0.2 million in 2022, 2021 and 2020, respectively.

3. Income taxes

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

(In thousands)	2022	2021	2020
Current:			
Federal	\$ 400,752	\$ 472,913	\$ 614,207
Foreign	279	384	127
State	63,562	76,261	100,002
	<u>464,593</u>	<u>549,558</u>	<u>714,336</u>
Deferred:			
Federal	195,529	93,114	32,433
Foreign	(24)	(38)	(104)
State	40,527	21,283	2,665
	<u>236,032</u>	<u>114,359</u>	<u>34,994</u>
	<u>\$ 700,625</u>	<u>\$ 663,917</u>	<u>\$ 749,330</u>

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

(Dollars in thousands)	2022		2021		2020	
U.S. federal statutory rate on earnings before income taxes	\$ 654,489	21.0 %	\$ 643,262	21.0 %	\$ 714,920	21.0 %
State income taxes, net of federal income tax benefit	82,134	2.6	77,086	2.5	81,117	2.4
Jobs credits, net of federal income taxes	(37,639)	(1.2)	(39,936)	(1.3)	(27,479)	(0.8)
Other, net	1,641	0.1	(16,495)	(0.5)	(19,228)	(0.6)
	<u>\$ 700,625</u>	<u>22.5 %</u>	<u>\$ 663,917</u>	<u>21.7 %</u>	<u>\$ 749,330</u>	<u>22.0 %</u>

The effective income tax rate for 2022 was 22.5% compared to a rate of 21.7% for 2021 which represents a net increase of 0.8 percentage points. The effective income tax rate was higher in 2022 primarily due to decreased income tax benefits associated with stock-based compensation compared to 2021.

The effective income tax rate for 2021 was 21.7% compared to a rate of 22.0% for 2020 which represents a net decrease of 0.3 percentage points. The effective income tax rate was lower in 2021 primarily due to increased income tax benefits associated with federal tax credits partially offset by a higher state effective tax rate in 2021 compared to 2020.

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

(In thousands)	February 3, 2023	January 28, 2022
Deferred tax assets:		
Deferred compensation expense	\$ 12,029	\$ 11,563
Accrued expenses	7,274	26,984
Accrued rent	473	552
Lease liabilities	2,760,588	2,617,954
Accrued insurance	7,514	6,971
Accrued incentive compensation	26,534	30,716
Share based compensation	15,309	16,605
Interest rate hedges	31	383
Tax benefit of income tax and interest reserves related to uncertain tax positions	77	79
State and foreign tax net operating loss carry forwards, net of federal tax	4,279	903
State tax credit carry forwards, net of federal tax	7,812	6,973
Other	22,756	16,715
	<u>2,864,676</u>	<u>2,736,398</u>
Less valuation allowances, net of federal income taxes	(9,001)	(5,235)
Total deferred tax assets	<u>2,855,675</u>	<u>2,731,163</u>
Deferred tax liabilities:		
Property and equipment	(684,468)	(572,286)
Lease assets	(2,728,507)	(2,588,709)
Inventories	(176,798)	(68,780)
Trademarks	(307,734)	(310,011)
Prepaid insurance	(17,870)	(15,278)
Other	(1,204)	(1,353)
Total deferred tax liabilities	<u>(3,916,581)</u>	<u>(3,556,417)</u>
Net deferred tax liabilities	<u>\$ (1,060,906)</u>	<u>\$ (825,254)</u>

The Company has state tax credit carryforwards of approximately \$7.8 million (net of federal benefit) that will expire beginning in 2023 through 2027 and the Company has approximately \$13.5 million of state apportioned net operating loss carryforwards, which will begin to expire in 2029 and will continue through 2041.

The Company has a valuation allowance for certain state tax credit carryforwards and foreign net operating loss carryforwards, in the amount of \$9.0 million and \$5.2 million (net of federal benefit) which increased income tax expense by \$3.8 million and \$1.1 million in 2022 and 2021, respectively. Management believes that the results from operations will not generate sufficient taxable income to realize these deferred tax assets before they expire.

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

The Company's 2018 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 2019 through 2021 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 2019 and later tax years remain open for examination by the various state taxing authorities.

As of February 3, 2023, accruals for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were \$8.0 million, \$0.3 million and \$0.0 million, respectively, for a total of \$8.3 million. As of January 28, 2022, accruals for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were \$6.2 million, \$0.2 million and \$0.0 million, respectively, for a total of \$6.4 million. These totals are reflected in noncurrent Other liabilities in the consolidated balance sheets.

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The Company's reserve for uncertain tax positions is expected to be reduced by \$2.4 million in the coming twelve months as a result of expiring statutes of limitations or settlements. As of February 3, 2023 and January 28, 2022, approximately \$8.0 million and \$6.2 million, respectively, of the uncertain tax positions would impact the Company's effective income tax rate if the Company were to recognize the tax benefit for these positions.

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

<u>(In thousands)</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Income tax expense (benefit)	\$ 1,797	\$ (1,311)	\$ 2,411
Income tax related interest expense (benefit)	28	(281)	104
Income tax related penalty expense (benefit)	—	—	—

A reconciliation of the uncertain income tax positions from January 31, 2020 through February 3, 2023 is as follows:

<u>(In thousands)</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 6,191	\$ 7,502	\$ 5,090
Increases—tax positions taken in the current year	—	—	—
Increases—tax positions taken in prior years	3,499	2,803	3,857
Decreases—tax positions taken in prior years	—	—	(1,445)
Statute expirations	(1,239)	(1,456)	—
Settlements	(463)	(2,658)	—
Ending balance	<u>\$ 7,988</u>	<u>\$ 6,191</u>	<u>\$ 7,502</u>

4. Leases

As of February 3, 2023, the Company's primary leasing activities were real estate leases for most of its retail store locations and certain of its distribution facilities. Many of the Company's store locations are subject to build-to-suit arrangements with landlords which typically carry a primary lease term of up to 15 years. The Company does not control build-to-suit properties during the construction period. Store locations not subject to build-to-suit arrangements are typically shorter-term leases. Certain of the Company's leased store locations have variable payments based upon actual costs of common area maintenance, real estate taxes and property and liability insurance. In addition, some of the Company's leased store locations have provisions for variable payments based upon a specified percentage of defined sales volume. The Company's lease agreements generally do not contain material restrictive covenants.

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

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 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 consolidated balance sheets. At February 3, 2023, the weighted-average remaining lease term for the Company's leases was 9.6 years, and the weighted average discount rate was 3.9%. For 2022, 2021 and 2020, operating lease cost of \$1.61 billion, \$1.49 billion and \$1.38 billion, respectively, and variable lease cost of \$0.31 billion, \$0.28 billion and \$0.26 billion, respectively, were reflected as selling, general and administrative expenses in the consolidated statements of income. Cash paid for amounts included in the measurement of operating lease liabilities of \$1.62 billion, \$1.5 billion and \$1.39 billion, respectively, were reflected in cash flows from operating activities in the consolidated statements of cash flows for 2022, 2021 and 2020.

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

(In thousands)	
2023	\$ 1,675,193
2024	1,619,954
2025	1,518,975
2026	1,396,714
2027	1,255,062
Thereafter	5,271,366
Total lease payments (a)	12,737,264
Less imputed interest	(2,085,564)
Present value of lease liabilities	<u>\$ 10,651,700</u>

a) Excludes approximately \$481.0 million of legally binding minimum lease payments for leases signed which have not yet commenced.

5. Current and long-term obligations

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

(In thousands)	February 3, 2023	January 28, 2022
Revolving Facility	\$ —	\$ —
364-Day Revolving Facility	—	—
3.250% Senior Notes due April 15, 2023 (net of discount of \$0 and \$319)	—	899,681
4.250% Senior Notes due September 20, 2024 (net of discount of \$563 and \$0)	749,437	—
4.150% Senior Notes due November 1, 2025 (net of discount of \$249 and \$332)	499,751	499,668
3.875% Senior Notes due April 15, 2027 (net of discount of \$207 and \$251)	599,793	599,749
4.625% Senior Notes due November 1, 2027 (net of discount of \$495 and \$0)	549,505	—
4.125% Senior Notes due May 1, 2028 (net of discount of \$287 and \$336)	499,713	499,664
3.500% Senior Notes due April 3, 2030 (net of discount of \$504 and \$564)	952,440	988,990
5.000% Senior Notes due November 1, 2032 (net of discount of \$2,346 and \$0)	697,654	—
4.125% Senior Notes due April 3, 2050 (net of discount of \$4,766 and \$4,857)	495,234	495,143
5.500% Senior Notes due November 1, 2052 (net of discount of \$292 and \$0)	299,708	—
Unsecured commercial paper notes	1,501,900	54,300
Other	200,695	159,525
Debt issuance costs, net	(36,431)	(24,652)
Long-term obligations	<u>\$ 7,009,399</u>	<u>\$ 4,172,068</u>

At February 3, 2023, the existing senior unsecured revolving credit facility (the "Revolving Facility") had a commitment of \$2.0 billion that provides for the issuance of letters of credit up to \$100.0 million and is scheduled to mature on December 2, 2026.

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) Adjusted Term SOFR (which is Term SOFR (as published by CME Group Benchmark Administration Limited) plus a credit spread adjustment of 0.10% or (b) a base rate (which is usually equal to the prime rate). The applicable interest rate margin for borrowings as of February 3, 2023 was 1.015% for Adjusted Term SOFR 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 February 3, 2023, 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.

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The Company entered into a 364-day \$750 million unsecured revolving credit facility (the “364-Day Revolving Facility”) on January 31, 2023, which will expire on January 30, 2024. At February 3, 2023, the 364-Day Revolving Facility had no outstanding borrowing.

Borrowings under the 364-Day Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at the Company’s option, either (a) Adjusted Term SOFR (which is Term SOFR (as published by CME Group Benchmark Administration Limited) plus a credit spread adjustment of 0.10%) or (b) a base rate (which is usually equal to the prime rate). The Company is also required to pay a facility fee to the lenders under the 364-Day Revolving Facility for any used and unused commitments. As of February 3, 2023, the applicable interest rate margin for Adjusted Term SOFR loans was 1.035% and the facility fee rate was 0.09%. The applicable interest rate margins for borrowings and the facility fees under the 364-Day Revolving Facility are subject to adjustment from time to time based on the Company’s long-term senior unsecured debt ratings.

The Revolving Facility and the 364-Day Revolving Facility contain a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, the Company’s (and its subsidiaries’) 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 and the 364-Day Revolving Facility also contain financial covenants which require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of February 3, 2023, the Company was in compliance with all such covenants. Both facilities also contain customary events of default.

As of February 3, 2023, the Company had no outstanding borrowings, no outstanding letters of credit, and borrowing availability of \$2.0 billion under the Revolving Facility that, due to its intention to maintain borrowing availability related to the commercial paper program described below, could contribute liquidity of \$0.3 billion. As of February 3, 2023, under the 364-Day Revolving Facility, the Company had no outstanding borrowings and borrowing availability of \$750 million. At February 3, 2023, the Company had combined availability under the credit facilities of \$1.0 billion. In addition, the Company had outstanding letters of credit of \$39.7 million which were issued pursuant to separate agreements.

As of February 3, 2023, 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 \$2.0 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 February 3, 2023, the Company’s consolidated balance sheet reflected outstanding CP Notes of \$1.5 billion. CP Notes totaling \$230.8 million were held by a wholly-owned subsidiary of the Company and are therefore not reflected on the consolidated balance sheets.

On September 20, 2022, the Company issued \$750.0 million aggregate principal amount of 4.25% senior notes due 2024 (the “2024 Senior Notes”), net of discount of \$0.7 million, \$550.0 million aggregate principal amount of 4.625% senior notes due 2027 (the “November 2027 Senior Notes”), net of discount of \$0.5 million, \$700.0 million aggregate principal amount of 5.0% senior notes due 2032 (the “2032 Senior Notes”), net of discount of \$2.4 million, and \$300.0 million aggregate principal amount of 5.50% senior notes due 2052 (the “2052 Senior Notes”), net of discount of \$0.3 million. The 2024 Senior Notes are scheduled to mature on September 20, 2024, the November 2027 Senior Notes are scheduled to mature on November 1, 2027, the 2032 Senior Notes are scheduled to mature on November 1, 2032 and the 2052 Senior Notes are scheduled to mature on November 1, 2052. Interest on the 2024 Senior Notes is payable in cash on March 20 and September 20 of each year, commencing on March 20, 2023. Interest on the November 2027 Senior Notes, the 2032 Senior Notes and the 2052 Senior Notes is payable in cash on May 1 and November 1 of each year, commencing on May 1, 2023. The Company incurred \$16.5 million of debt issuance costs associated with the issuance of the 2024 Senior Notes, November 2027 Senior Notes, 2032 Senior Notes and 2052 Senior Notes.

Collectively, the Company’s Senior Notes due 2024, 2025, April 2027, November 2027, 2028, 2030, 2032, 2050 and 2052 comprise the “Senior Notes”, each of which were issued pursuant to an indenture as supplemented

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and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the “Senior Indenture”). The Company may redeem some or all of its Senior Notes at any time at redemption prices set forth in the Senior Indenture. Upon the occurrence of a change of control triggering event, which is defined in the Senior Indenture, each holder of the Senior Notes has the right to require the Company to repurchase some or all of such holder’s Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

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

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

During the second quarter of 2021, the Company entered into interest rate swaps on a portion of the 2030 Senior Notes. These interest rate swaps are being accounted for as fair value hedges, with the derivative asset or liability offset by a corresponding adjustment to the carrying value of the 2030 Senior Notes. Such arrangements are not material to the Company’s consolidated financial statements.

Scheduled debt maturities at February 3, 2023 for the Company’s fiscal years listed below are as follows (in thousands): 2023 - \$1,516,478; 2024 - \$764,355; 2025 - \$514,524; 2026 - \$14,378; 2027 - \$1,164,532; thereafter - \$3,128,329.

6. Assets and liabilities measured at fair value

The following table presents the Company’s assets and liabilities required to be measured at fair value as of February 3, 2023, aggregated by the level in the fair value hierarchy within which those measurements are classified.

(In thousands)	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value at February 3, 2023
Liabilities:				
Long-term obligations (a)	\$ 5,223,916	\$ 1,702,595	\$ —	\$ 6,926,511
Deferred compensation (b)	45,794	—	—	45,794

(a) Included in the consolidated balance sheet at book value as Long-term obligations of \$7,009,399.

(b) Reflected at fair value in the consolidated balance sheet as a component of Accrued expenses and other current liabilities of \$6,879 and a component of noncurrent Other liabilities of \$38,915.

The carrying amounts reflected in the consolidated balance sheets for cash, cash equivalents, short-term investments, receivables and payables approximate their respective fair values. The Company does not have any recurring fair value measurements using significant unobservable inputs (Level 3) as of February 3, 2023.

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.

On January 20, 2023, a lawsuit entitled *Brent Conforti, et al. v. Jeffrey C. Owen, et al.* was filed in the United States District Court for the Middle District of Tennessee (Case No. 3:23-CV-00059) ("*Conforti*") in which the plaintiff shareholder, purportedly on behalf and for the benefit of the Company, alleges that each of the Company's directors violated their fiduciary duties by failing to implement and maintain a system of controls regarding the Company's workplace safety practices. The plaintiff also alleges corporate waste and, as to the Company's former CEO, Mr. Vasos, unjust enrichment. On February 13, 2023, the plaintiff amended the complaint to add breach of fiduciary duty allegations against certain officers of the Company, including Messrs. Owen, Vasos, Garratt, Sunderland and Wenkoff and Mss. R. Taylor and Elliott, and to expand the unjust enrichment claim to include all individual director and officer defendants (the "Individual Defendants"). The plaintiff seeks both non-monetary and monetary relief for the benefit of the Company. The Company and the Individual Defendants intend to seek dismissal of the *Conforti* action.

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 the consolidated operating results in future periods or result in liability or other amounts material to the Company's annual consolidated financial statements.

8. Benefit plans

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

A participant's right to claim a distribution of his or her account balance is dependent on the plan, ERISA guidelines and Internal Revenue Service regulations. All active participants are fully vested in all contributions to the 401(k) plan. During 2022, 2021 and 2020, the Company expensed approximately \$35.7 million, \$34.0 million and \$30.1 million, respectively, for matching contributions.

The Company also has a compensation deferral plan ("CDP") and a nonqualified supplemental retirement plan ("SERP"), known as the Dollar General Corporation CDP/SERP Plan, for a select group of management and other key employees. The Company incurred compensation expense for these plans of approximately \$1.2 million in 2022, \$1.3 million in 2021 and \$0.9 million in 2020.

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

9. Share-based payments

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

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On May 26, 2021, the Company’s shareholders approved the Dollar General Corporation 2021 Stock Incentive Plan (“2021 Plan”), which replaced the Company’s 2007 Stock Incentive Plan (“2007 Plan”). The Plans allow the granting of stock options, stock appreciation rights, and other stock-based awards or dividend equivalent rights to key employees, directors, consultants or other persons having a service relationship with the Company, its subsidiaries and certain of its affiliates. Upon the effective date of the 2021 Plan, no new awards may be granted under the 2007 Plan. Awards previously granted under the 2007 Plan remain outstanding in accordance with their terms. The number of shares of Company common stock authorized for grant under the 2021 Plan is 11,838,143.

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

The weighted average for key assumptions used in determining the fair value of all stock options granted in the years ended February 3, 2023, January 28, 2022, and January 29, 2021, and a summary of the methodology applied to develop each assumption, are as follows:

	February 3, 2023	January 28, 2022	January 29, 2021
Expected dividend yield	1.0 %	0.9 %	0.9 %
Expected stock price volatility	25.4 %	26.5 %	26.4 %
Weighted average risk-free interest rate	2.4 %	0.8 %	0.7 %
Expected term of options (years)	4.8	4.9	5.2

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

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

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

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

A summary of the Company’s stock option activity during the year ended February 3, 2023 is as follows:

(Intrinsic value amounts reflected in thousands)	Options Issued	Average Exercise Price	Remaining Contractual Term in Years	Intrinsic Value
Balance, January 28, 2022	2,347,510	\$ 133.62		
Granted	813,165	219.82		
Exercised	(514,264)	115.84		
Canceled or expired	(124,115)	183.61		
Balance, February 3, 2023	2,522,296	\$ 162.58	7.1	\$ 168,452
Exercisable at February 3, 2023	973,457	\$ 110.74	5.2	\$ 114,248

The weighted average grant date fair value per share of options granted was \$52.06, \$42.89 and \$34.60 during 2022, 2021 and 2020, respectively. The intrinsic value of options exercised during 2022, 2021 and 2020, was \$62.7 million, \$132.3 million and \$116.1 million, respectively.

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The number of performance share unit awards earned is based upon the Company's financial performance as specified in the award agreement. A summary of performance share unit award activity during the year ended February 3, 2023 is as follows:

(Intrinsic value amounts reflected in thousands)	Units Issued	Intrinsic Value
Balance, January 28, 2022	337,243	
Granted	169,657	
Converted to common stock	(184,603)	
Canceled	(7,400)	
Balance, February 3, 2023	<u>314,897</u>	<u>\$ 71,825</u>

All performance share unit awards at February 3, 2023 are unvested, and the number of such awards which will ultimately vest will be based in part on the Company's financial performance in future years. The weighted average grant date fair value per share of performance share units granted was \$214.25, \$193.55 and \$154.53 during 2022, 2021 and 2020, respectively.

A summary of restricted stock unit award activity during the year ended February 3, 2023 is as follows:

(Intrinsic value amounts reflected in thousands)	Units Issued	Intrinsic Value
Balance, January 28, 2022	307,118	
Granted	222,420	
Converted to common stock	(146,834)	
Canceled	(45,455)	
Balance, February 3, 2023	<u>337,249</u>	<u>\$ 76,923</u>

The weighted average grant date fair value per share of restricted stock units granted was \$223.51, \$193.76 and \$155.73 during 2022, 2021 and 2020, respectively.

At February 3, 2023, the total unrecognized compensation cost related to unvested stock-based awards was \$119.6 million with an expected weighted average expense recognition period of 2.1 years.

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

(In thousands)	Stock Options	Performance Share Units	Restricted Stock Units	Total
Year ended February 3, 2023				
Pre-tax	\$ 20,502	\$ 26,920	\$ 25,249	\$ 72,671
Net of tax	\$ 15,893	\$ 20,868	\$ 19,573	\$ 56,334
Year ended January 28, 2022				
Pre-tax	\$ 21,452	\$ 33,234	\$ 23,492	\$ 78,178
Net of tax	\$ 15,853	\$ 24,560	\$ 17,361	\$ 57,774
Year ended January 29, 2021				
Pre-tax	\$ 19,933	\$ 27,388	\$ 21,288	\$ 68,609
Net of tax	\$ 14,730	\$ 20,240	\$ 15,732	\$ 50,702

10. Segment reporting

The Company manages its business on the basis of one reportable operating segment. See Note 1 for a brief description of the Company's business. As of February 3, 2023, all of the Company's retail store operations were located within the United States. Certain product sourcing and other operations are located outside the United States, which collectively are not material with regard to assets, results of operations or otherwise to the consolidated financial statements. The following net sales data is presented in accordance with accounting standards related to disclosures about segments of an enterprise.

<u>(in thousands)</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Classes of similar products:			
Consumables	\$ 30,155,218	\$ 26,258,605	\$ 25,906,685
Seasonal	4,182,815	4,182,165	4,083,650
Home products	2,332,411	2,322,367	2,209,950
Apparel	1,174,419	1,457,312	1,546,554
Net sales	<u>\$ 37,844,863</u>	<u>\$ 34,220,449</u>	<u>\$ 33,746,839</u>

11. Common stock transactions

On August 29, 2012, the Company's Board of Directors authorized a common stock repurchase program, which the Board has since increased on several occasions. On August 24, 2022, the Company's Board of Directors authorized a \$2.0 billion increase to the existing common stock repurchase program, bringing the cumulative total authorized under the program since its inception to \$16.0 billion. 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, 364-Day Revolving Facility and issuance of CP Notes discussed in further detail in Note 5.

During the years ended February 3, 2023, January 28, 2022, and January 29, 2021, the Company repurchased approximately 11.6 million shares of its common stock at a total cost of \$2.7 billion, approximately 12.1 million shares of its common stock at a total cost of \$2.5 billion, and approximately 12.3 million shares of its common stock at a total cost of \$2.5 billion, respectively, pursuant to its common stock repurchase program.

The Company paid quarterly cash dividends of \$0.55 per share in 2022. In March 2023, the Company's Board of Directors declared a quarterly cash dividend of \$0.59 per share, which is payable on or before April 25, 2023 to shareholders of record on April 11, 2023. 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.

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

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

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

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

To comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, management designed and implemented a structured and comprehensive assessment process to evaluate the effectiveness of its internal control over financial reporting. Such assessment was based on criteria established in *Internal Control—Integrated Framework* (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Management regularly monitors our internal control over financial reporting, and actions are taken to correct any deficiencies as they are identified. Based on its assessment, management has concluded that our internal control over financial reporting is effective as of February 3, 2023.

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

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

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control over Financial Reporting

We have audited Dollar General Corporation and subsidiaries' internal control over financial reporting as of February 3, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Dollar General Corporation and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of February 3, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2022 consolidated financial statements of the Company and our report dated March 24, 2023, expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definition and Limitations of Internal Control over Financial Reporting

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that

controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Nashville, Tennessee
March 24, 2023

(d) Changes in Internal Control Over Financial Reporting. There have been no changes during the quarter ended February 3, 2023 in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) or Rule 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

(a) Amendment to Bylaws. On March 23, 2023, our Board of Directors approved an amendment and restatement of the Company's Bylaws, effective March 23, 2023 (as so amended and restated, the "Bylaws"). Among other things, the amendments to the Bylaws provide that:

- if a shareholder intends to engage in a solicitation with respect to a nomination pursuant to Section 10 of Article 1 of the Bylaws, the notice to be furnished to the Company by such shareholder must include (i) a statement disclosing the name of each participant in such solicitation (as defined in Schedule 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) and (ii) a representation that such shareholder intends to deliver a proxy statement and form of proxy to holders of at least the percentage of our outstanding shares required under Rule 14a-19 under the Exchange Act;
- if any shareholder provides notice of a proposed nomination for election to our Board of Directors pursuant to Rule 14a-19 under the Exchange Act, such shareholder shall deliver to the Company reasonable evidence that it has met the requirements of Rule 14a-19 under the Exchange Act to be delivered to the Secretary of the Company no later than five business days before the date of the meeting;
- if any shareholder provides notice of a proposed nomination for election to the Board of Directors pursuant to Rule 14a-19 under the Exchange Act and subsequently fails to comply with any requirements of Rule 14a-19 under the Exchange Act or any other rules or regulations thereunder, the Company shall disregard any proxies or votes solicited for such nominee; and
- any shareholder directly or indirectly soliciting proxies from other shareholders must use a proxy card color other than white, which shall be reserved for the exclusive use by our Board of Directors.

In addition, the amendments to the Bylaws require certain additional background information and disclosures as well as other administrative and conforming revisions.

The complete text of the Bylaws, as well as a marked copy of such document illustrating the changes made thereto, are attached hereto as Exhibits 3.2 and 3.2(1). The foregoing descriptions are summaries only, do not purport to be complete, and are qualified in their entirety by reference to the complete text of the Bylaws which are attached as Exhibit 3.2 and incorporated herein by reference.

(b) Consulting Agreement with Mr. Vasos. As previously announced, our former Chief Executive Officer, Todd Vasos, will retire from employment with the Company effective April 2, 2023. On March 23, 2023, the Company entered into a Consulting Agreement with Mr. Vasos (the "Consulting Agreement") pursuant to which Mr. Vasos will provide such consulting services as may be reasonably requested by our Board of Directors or our Chief Executive Officer for a term beginning on April 2, 2023 and terminating at 11:59 p.m. Central Time on April 2, 2025, unless earlier terminated pursuant to the terms of the Consulting Agreement. The Consulting Agreement also extends the "Restricted Period" for purposes of the business protection provisions (Sections 16 through 20) of the Employment Agreement by and between the Company and Mr. Vasos, effective June 3, 2021, and as amended

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effective November 1, 2022, which provide for various non-disclosure, non-competition, non-solicitation and non-interference obligations, from two years to three years.

The consulting services provided under the Consulting Agreement are intended to satisfy the transition services requirements contemplated by the early retirement provisions of the agreements governing certain stock option and performance share unit awards granted to Mr. Vasos in 2020 and 2021 (the “Equity Award Agreements”). The continued equity vesting pursuant to the terms of such early retirement provisions in the Equity Award Agreements constitutes consideration for the consulting services to be provided under the Consulting Agreement, and therefore Mr. Vasos will receive no additional compensation for the consulting services. Mr. Vasos’s service on our Board of Directors is separate from and not subject to the Consulting Agreement, and therefore his fees for such service on the Board of Directors shall be determined under our normal processes and procedures for determining non-employee director compensation.

If Mr. Vasos terminates the Consulting Agreement prior to the end of the minimum consulting periods required by the early retirement provisions in the Equity Award Agreements, it shall constitute noncompliance with the consulting requirements in such early retirement provisions, and any unvested portion of the equity awards under the Equity Award Agreements shall immediately and automatically terminate and be forfeited, and any vested portion of the equity awards that vested following Mr. Vasos’s retirement date shall be subject to clawback as provided in the Equity Award Agreements.

(c) *Matter Pertaining to the Board of Directors.* On March 22, 2023, William C. Rhodes, III, communicated to the Board of Directors of the Company his decision not to stand for re-election to the Board of Directors at the Company’s Annual Meeting of Shareholders to be held on May 31, 2023. Mr. Rhodes’s decision was not related to any disagreement with the Company on any matter relating to its operations, policies or practices.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

(a) *Information Regarding Directors and Executive Officers.* The information required by this Item 10 regarding our directors and director nominees is contained under the captions “Who are the nominees this year” and “Are there any family relationships between any of the directors, executive officers or nominees,” in each case under the heading “Proposal 1: Election of Directors” in our definitive Proxy Statement to be filed for our Annual Meeting of Shareholders to be held on May 31, 2023 (the “2023 Proxy Statement”), which information under such captions is incorporated herein by reference. Information required by this Item 10 regarding our executive officers is contained in Part I of this Form 10-K under the caption “Information About Our Executive Officers,” which information under such caption is incorporated herein by reference.

(b) *Compliance with Section 16(a) of the Exchange Act.* Information required by this Item 10 regarding compliance with Section 16(a) of the Exchange Act is contained under the caption “Delinquent Section 16(a) Reports” under the heading “Security Ownership” in the 2023 Proxy Statement, which information under such caption is incorporated herein by reference.

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

(d) *Procedures for Shareholders to Recommend Director Nominees.* On March 23, 2023, we amended our Bylaws principally to add procedural and information requirements pursuant to Rule 14a-19 (the “Universal Proxy Rule”) of the Securities Exchange Act of 1934, as amended. Pursuant to our Bylaws, any notice of a director nomination submitted to us, other than through the “proxy access” provisions set forth in Article I, Section 12 of our Bylaws, must include the additional information required by the Universal Proxy Rule. See “Item 9B. Other Information” for additional information.

(e) *Audit Committee Information.* The Company has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The current members of the audit committee are William C. Rhodes, III, Warren F. Bryant, Ana M. Chadwick, and Debra A. Sandler. Information required by this Item 10 regarding persons determined by our Board of Directors to be audit committee financial experts is contained under the caption “Does an audit committee financial expert serve on the Audit Committee,” under the heading “Corporate Governance” in the 2023 Proxy Statement, which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 regarding director and executive officer compensation, the Compensation Committee Report, the risks arising from our compensation policies and practices for employees, pay ratio disclosure, and compensation committee interlocks and insider participation is contained under the captions “Director Compensation” and “Executive Compensation” in the 2023 Proxy Statement, which information under such captions (but not including information under the “Pay Versus Performance” heading under the caption “Executive Compensation”) is incorporated herein by reference.

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

(a) *Equity Compensation Plan Information.* The following table sets forth information about securities authorized for issuance under our compensation plans (including individual compensation arrangements) as of February 3, 2023:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders(1)	3,308,807	162.58	10,665,844
Equity compensation plans not approved by security holders	—	—	—
Total(1)	3,308,807	\$ 162.58	10,665,844

(1) Column (a) consists of shares of common stock issuable upon exercise of outstanding options and upon vesting and payment of outstanding restricted stock units, performance share units and deferred shares, including any dividend equivalents accrued thereon, under the 2021 Stock Incentive Plan and the Amended and Restated 2007 Stock Incentive Plan. Restricted stock units, performance share units, deferred shares and dividend equivalents are settled for shares of common stock on a one-for-one basis and have no exercise price. Accordingly, they have been excluded for purposes of computing the weighted-average exercise price in column (b). Column (c) consists of shares remaining available for future grants pursuant to the 2021 Stock Incentive Plan, whether in the form of options, stock appreciation rights, stock, restricted stock, restricted stock units, performance share units or other stock-based awards.

(b) *Other Information.* The information required by this Item 12 regarding security ownership of certain beneficial owners and our management is contained under the headings “Security Ownership of Certain Beneficial Owners” and “Security Ownership of Officers and Directors,” in each case under the caption “Security Ownership” in the 2023 Proxy Statement, which information under such caption is incorporated herein by reference.

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

The information required by this Item 13 regarding certain relationships and related transactions is contained under the caption “Transactions with Management and Others” in the 2023 Proxy Statement, which information under such caption is incorporated herein by reference.

The information required by this Item 13 regarding director independence is contained under the caption “Director Independence” in the 2023 Proxy Statement, which information under such caption is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item 14 regarding fees we paid to our principal accountant and the pre-approval policies and procedures established by the Audit Committee of our Board of Directors is contained under the caption “Fees Paid to Auditors” in the 2023 Proxy Statement, which information under such caption is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)	Report of Independent Registered Public Accounting Firm	42
	Consolidated Balance Sheets	44
	Consolidated Statements of Income	45
	Consolidated Statements of Comprehensive Income	46
	Consolidated Statements of Shareholders' Equity	47
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(b)	All schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, are inapplicable or the information is included in the Consolidated Financial Statements and, therefore, have been omitted.	
(c)	Exhibits:	

EXHIBIT INDEX

3.1	Amended and Restated Charter of Dollar General Corporation (effective May 28, 2021) (incorporated by reference to Exhibit 3.1 to Dollar General Corporation's Current Report on Form 8-K dated May 26, 2021, filed with the SEC on June 1, 2021 (file no. 001-11421))	
3.2	Amended and Restated Bylaws of Dollar General Corporation (effective March 23, 2023)	
3.2(1)	Amended and Restated Bylaws of Dollar General Corporation (effective March 23, 2023) (redline version of amended sections)	
4.1	Form of 4.250% Senior Notes due 2024 (included in Exhibit 4.16) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated September 20, 2022, filed with the SEC on September 20, 2022 (file no. 001-11421))	
4.2	Form of 4.150% Senior Notes due 2025 (included in Exhibit 4.11) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated October 15, 2015, filed with the SEC on October 20, 2015 (file no. 001-11421))	
4.3	Form of 3.875% Senior Notes due 2027 (included in Exhibit 4.12) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 11, 2017, filed with the SEC on April 11, 2017 (file no. 001-11421))	
4.4	Form of 4.625% Senior Notes due 2027 (included in Exhibit 4.17) (incorporated by reference to Exhibit 4.3 to Dollar General Corporation's Current Report on Form 8-K dated September 20, 2022, filed with the SEC on September 20, 2022 (file no. 001-11421))	
4.5	Form of 4.125% Senior Notes due 2028 (included in Exhibit 4.13) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 10, 2018, filed with the SEC on April 10, 2018 (file no. 001-11421))	
4.6	Form of 3.500% Senior Notes due 2030 (included in Exhibit 4.14) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 3, 2020, filed with the SEC on April 3, 2020 (file no. 001-11421))	
4.7	Form of 5.000% Senior Notes due 2032 (included in Exhibit 4.18) (incorporated by reference to Exhibit 4.5 to Dollar General Corporation's Current Report on Form 8-K dated September 20, 2022, filed with the SEC on September 20, 2022 (file no. 001-11421))	

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- 4.8 [Form of 4.125% Senior Notes due 2050 \(included in Exhibit 4.15\) \(incorporated by reference to Exhibit 4.3 to Dollar General Corporation's Current Report on Form 8-K dated April 3, 2020, filed with the SEC on April 3, 2020 \(file no. 001-11421\)\)](#)
- 4.9 [Form of 5.500% Senior Notes due 2052 \(included in Exhibit 4.19\) \(incorporated by reference to Exhibit 4.7 to Dollar General Corporation's Current Report on Form 8-K dated September 20, 2022, filed with the SEC on September 20, 2022 \(file no. 001-11421\)\)](#)
- 4.10 [Indenture, dated as of July 12, 2012, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee \(incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated July 12, 2012, filed with the SEC on July 17, 2012 \(file no. 001-11421\)\)](#)
- 4.11 [Fifth Supplemental Indenture, dated as of October 20, 2015, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee \(incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated October 15, 2015, filed with the SEC on October 20, 2015 \(file no. 001-11421\)\)](#)
- 4.12 [Sixth Supplemental Indenture, dated as of April 11, 2017, between Dollar General Corporation and U.S. Bank National Association, as trustee \(incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 11, 2017, filed with the SEC on April 11, 2017 \(file no. 001-11421\)\)](#)
- 4.13 [Seventh Supplemental Indenture, dated as of April 10, 2018, between Dollar General Corporation and U.S. Bank National Association, as trustee \(incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 10, 2018, filed with the SEC on April 10, 2018 \(file no. 001-11421\)\)](#)
- 4.14 [Eighth Supplemental Indenture, dated as of April 3, 2020, between Dollar General Corporation and U.S. Bank National Association, as trustee \(incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 3, 2020, filed with the SEC on April 3, 2020 \(file no. 001-11421\)\)](#)
- 4.15 [Ninth Supplemental Indenture, dated as of April 3, 2020, between Dollar General Corporation and U.S. Bank National Association, as trustee \(incorporated by reference to Exhibit 4.3 to Dollar General Corporation's Current Report on Form 8-K dated April 3, 2020, filed with the SEC on April 3, 2020 \(file no. 001-11421\)\)](#)
- 4.16 [Tenth Supplemental Indenture, dated as of September 20, 2022, between Dollar General Corporation and U.S. Bank Trust Company, National Association, as trustee \(incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated September 20, 2022, filed with the SEC on September 20, 2022 \(file no. 001-11421\)\)](#)
- 4.17 [Eleventh Supplemental Indenture, dated as of September 20, 2022, between Dollar General Corporation and U.S. Bank Trust Company, National Association, as trustee \(incorporated by reference to Exhibit 4.3 to Dollar General Corporation's Current Report on Form 8-K dated September 20, 2022, filed with the SEC on September 20, 2022 \(file no. 001-11421\)\)](#)
- 4.18 [Twelfth Supplemental Indenture, dated as of September 20, 2022, between Dollar General Corporation and U.S. Bank Trust Company, National Association, as trustee \(incorporated by reference to Exhibit 4.5 to Dollar General Corporation's Current Report on Form 8-K dated September 20, 2022, filed with the SEC on September 20, 2022 \(file no. 001-11421\)\)](#)

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- 4.19 [Thirteenth Supplemental Indenture, dated as of September 20, 2022, between Dollar General Corporation and U.S. Bank Trust Company, National Association, as trustee \(incorporated by reference to Exhibit 4.7 to Dollar General Corporation's Current Report on Form 8-K dated September 20, 2022, filed with the SEC on September 20, 2022 \(file no. 001-11421\)\)](#)
- 4.20 [Amended and Restated Credit Agreement, dated as of December 2, 2021, among Dollar General Corporation, as borrower, Citibank, N.A., as administrative agent, and the other credit parties and lenders party thereto \(incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated December 2, 2021, filed with the SEC on December 3, 2021 \(file no. 001-11421\)\)](#)
- 4.21 [Amendment No. 1 to the Credit Agreement, dated as of January 31, 2023, among Dollar General Corporation, as borrower, Citibank N.A., as administrative agent, and the other credit parties and lenders party thereto \(incorporated by reference to Exhibit 4.2 to Dollar General Corporation's Current Report on Form 8-K dated January 31, 2023, filed with the SEC on February 1, 2023 \(file no. 001-11421\)\)](#)
- 4.22 [364-Day Credit Agreement, dated as of January 31, 2023, by and among Dollar General Corporation, as borrower, Citibank, N.A., as administrative agent, and the other credit parties and lenders party thereto \(incorporated by reference to Exhibit 4.3 to Dollar General Corporation's Current Report on Form 8-K dated January 31, 2023, filed with the SEC on February 1, 2023 \(file no. 001-11421\)\)](#)
- 4.23 [Material terms of outstanding securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, as required by Item 202\(a\)-\(d\) and \(f\) of Regulation S-K \(incorporated by reference to Exhibit 4.15 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2022, filed with the SEC on March 18, 2022 \(file no. 001-11421\)\)](#)
- 10.1 [Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(adopted November 30, 2016 and approved by shareholders on May 31, 2017\) \(incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2016, filed with the SEC on December 1, 2016 \(file no. 001-11421\)\)*](#)
- 10.2 [Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Appendix A to Dollar General Corporation's 2021 Definitive Proxy Statement, filed with the SEC on April 1, 2021 \(file no.001-11421\)\)*](#)
- 10.3 [Form of Stock Option Award Agreement \(approved March 20, 2012\) for annual awards beginning March 2012 and prior to March 2015 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Current Report on Form 8-K dated March 20, 2012, filed with the SEC on March 26, 2012 \(file no. 001-11421\)\)*](#)
- 10.4 [Form of Stock Option Award Agreement \(approved August 26, 2014\) for annual awards beginning March 2015 and prior to March 2016 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 \(file no. 001-11421\)\)*](#)

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- 10.5 [Form of Stock Option Award Agreement \(approved March 16, 2016\) for annual awards beginning March 2016 and prior to March 2017 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.5 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 \(file no. 001-11421\)\)*](#)
- 10.6 [Form of Stock Option Award Agreement \(approved March 22, 2017\) for annual awards beginning March 2017 and prior to March 2018 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.7 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 \(file no. 001-11421\)\)*](#)
- 10.7 [Form of Stock Option Award Agreement \(approved March 21, 2018\) for annual awards beginning March 2018 and prior to 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 February 2, 2018, filed with the SEC on March 23, 2018 \(file no. 001-11421\)\)*](#)
- 10.8 [Form of Stock Option Award Agreement \(approved March 16, 2021\) for annual awards beginning March 2021 and prior to March 2022 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 \(file no. 001-11421\)\)*](#)
- 10.9 [Form of Stock Option Award Agreement \(approved March 15, 2022\) for annual awards beginning March 2022 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Exhibit 10.9 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended January 28, 2022, filed with the SEC on March 18, 2022 \(file no. 001-11421\)\)*](#)
- 10.10 [Form of Stock Option Award Agreement \(approved August 26, 2014\) for awards beginning December 2014 and prior to May 2016 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.3 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 \(file no. 001-11421\)\)*](#)
- 10.11 [Form of Stock Option Award Agreement \(approved May 24, 2016\) for awards beginning May 2016 and prior to March 2017 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.3 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2016, filed with the SEC on May 26, 2016 \(file no. 001-11421\)\)*](#)
- 10.12 [Form of Stock Option Award Agreement \(approved March 22, 2017\) for awards beginning March 2017 and prior to December 2017 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.10 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 \(file no. 001-11421\)\)*](#)

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- 10.13 [Form of Stock Option Award Agreement \(approved December 5, 2017\) for awards beginning December 2017 and prior to 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 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended November 3, 2017, filed with the SEC on December 7, 2017 \(file no. 001-11421\)\)*](#)
- 10.14 [Form of Stock Option Award Agreement \(approved March 16, 2021\) for awards beginning March 2021 and prior to August 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 \(file no. 001-11421\)\)*](#)
- 10.15 [Form of Stock Option Award Agreement \(approved August 24, 2021\) for awards beginning August 2021 and prior to May 2022 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended July 30, 2021, filed with the SEC on August 26, 2021 \(file no. 001-11421\)\)*](#)
- 10.16 [Form of Stock Option Award Agreement \(approved May 24, 2022\) for awards beginning May 2022 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2022, filed with the SEC on May 26, 2022 \(file no. 001-11421\)\)*](#)
- 10.17 [Form of Performance Share Unit Award Agreement \(approved March 17, 2020\) for 2020 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.14 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 31, 2020, filed with the SEC on March 19, 2020 \(file no. 001-11421\)\)*](#)
- 10.18 [Form of Performance Share Unit Award Agreement \(approved March 16, 2021\) for 2021 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.16 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 \(file no. 001-11421\)\)*](#)
- 10.19 [Form of Performance Share Unit Award Agreement \(approved March 15, 2022\) for awards beginning March 2022 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Exhibit 10.19 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2022, filed with the SEC on March 18, 2022 \(file no. 001-11421\)\)*](#)
- 10.20 [Form of Restricted Stock Unit Award Agreement \(approved March 21, 2018\) for awards beginning March 2018 and prior to 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 10.19 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 \(file no. 001-11421\)\)*](#)

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- 10.21 [Form of Restricted Stock Unit Award Agreement \(approved March 16, 2021\) for 2021 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.18 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 \(file no. 001-11421\)\)*](#)
- 10.22 [Form of Restricted Stock Unit Award Agreement \(approved March 15, 2022\) for awards beginning March 2022 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Exhibit 10.22 to Dollar General Corporation’s Annual Report on Form 10-K for the fiscal year ended January 28, 2022, filed with the SEC on March 18, 2022 \(file no. 001-11421\)\)*](#)
- 10.23 [Form of Restricted Stock Unit Award Agreement for awards prior to May 2011 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.15 to Dollar General Corporation’s Registration Statement on Form S-1 \(file no. 333-161464\)\)](#)
- 10.24 [Form of Restricted Stock Unit Award Agreement \(approved May 24, 2011\) for awards beginning May 2011 and prior to May 2014 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.3 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2011, filed with the SEC on June 1, 2011 \(file no. 001-11421\)\)](#)
- 10.25 [Form of Restricted Stock Unit Award Agreement \(approved May 28, 2014\) for awards beginning May 2014 and prior to February 2015 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.4 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended May 2, 2014, filed with the SEC on June 3, 2014 \(file no. 001-11421\)\)](#)
- 10.26 [Form of Restricted Stock Unit Award Agreement \(approved December 3, 2014\) for awards beginning February 2015 and prior to May 2016 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.7 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 \(file no. 001-11421\)\)](#)
- 10.27 [Form of Restricted Stock Unit Award Agreement \(approved May 24, 2016\) for awards beginning May 2016 and prior to May 2017 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.2 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2016, filed with the SEC on May 26, 2016 \(file no. 001-11421\)\)](#)
- 10.28 [Form of Restricted Stock Unit Award Agreement \(approved May 30, 2017\) for awards beginning May 2017 and prior to May 2021 to non-employee directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.2 to Dollar General Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended May 5, 2017, filed with the SEC on June 1, 2017 \(file no. 001-11421\)\)](#)

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- 10.29 [Form of Restricted Stock Unit Award Agreement \(approved May 25, 2021\) for May 2021 awards to non-employee directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2021, filed with the SEC on May 27, 2021 \(file no. 001-11421\)\)](#)
- 10.30 [Form of Restricted Stock Unit Award Agreement \(approved May 24, 2022\) for annual awards beginning May 2022 to non-employee directors of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2022, filed with the SEC on May 26, 2022 \(file no. 001-11421\)\)](#)
- 10.31 [Form of Restricted Stock Unit Award Agreement \(approved August 23, 2022\) for awards beginning August 2022 to new non-employee directors of Dollar General Corporation other than annual awards pursuant to the Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended July 29, 2022, filed with the SEC on August 25, 2022\) \(file no. 001-11421\)\)](#)
- 10.32 [Form of Restricted Stock Unit Award Agreement \(approved January 26, 2016\) for awards beginning February 1, 2016 and prior to November 28, 2018 to non-executive Chairmen of the Board of Directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.20 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 \(file no. 001-11421\)\)](#)
- 10.33 [Form of Restricted Stock Unit Award Agreement \(approved November 28, 2018\) for awards beginning after November 28, 2018 and prior to January 31, 2022 to non-executive Chairmen of the Board of Directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended November 2, 2018, filed with the SEC on December 4, 2018 \(file no. 001-11421\)\)](#)
- 10.34 [Form of Restricted Stock Unit Award Agreement \(approved January 20, 2022\) for awards beginning January 31, 2022 to non-executive Chairmen of the Board of Directors of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan \(incorporated by reference to Exhibit 10.32 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2022, filed with the SEC on March 18, 2022 \(file no. 001-11421\)\)](#)
- 10.35 [Form of Stock Option Award Agreement for awards to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan \(incorporated by reference to Exhibit 10.16 to Dollar General Corporation's Registration Statement on Form S-1 \(file no. 333-161464\)\)](#)
- 10.36 [Dollar General Corporation CDP/SERP Plan \(as amended and restated effective December 31, 2007\) \(incorporated by reference to Exhibit 10.10 to Dollar General Corporation's Registration Statement on Form S-4 \(file no. 333-148320\)\)*](#)
- 10.37 [First Amendment to the Dollar General Corporation CDP/SERP Plan \(as amended and restated effective December 31, 2007\) \(incorporated by reference to Exhibit 10.11 to Dollar General Corporation's Registration Statement on Form S-4 \(file no. 333-148320\)\)*](#)

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- 10.38 [Second Amendment to the Dollar General Corporation CDP/SERP Plan \(as amended and restated effective December 31, 2007\), dated as of June 3, 2008 \(incorporated by reference to Exhibit 10.6 to Dollar General Corporation's Quarterly Report on Form 10-Q for the quarter ended August 1, 2008, filed with the SEC on September 3, 2008 \(file no. 001-11421\)\)*](#)
- 10.39 [Dollar General Corporation Non-Employee Director Deferred Compensation Plan \(approved December 3, 2014\) \(incorporated by reference to Exhibit 10.6 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 \(file no. 001-11421\)\)](#)
- 10.40 [Form of Dollar General Corporation Teamshare Incentive Program for Named Executive Officers for fiscal year 2022 \(incorporated by reference to Exhibit 10.39 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2022, filed with the SEC on March 18, 2022 \(file no. 001-11421\)\)*](#)
- 10.41 [Form of Dollar General Corporation Teamshare Incentive Program for Named Executive Officers for use beginning fiscal year 2023*](#)
- 10.42 [Summary of Dollar General Corporation Life Insurance Program as Applicable to Executive Officers \(incorporated by reference to Exhibit 10.36 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 \(file no. 001-11421\)\)*](#)
- 10.43 [Dollar General Corporation Executive Relocation Policy, as amended \(effective November 29, 2022\) \(incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2022, filed with the SEC on December 1, 2022\) \(file no. 001-11421\)\)*](#)
- 10.44 [Summary of Non-Employee Director Compensation effective February 4, 2023 \(incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2022, filed with the SEC on December 1, 2022 \(file no. 001-11421\)\)](#)
- 10.45 [Employment Agreement between Dollar General Corporation and Jeffery C. Owen, effective November 1, 2022 \(incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated July 6, 2022, filed with the SEC on July 12, 2022 \(file no. 001-11421\)\)*](#)
- 10.46 [Form of Stock Option Award Agreement between Dollar General Corporation and Jeffery C. Owen for November 1, 2022 award \(incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended on July 29, 2022, filed with the SEC on August 25, 2022 \(file no. 001-11421\)\)*](#)
- 10.47 [Employment Agreement, effective June 3, 2021, between Dollar General Corporation and Todd J. Vasos \(incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated May 26, 2021, filed with the SEC on June 1, 2021 \(file no. 001-11421\)\)*](#)
- 10.48 [Amendment to Employment Agreement by and between Dollar General Corporation and Todd J. Vasos, effective November 1, 2022 \(incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated August 23, 2022, filed with the SEC on August 25, 2022 \(file no. 001-11421\)\)*](#)
- 10.49 [Consulting Agreement by and between Dollar General Corporation and Todd J. Vasos, effective April 2, 2023](#)

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- 10.50 [Form of Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos \(approved March 17, 2020\) for March 17, 2020 award \(incorporated by reference to Exhibit 10.38 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 31, 2020, filed with the SEC on March 19, 2020 \(file no. 001-11421\)\)*](#)
- 10.51 [Form of Performance Share Unit Award Agreement between Dollar General Corporation and Todd J. Vasos \(approved March 17, 2020\) for March 17, 2020 award \(incorporated by reference to Exhibit 10.39 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 31, 2020, filed with the SEC on March 19, 2020 \(file no. 001-11421\)\)*](#)
- 10.52 [Form of Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos \(approved March 16, 2021\) for March 16, 2021 award \(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 \(file no. 001-11421\)\)*](#)
- 10.53 [Form of Performance Share Unit Award Agreement between Dollar General Corporation and Todd J. Vasos \(approved March 16, 2021\) for March 16, 2021 award \(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 \(file no. 001-11421\)\)*](#)
- 10.54 [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 \(file no. 001-11421\)\)*](#)
- 10.55 [Amended Schedule of Executive Officers who have executed an employment agreement in the form of COO/Executive Vice President Employment Agreement filed as Exhibit 10.54 \(incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2022, filed with the SEC on December 1, 2022 \(file no. 001-11421\)\)*](#)
- 10.56 [Amendment to Employment Agreement by and between Dollar General Corporation and John W. Garratt, effective September 1, 2022 \(incorporated by reference to Exhibit 99.3 to Dollar General Corporation's Current Report on Form 8-K dated August 23, 2022, filed with the SEC on August 25, 2022 \(file no. 001-11421\)\)*](#)
- 10.57 [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 \(incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2021, filed with the SEC on May 27, 2021 \(file no. 001-11421\)\)*](#)
- 10.58 [Form of Executive Vice President Employment Agreement with attached Schedule of Executive Vice Presidents who have executed the Executive Vice President Employment Agreement \(incorporated by reference to Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated April 5, 2018, filed with the SEC on April 11, 2018 \(file no. 001-11421\)\)*](#)
- 10.59 [Amended Schedule of Executive Officers who have executed an employment agreement in the form of Executive Vice President Employment Agreement filed as Exhibit 10.58 \(incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 30, 2020, filed with the SEC on December 3, 2020 \(file no. 001-11421\)\)*](#)

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21	List of Subsidiaries of Dollar General Corporation
23	Consent of Independent Registered Public Accounting Firm
24	Powers of Attorney (included as part of the signature pages hereto)
31	Certifications of CEO and CFO under Exchange Act Rule 13a-14(a)
32	Certifications of CEO and CFO under 18 U.S.C. 1350
101	Interactive data files for Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2023, formatted in Inline XBRL: (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Shareholders' Equity; (v) the Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements
104	The cover page from Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2023 (formatted in Inline XBRL and contained in Exhibit 101)

* Management Contract or Compensatory Plan

ITEM 16. FORM 10-K SUMMARY

None

**BYLAWS
OF
DOLLAR GENERAL CORPORATION
As Amended and Restated on March 23, 2023**

**ARTICLE I
MEETINGS OF SHAREHOLDERS**

Section 1. Place of Meeting. Meetings of the shareholders of Dollar General Corporation (the “Corporation”) shall be held at such place, if any, either within or without the State of Tennessee as the Board of Directors may determine. The Board of Directors may, in its sole discretion, determine that a meeting of the shareholders shall not be held at any place but may instead be held by means of remote communication as authorized by the Tennessee Business Corporation Act (the “Act”) from time to time.

Section 2. Annual and Special Meetings.

(a) *Annual Meetings.* Annual meetings of shareholders shall be held, on a date and at a time and place, if any, fixed by the Board of Directors and stated in the notice of meeting, to elect a Board of Directors and to transact such other business as may properly come before the meeting.

(b) *Special Meetings.* Special meetings of shareholders may be called at any time, but only (i) by the Chairman of the Board of Directors, by the Chief Executive Officer of the Corporation, or upon a resolution by or affirmative vote of the Board of Directors, or (ii) subject to the provisions of this Article I, Section 2(b) and any other applicable provisions of these Bylaws, upon a resolution by or affirmative vote of the Board of Directors upon the written request (a “Shareholder Special Meeting Request”) received by the Secretary of the Corporation from Record Holders (as defined in Article I, Section 9) or Nominee Holders (as defined in Article I, Section 9) (each, a “Requesting Shareholder” and collectively, the “Requesting Shareholders”) (A) representing in the aggregate at least twenty-five percent (the “Requisite Percentage”) of the voting power of the Corporation’s shares entitled to vote on the matter or matters to be brought before the proposed special meeting (a “Shareholder Requested Special Meeting”); provided that such shares have been “owned” continuously by such Requesting Shareholders for at least one year prior to the date of the Shareholder Special Meeting Request (the “One-Year Period”), and (B) that have complied in full with the requirements set forth in these Bylaws. For the purposes of this Article 1, Section 2(b), whether shares are “owned” shall be determined in the same manner as provided in Article I, Section 12(h), and the terms “owned,” “owning” and other variations of the word “own” shall have the same definition ascribed to such terms in Article I, Section 12(h), provided that the terms “Noticing Shareholder” and “Eligible Shareholder” shall be substituted with the term “Requesting Shareholder” for the purposes of such definition. Except as set forth in this Article I, Section 2(b) or as otherwise required by law, special meetings of the shareholders of the Corporation may not be called by any other person or persons.

(i) In order for a Shareholder Requested Special Meeting to be called, the Shareholder Special Meeting Request must be signed and dated by the Requesting Shareholders (or their duly authorized agents) who are entitled to cast not less than the Requisite Percentage of votes on the matter or matters proposed to be brought before the Shareholder Requested Special Meeting and must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation. Any Shareholder Special

Meeting Request shall set forth with particularity (A) the names and addresses of the Requesting Shareholder(s), as they appear on the books of the Corporation, and if any Requesting Shareholder holds for the benefit of another, the name and address of such beneficial owner and of any Shareholder Associated Person (as defined in Article I, Section 10(d)), (B) the class or series and number of shares of the Corporation's capital stock owned of record and beneficially by each Requesting Shareholder and Shareholder Associated Person identified in clause (A) of this Article I, Section 2(b)(i) and documentary evidence that the Requesting Shareholders have owned the Requisite Percentage of shares continuously for the One-Year Period, from a person and in a form acceptable for purposes of a shareholder proposal under Rule 14a-8(b)(2) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor or replacement rule, (C) an agreement by each Requesting Shareholder to promptly notify the Corporation upon any decrease in the number of shares owned by such Requesting Shareholder occurring between the date on which the Shareholder Special Meeting Request is received by the Secretary of the Corporation and the date of the Shareholder Requested Shareholder Meeting and an acknowledgement by each Requesting Shareholder that the Shareholder Special Meeting Request shall be deemed to be revoked (and any meeting scheduled in response may be canceled) if the shares owned by the Requesting Shareholders do not represent ownership of at least the Requisite Percentage at all times between the date on which the Shareholder Special Meeting Request is received by the Secretary of the Corporation and the date of the Shareholder Requested Special Meeting, (D) the purpose or purposes of the Shareholder Requested Special Meeting and the business to be acted on at the Shareholder Requested Special Meeting, the reasons for conducting such business at the Shareholder Requested Special Meeting and the text of the proposal or business (including the text of any resolutions proposed for consideration and, if the business includes a proposal to amend these Bylaws, the language of the proposed amendment), and (E) the information required by Article I, Section 10(b) as to the business proposed to be conducted at the Shareholder Requested Special Meeting and as to the Requesting Shareholders on whose behalf the Shareholder Special Meeting Request is being made; provided that for purposes of this Article I, Section 2(b), (1) the terms "Noticing Shareholder" and "Holder" shall be substituted with the term "Requesting Shareholder" and (2) the term "notice" shall be substituted with the term "Shareholder Special Meeting Request," in each case in all places such terms appear in Article I, Section 10(b). Other than to the extent expressly referenced in this Article I, Section 2(b), the provisions of Article I, Section 10 shall not apply to a Shareholder Requested Special Meeting or a Shareholder Special Meeting Request. The only business that may be conducted at the Shareholder Requested Special Meeting properly requested by the Requesting Shareholders shall be the business proposed in the Shareholder Meeting Special Request and set forth in the notice of such Shareholder Requested Special Meeting; provided, however, that the Board of Directors shall have the authority in its sole and final discretion to submit additional matters in the notice for such Shareholder Requested Special Meeting and to cause other business to be transacted at such Shareholder Requested Special Meeting.

(ii) After receiving a Shareholder Special Meeting Request, the Board of Directors shall determine in good faith whether the Requesting Shareholders have satisfied the requirements set forth in these Bylaws, which determination shall be conclusive and binding, and the Corporation shall notify the Requesting Shareholders of the Board of Directors' determination. If the Board of Directors determines that the Shareholder Special Meeting Request complies with the provisions of these Bylaws and that the proposal to be

considered or business to be conducted is a proper subject for shareholder action under applicable law, the Charter or these Bylaws, the Board of Directors shall call and send notice of a Shareholder Requested Special Meeting for the purpose(s) set forth in the Shareholder Special Meeting Request (as well as any additional purpose(s) deemed advisable in the sole and final discretion of the Board of Directors) in accordance with Article I, Section 3 of these Bylaws. The Board of Directors shall determine the place, if any, date and time for such Shareholder Requested Special Meeting, which date shall be not later than 90 days after the date on which the Board of Directors determines that the Shareholder Special Meeting Request satisfies the requirements set forth in these Bylaws. The Board of Directors shall also set a record date for the determination of shareholders entitled to vote at such Shareholder Requested Special Meeting in the manner set forth in Article I, Section 4. Each Requesting Shareholder is required to update the information required by this Article I, Section 2(b) as of a date within ten business days after such record date and as of a date within five business days before the date of such Shareholder Requested Special Meeting. The Board of Directors may adjourn, postpone, reschedule or, if in accordance with these Bylaws, cancel any Shareholder Requested Special Meeting previously scheduled pursuant to this Article I, Section 2(b).

(iii) In determining whether a Shareholder Requested Special Meeting has been requested by Requesting Shareholders representing in the aggregate at least the Requisite Percentage, multiple Shareholder Special Meeting Requests received by the Secretary of the Corporation will be considered together only if (A) each Shareholder Special Meeting Request identifies substantially the same purpose or purposes of, and substantially the same matters proposed to be acted on at, the Shareholder Requested Special Meeting (in each case as determined in the sole and final discretion of the Board of Directors) (which, if such purpose is the removal of directors, will mean that the exact same person or persons are proposed for removal in each relevant request), and (B) such Shareholder Special Meeting Requests have been dated and received by the Secretary of the Corporation within 30 days of the earliest dated Shareholder Special Meeting Request that was submitted in accordance with the requirements of this Article I, Section 2(b).

(iv) Notwithstanding the foregoing provisions of this Article I, Section 2(b), the Board of Directors shall not be required to call a Shareholder Requested Special Meeting if (A) the Shareholder Special Meeting Request does not strictly comply with each applicable requirement of these Bylaws, (B) the business specified in the Shareholder Special Meeting Request is not a proper subject for shareholder action under applicable law, the Charter or these Bylaws, (C) the Board of Directors has called or calls for an annual or special meeting of shareholders to be held within 90 days after the Secretary receives the Shareholder Special Meeting Request and the Board of Directors determines that the business of such meeting includes (among any other matters properly brought before the annual or special meeting) an identical or substantially similar item of business as the business specified in the Shareholder Special Meeting Request (“Similar Business”), (D) the Shareholder Special Meeting Request is received by the Secretary during the period commencing 90 days prior to the anniversary date of the prior year’s annual meeting of shareholders and ending on the date of the final adjournment of the next annual meeting of shareholders, (E) Similar Business was presented at any meeting of shareholders held within 120 days prior to receipt by the Secretary of the Shareholder Special Meeting Request, (F) two or more Shareholder Requested Special Meetings have been held within the twelve month period prior to the date the Shareholder Special Meeting Request is received by the Secretary, (G) the Shareholder Special Meeting Request was made in a

manner that involved a violation of Regulation 14A under the Exchange Act or other applicable law, or (H) any information submitted pursuant to this Article I, Section 2(b) by any Requesting Shareholder is inaccurate in any material respect. For purposes of this Article I, Section 2(b), the removal of directors shall be “Similar Business” with respect to all items of business involving the nomination, election or removal of directors, the changing of the size of the Board of Directors and the filling of vacancies and/or newly created directorships. In addition, if none of the Requesting Shareholders who submitted a Shareholder Special Meeting Request appears or sends a qualified representative to present the matters for consideration that were specified in the Shareholder Special Meeting Request, the Corporation need not present such matters for a vote at such Shareholder Requested Special Meeting regardless of whether proxies have been solicited with respect to such matters.

(v) Any shareholder who submitted a Shareholder Special Meeting Request may revoke its written request by written revocation received by the Secretary at the principal executive offices of the Corporation at any time prior to the Shareholder Requested Special Meeting. A Shareholder Special Meeting Request shall be deemed revoked (and any meeting scheduled in response may be canceled) if the Requesting Shareholders do not continue to own at least the Requisite Percentage at all times between the date the Shareholder Special Meeting Request is received by the Secretary and the date of the applicable Shareholder Requested Special Meeting, and each Requesting Shareholder shall promptly notify the Secretary of any decrease in ownership of the number of shares owned by such Requesting Shareholder. If, as a result of any revocations, there are no longer valid unrevoked written Shareholder Special Meeting Requests from Requesting Shareholders holding the Requisite Percentage, there shall be no requirement to call or hold the Shareholder Requested Special Meeting.

(vi) The Board of Directors (and any other person or body authorized by the Board of Directors) shall have the power and authority to interpret this Article I, Section 2(b) and to make any and all determinations necessary or advisable to apply this Article I, Section 2(b) to any persons, facts or circumstances, including but not limited to, whether outstanding shares of the Corporation’s capital stock are “owned” for purposes of meeting the Requisite Percentage of this Article I, Section 2(b), whether a Shareholder Special Meeting Request complies with the requirements of this Article I, Section 2(b) and whether any and all requirements of this Article I, Section 2(b) have been satisfied. The Board of Directors (and any other person or body authorized by the Board of Directors) may require a Requesting Shareholder to furnish any additional information as may be reasonably required by the Board of Directors (as determined solely and exclusively by the Board of Directors, with such determination being final and binding) to permit the Board of Directors (and any other person or body authorized by the Board of Directors) to make any such interpretation or determination, and each Requesting Shareholder shall provide such information to the Board of Directors within ten business days of such request. Any such interpretation or determination adopted in good faith by the Board of Directors (or any other person or body authorized by the Board of Directors) shall be final, conclusive and binding on all persons, including without limitation the Corporation and all Requesting Shareholders.

Section 3. Notice of Meetings. Except as otherwise provided by law, at least ten (10) days and not more than two (2) months before each meeting of shareholders, notice of the place, if any, time and date of the meeting, the means of remote communication, if any, by which shareholders and proxy holders may be deemed to be present in person and vote at such meeting (as authorized by the Board

of Directors in its sole discretion pursuant to the Act) and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each shareholder entitled to vote at such meeting. Notice may be delivered personally, by mail, by electronic transmission or by any other means allowed by the Act in accordance with the Act.

Section 4. Record Date. The Board of Directors shall fix as the record date for the determination of shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote or to take any other action, a date that is not more than seventy (70) days before the meeting or action requiring a determination of shareholders. A record date fixed for a shareholders' meeting is effective for any adjournment of such meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than four (4) months after the date fixed for the original meeting.

Section 5. Shareholders' List. After the record date for a meeting has been fixed, the Corporation shall prepare an alphabetical list of the names of all shareholders who are entitled to notice of a shareholders' meeting. Such list will show the address of and number of shares held by each shareholder. The shareholders' list will be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder or his or her agent or attorney is entitled on written demand to inspect and, subject to the requirements of the Act, to copy the list, during regular business hours and at his or her expense, during the period it is available for inspection.

Section 6. Acceptance of Shareholder Documents. If the name signed on a shareholder document (e.g., a vote, consent, waiver, or proxy appointment) corresponds to the name of a shareholder, the Corporation, if acting in good faith, is entitled to accept such shareholder document and give it effect as the act of the shareholder. If the name signed on such shareholder document does not correspond to the name of a shareholder, the Corporation, if acting in good faith, is nevertheless entitled to accept such shareholder document and to give it effect as the act of the shareholder if:

- (a) the shareholder is an entity and the name signed purports to be that of an officer or agent of the entity;
- (b) the name signed purports to be that of a fiduciary representing the shareholder and, if the Corporation requests, evidence of fiduciary status acceptable to the Corporation has been presented with respect to such shareholder document;
- (c) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the Corporation requests, evidence of this status acceptable to the Corporation has been presented with respect to the shareholder document;
- (d) the name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of the shareholder and, if the Corporation requests, evidence acceptable to the Corporation of the signatory's authority to sign for the shareholder has been presented with respect to such shareholder document; or
- (e) two or more persons are the shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one (1) of the co-owners, and the person signing appears to be acting on behalf of all the co-owners.

The Corporation is entitled to reject a shareholder document if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt about the

validity of the signature on such shareholder document or about the signatory's authority to sign for the shareholder.

Section 7. Quorum. At any meeting of shareholders, the holders of record, present in person or by proxy, of a majority of the Corporation's issued and outstanding capital stock shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting shall have power to adjourn the meeting from time to time until a quorum is present.

Section 8. Voting and Proxies. Except as otherwise required by law, all matters submitted to a meeting of shareholders shall be decided by vote of the holders of record, present in person or by proxy, and shall be approved if the votes in favor of the matter exceed the votes against the matter. Every shareholder entitled to vote at any meeting may do so either in person or by written proxy, which proxy shall be filed with the secretary of the meeting before being voted. Proxies and written ballots may be in any format, including facsimile or any electronic form of communication (e.g., e-mail). Unless otherwise provided by the Act or the Charter, each outstanding share is entitled to one (1) vote on each matter voted on at a shareholders' meeting. Only shares are entitled to vote. Unless otherwise provided in the Charter, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. In addition, any shareholder directly or indirectly soliciting proxies from other shareholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board of Directors.

Section 9. Business at Annual and Special Meetings. No business may be transacted at an annual or special meeting of shareholders other than business that is:

- (a) specified in a notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors or an authorized committee thereof (including any such notice given by or at the direction of the Board of Directors following receipt by the Secretary of a Shareholder Special Meeting Request in accordance with Article I, Section 2(b) of these Bylaws),
- (b) otherwise brought before the meeting by or at the direction of the Board of Directors or an authorized committee thereof, or
- (c) otherwise brought before the meeting by a shareholder who complies with the notice, eligibility and other requirements set forth in Article I, Section 10 or Article I, Section 12 of these Bylaws, as applicable (such shareholder, a "Noticing Shareholder").

Notwithstanding any other provision of these Bylaws, in the case of a Shareholder Requested Special Meeting, no shareholder may propose any business to be considered at the Shareholder Requested Special Meeting, except pursuant to the Shareholder Special Meeting Request delivered pursuant to Article I, Section 2(b) of these Bylaws. A "Noticing Shareholder" must be either a "Record Holder" or a "Nominee Holder." A "Record Holder" is a shareholder that holds of record stock of the Corporation entitled to vote at the meeting on the business (including any election of a director) to be appropriately conducted at the meeting. A "Nominee Holder" is a shareholder that holds such stock through a nominee or "street name" holder of record and can demonstrate to the Corporation such indirect ownership of such stock and such Nominee Holder's entitlement to vote such stock on such business. Clause (c) of Section 9 of this Article I shall be the exclusive means for a Record Holder or a Nominee Holder to make director nominations or submit other business before a meeting of shareholders (other than proposals brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting, which proposals are not governed by these Bylaws, or submitted at a Shareholder Requested Special Meeting in accordance with Article I, Section 2(b) of these Bylaws). Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at a shareholders' meeting except in

accordance with the procedures set forth in Section 9, Section 10 or Section 12 of this Article I of these Bylaws.

Section 10. Notice of Shareholder Business to be Conducted at a Meeting of Shareholders. In order for a Noticing Shareholder to properly bring any item of business before a meeting of shareholders pursuant to this Section 10 of this Article I, the Noticing Shareholder must give timely notice thereof in writing to the Secretary of the Corporation in compliance with the requirements of Section 10 of this Article I. Section 10 of this Article I shall constitute an “advance notice provision” for annual meetings for purposes of Rule 14a-4(c)(1) under the Exchange Act.

(a) To be timely, a Noticing Shareholder’s notice shall be delivered to the Secretary at the principal executive offices of the Corporation:

(i) in the case of an annual meeting of shareholders, not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year’s annual meeting; provided, however, that in the event the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation; and

(ii) in the case of a special meeting of shareholders called for the purpose of electing directors, not earlier than the close of business on the one-hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the date on which notice of the date of the special meeting was given or public disclosure of the date of the special meeting was made, whichever first occurs.

In no event shall any adjournment or postponement of an annual meeting, or the announcement thereof, commence a new time period for the giving of a shareholder’s notice as described above.

(b) To be in proper form, whether in regard to a nominee for election to the Board of Directors or other business, a Noticing Shareholder’s notice to the Secretary must:

(i) Set forth, as to the Noticing Shareholder and, if the Noticing Shareholder holds for the benefit of another, the beneficial owner on whose behalf the nomination or proposal is made, the following information together with a representation as to the accuracy of the information:

(A) the name and address of the Noticing Shareholder as they appear on the Corporation’s books and, if the Noticing Shareholder holds for the benefit of another, the name and address of such beneficial owner (collectively “Holder”) and of any Shareholder Associated Person,

(B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned beneficially and/or of record by the Noticing Shareholder and Shareholder Associated Person identified in clause (A) of this Article 1, Section 10(b)(i), and the date such ownership was acquired,

(C) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not the instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a “Derivative Instrument”) that is directly or indirectly owned beneficially by the Holder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation,

(D) any proxy, contract, arrangement, understanding, or relationship pursuant to which the Holder has a right to vote or has granted a right to vote any shares of any security of the Corporation,

(E) any short interest in any security of the Corporation (for purposes of these Bylaws a person shall be deemed to have a short interest in a security if the Holder directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security),

(F) any rights to dividends on the shares of the Corporation owned beneficially by the Holder that are separated or separable from the underlying shares of the Corporation,

(G) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership or limited liability company or similar entity in which the Holder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, is the manager, managing member or directly or indirectly beneficially owns an interest in the manager or managing member of a limited liability company or similar entity,

(H) any performance-related fees (other than an asset-based fee) that the Holder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any,

(I) any arrangements, rights, or other interests described in Sections 10(b)(i)(C)-(H) held by members of such Holder’s immediate family sharing the same household,

(J) a representation that the Noticing Shareholder intends to appear in person or by proxy at the meeting to nominate the person(s) named or propose the business specified in the notice and whether or not such shareholder intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation’s outstanding shares required to approve the nomination(s) or the business proposed and/or otherwise to solicit proxies from shareholders in support of the nomination(s) or the business proposed,

(K) if such Noticing Shareholder intends to engage in a solicitation with respect to a nomination pursuant to Section 10 of this Article 1, (i) a statement disclosing the name of each participant in such solicitation (as defined in Schedule

14A under the Exchange Act) and (ii) a representation that such Noticing Shareholder intends to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding shares required under Rule 14a-19 under the Exchange Act,

(L) a certification regarding whether or not such shareholder and Shareholder Associated Persons have complied with all applicable federal, state and other legal requirements in connection with such shareholder's and/or Shareholder Associated Persons' acquisition of shares or other securities of the Corporation and/or such shareholder's and/or Shareholder Associated Persons' acts or omissions as a shareholder of the Corporation,

(M) any other information relating to the Holder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder, and

(N) any other information as reasonably requested by the Corporation.

Such information shall be provided as of the date of the notice and shall be supplemented by the Holder not later than 10 days after the record date for the meeting to disclose such ownership as of the record date. In addition, if any Noticing Shareholder provides notice of a proposed nomination for election to the Board of Directors pursuant to Rule 14a-19 under the Exchange Act, such Noticing Shareholder shall deliver to the Corporation reasonable evidence that it has met the requirements of Rule 14a-19 under the Exchange Act. Such reasonable evidence must be delivered to the Secretary of the Corporation no later than five business days before the date of the meeting.

(ii) If the notice relates to any business other than a nomination of a director or directors that the shareholder proposes to bring before the meeting, the notice must set forth:

(A) a brief description of the business desired to be brought before the meeting (including the text of any resolutions proposed for consideration), the reasons for conducting such business at the meeting, and any material direct or indirect interest of the Holder or any Shareholder Associated Persons in such business, and

(B) a description of all agreements, arrangements and understandings, direct and indirect, between the Holder, and any other person or persons (including their names) in connection with the proposal of such business by the Holder.

(iii) Set forth, as to each person, if any, whom the Holder proposes to nominate for election or reelection to the Board of Directors:

(A) all information relating to the nominee (including, without limitation, the nominee's name, age, business and residence address and principal occupation or employment and the class or series and number of shares of capital stock of the Corporation that are owned beneficially or of record by the nominee) that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a

contested election pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), and

(B) a description of any agreements, arrangements and understandings between or among such shareholder or any Shareholder Associated Person, on the one hand, and any other persons (including any Shareholder Associated Person), on the other hand, in connection with the nomination of such person for election as a director,

(C) a description of all direct and indirect compensation and other material monetary agreements, arrangements, and understandings during the past three years, and any other material relationships, between or among the Holder and respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the Holder making the nomination or on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of Item 404 and the nominee were a director or executive officer of such registrant.

(iv) With respect to each nominee for election or reelection to the Board of Directors, the Noticing Shareholder shall include a completed and signed questionnaire, representation, and agreement required by Article I, Section 11 of these Bylaws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of the proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of the nominee.

(c) Notwithstanding anything in Article I, Section 10(a) to the contrary, if the number of directors to be elected to the Board of Directors is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by these Bylaws shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which the public announcement naming all nominees or specifying the size of the increased Board of Directors is first made by the Corporation.

(d) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act and the rules and regulations thereunder. As used in these Bylaws, the term "Shareholder Associated Person" means, with respect to any shareholder, (i) any person acting in concert with such shareholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such shareholder (other than a shareholder that is a depository) and (iii) any person controlling, controlled by or under common control with any shareholder, or any Shareholder Associated Person identified in clauses (i) or (ii) above. The terms "Affiliate" and "Associate" are fairly broad and are defined by reference to Rule 12b-2 under the Exchange Act.

An “affiliate” is any “person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.” “Control” is defined as the “possession, direct or indirect, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract, or otherwise.”

The term “associate” of a person means: (i) any corporation or organization (other than the registrant or a majority-owned subsidiary of the registrant) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities, (ii) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person or who is a director or officer of the registrant or any of its parents or subsidiaries.

(e) Only those persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors. Only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in these Bylaws, provided, however, that, once business has been properly brought before the meeting in accordance with Section 10(e) of this Article I, nothing in Section 10(e) of this Article I shall be deemed to preclude discussion by any shareholder of such business. If any information submitted pursuant to Section 10 of this Article I by any shareholder proposing a nominee(s) for election as a director at a meeting of shareholders is inaccurate in any material respect, such information shall be deemed not to have been provided in accordance with Section 10 of this Article I. Except as otherwise provided by law, the Charter, or these Bylaws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in compliance with the procedures set forth in these Bylaws and, if he should determine that any proposed nomination or business is not in compliance with these Bylaws, he shall so declare to the meeting and any such nomination or business not properly brought before the meeting shall be disregarded or not be transacted. Notwithstanding the foregoing provisions of Section 10 of this Article I, unless otherwise required by law, if any Noticing Shareholder provides notice of a proposed nomination for election to the Board of Directors pursuant to Rule 14a-19 under the Exchange Act and subsequently fails to comply with any requirements of Rule 14a-19 under the Exchange Act or any other rules or regulations thereunder, as determined by the Chairman of the meeting, then the Corporation shall disregard any proxies or votes solicited for such nominee. In addition, any Noticing Shareholder that provides notice of a proposed nomination for election to the Board of Directors pursuant to Rule 14a-19 under the Exchange Act shall notify the Secretary of the Corporation within two business days of any change in such shareholder’s intent to deliver a proxy statement and form of proxy to the amount of holders of shares of the Corporation’s outstanding capital stock required under Rule 14a-19 under the Exchange Act.

(f) Notwithstanding the foregoing provisions of these Bylaws, a Noticing Shareholder also shall comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these Bylaws; provided, however, that any references in these Bylaws to the Exchange Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Article I, Section 9, Article I, Section 10, or Article I, Section 12.

(g) Nothing in these Bylaws shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation’s proxy statement pursuant to Rule 14a-8 under

the Exchange Act. Notice of shareholder proposals that are, or that the Noticing Shareholder intends to be, governed by Rule 14a-8 under the Exchange Act are not governed by these Bylaws.

Section 11. Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the Corporation by a Holder, a person must complete and deliver (in accordance with the time periods prescribed for delivery of notice under Article I, Section 10 or Article I, Section 12 of these Bylaws, as applicable) to the Secretary at the principal executive offices of the Corporation a written questionnaire providing the information requested about the background, qualifications, stock ownership and independence of such person and the background of any other person or entity on whose behalf the nomination is being made and a written representation and agreement (the questionnaire, representation, and agreement to be in the form provided by the Secretary upon written request) that such person:

(a) is not and will not become a party to:

(i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how the person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation, or

(ii) any Voting Commitment that could limit or interfere with the person's ability to comply, if elected as a director of the Corporation, with the person's fiduciary duties under applicable law,

(b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, or indemnification in connection with service or action as a director that has not been disclosed therein, and

(c) in the person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality, and stock ownership and trading policies and guidelines of the Corporation.

Section 12. Proxy Access for Director Nominations.

(a) Whenever the Board of Directors solicits proxies with respect to the election of directors at an annual meeting of shareholders of the Corporation then, subject to the provisions of this Section 12 of this Article I, the Corporation shall include in its proxy materials for such annual meeting of shareholders the name, together with the Required Information (as defined below), of any Shareholder Nominee (as defined below) nominated in a timely notice that satisfies the requirements of this Section 12 of this Article I (the "Notice of Proxy Access Nomination"), delivered by a Noticing Shareholder who at the time the Notice of Proxy Access Nomination is delivered satisfies, or by a group of no more than 20 Noticing Shareholders that satisfy, the ownership and other requirements of this Section 12 of this Article I (such Noticing Shareholder or such group of Noticing Shareholders, including as the context requires each group member thereof, referred to herein as an "Eligible Shareholder"), and who expressly elects at the time of providing the Notice of Proxy Access Nomination to have its nominee or nominees, as applicable, included in the Corporation's proxy materials pursuant to this Section 12 of this Article I.

(b) To be timely, a Notice of Proxy Access Nomination must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the 120th day, nor earlier than the close of business on the 150th day, prior to the first anniversary of the date that the Corporation commenced mailing of its definitive proxy materials (as stated in such materials) for the immediately preceding annual meeting of shareholders (the last day on which a Notice of Proxy Access Nomination may be delivered, the “Final Proxy Access Nomination Date”). In the event that no annual meeting of shareholders was held in the previous year or the date of the upcoming annual meeting of shareholders is more than 30 days before or more than 60 days after the anniversary date of the previous annual meeting of shareholders, to be timely, a Notice of Proxy Access Nomination must be so delivered not earlier than the close of business on the 150th day prior to the date of such annual meeting of shareholders and not later than the close of business on the later of the 120th day prior to the date of such annual meeting of shareholders or, if the first public announcement of the date of such annual meeting of shareholders is less than 130 days prior to the date of such annual meeting of shareholders, the 10th day following the day on which public announcement of the date of such annual meeting of shareholders is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting of shareholders or the announcement thereof commence a new time period (or extend any time period) for the giving of a Notice of Proxy Access Nomination as described above.

(c) For purposes of this Section 12 of this Article I, “Shareholder Nominee” shall mean a person timely and properly nominated for election to the Board of Directors by an Eligible Shareholder in accordance with this Section 12 of this Article I. The maximum number of Shareholder Nominees that may be included in the Corporation’s proxy materials pursuant to this Section 12 of this Article I (including Shareholder Nominees that were submitted by an Eligible Shareholder for inclusion in the Corporation’s proxy materials pursuant to this Section 12 of this Article I but either are subsequently withdrawn, disregarded, declared invalid or ineligible pursuant to this Section 12 of this Article I or that the Board of Directors decides to nominate as a nominee of the Board of Directors) shall not exceed 20% of the number of directors serving on the Board of Directors as of the Final Proxy Access Nomination Date, or if such amount is not a whole number, the closest whole number below 20% (the “Permitted Number”); provided, however, that in the event that one or more vacancies for any reason occurs on the Board of Directors at any time after the Final Proxy Access Nomination Date and before the date of the applicable annual meeting of shareholders and the Board of Directors determines to reduce the size of the Board of Directors in connection therewith, the Permitted Number shall be calculated based on the number of directors in office as so reduced.

(d) The Permitted Number shall be reduced by the number of persons that the Board of Directors decides to recommend for re-election who were previously elected to the Board of Directors based on a nomination made pursuant to this Section 12 of this Article I or pursuant to an agreement, arrangement or other understanding with an Eligible Shareholder in lieu of such person being formally nominated as a director pursuant to this Section 12 of this Article I, in each case at one of the preceding two annual meetings of shareholders.

(e) Any Eligible Shareholder submitting more than one Shareholder Nominee for inclusion in the Corporation’s proxy materials pursuant to this Section 12 of this Article I shall rank in its Notice of Proxy Access Nomination such Shareholder Nominees based on the order that the Eligible Shareholder desires such Shareholder Nominee to be selected for inclusion in the Corporation’s proxy materials in the event that that the total number of Shareholder Nominees submitted by Eligible Shareholders pursuant to this Section 12 of this Article I exceeds the Permitted Number. In the event that the number of Shareholder Nominees submitted by Eligible

Shareholders pursuant to this Section 12 of this Article I exceeds the Permitted Number, the highest ranking Shareholder Nominee who meets the requirements of this Section 12 of this Article I from each Eligible Shareholder will be selected for inclusion in the Corporation's proxy materials until the Permitted Number is reached, beginning with the Eligible Shareholder with the largest number of shares disclosed as owned (as defined below) in its respective Notice of Proxy Access Nomination submitted to the Corporation and proceeding through each Eligible Shareholder in descending order of ownership. If the Permitted Number is not reached after the highest ranking Shareholder Nominee who meets the requirements of this Section 12 of this Article I from each Eligible Shareholder has been selected, this selection process shall continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

(f) For purposes of this Section 12 of this Article I, the "Required Information" that the Corporation will include in its proxy statement is:

(i) the information concerning the Shareholder Nominee and the Eligible Shareholder (including each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) that, as determined by the Corporation, would be required to be disclosed in a proxy statement or other filings required to be filed pursuant to Regulation 14A under the Exchange Act or pursuant to any other rule, regulation or listing standard (the "Proxy Rules"); and

(ii) if the Eligible Shareholder so elects, a Statement (as defined below).

(g) An Eligible Shareholder must have owned (as defined below) that number of shares of stock of the Corporation as shall constitute three percent (3%) or more of the Corporation's outstanding capital stock eligible to vote generally in the election of directors (the "Required Shares") continuously for at least three (3) years as of both the date the Notice of Proxy Access Nomination is delivered to and received by the Secretary of the Corporation in accordance with this Section 12 of this Article I and the record date for determining shareholders entitled to vote at the annual meeting of shareholders, and must continue to own the Required Shares through the date of the annual meeting of shareholders. If and to the extent a Noticing Shareholder is acting on behalf of one or more beneficial owners in submitting the Notice of Proxy Access Nomination, only shares owned by such beneficial owner or owners, and not any other shares owned by such Noticing Shareholder, shall be counted for purposes of satisfying the foregoing ownership requirement.

For purposes of satisfying the foregoing ownership requirement under this Section 12 of this Article I, the shares of capital stock of the Corporation owned by one or more Eligible Shareholders may be aggregated, provided, that the number of Eligible Shareholders whose ownership of shares of stock of the Corporation is aggregated for such purpose shall not exceed 20. Two or more funds that are (i) under common management and investment control, (ii) under common management and funded primarily by the same employer or (iii) a "group of investment companies," as such term is defined in the Investment Company Act of 1940, as amended, shall be treated as one Eligible Shareholder for the purpose of satisfying the foregoing ownership requirements; provided that each fund otherwise meets the requirements set forth in this Section 12 of this Article I; and provided further that any such funds for which shares are aggregated for the purpose of satisfying the foregoing ownership requirements provide documentation reasonably satisfactory to the Corporation that demonstrates that the funds satisfy the criteria for being treated as one Eligible Shareholder within seven days after the Notice of Proxy Access Nomination is delivered to the Corporation. With respect to any one particular annual meeting of shareholders, no shareholder may be a member of more than one group of shareholders constituting an Eligible

Shareholder under this Section 12 of this Article I. For the avoidance of doubt, if a group of Noticing Shareholders aggregates ownership of shares in order to meet the Required Shares requirement hereunder, all shares held by each Noticing Shareholder that constitute part of the Required Shares must be held by that shareholder continuously for at least three years as of the date the Notice of Proxy Access Nomination is delivered to the Secretary of the Corporation and as of the record date and must continue to own the Required Shares through the date of the annual meeting of shareholders, as outlined above, and evidence of such continuous ownership shall be provided as specified in this Section 12 of this Article I.

(h) For purposes of this Section 12 of this Article I, an Eligible Shareholder (including each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) shall be deemed to “own” only those outstanding shares of the Corporation’s capital stock as to which the Eligible Shareholder possesses both:

- (i) the full voting and investment rights pertaining to the shares; and
- (ii) the full economic interest in (including the opportunity for profit and risk of loss on) such shares;

provided that the number of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (x) sold by such Eligible Shareholder or any of its affiliates in any transaction that has not been settled or closed, (y) borrowed by such Eligible Shareholder or any of its affiliates for any purposes or purchased by such shareholder or any of its affiliates pursuant to an agreement to resell, or (z) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such Eligible Shareholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of outstanding shares of the Corporation’s capital stock, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of either (1) reducing in any manner, to any extent or at any time in the future, such Eligible Shareholder’s or affiliates’ full right to vote or direct the voting of any such shares and/or (2) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such shares by such Eligible Shareholder or affiliate. An Eligible Shareholder shall “own” shares held in the name of a nominee or other intermediary so long as the shareholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares.

An Eligible Shareholder’s ownership of shares shall be deemed to continue during any period in which (A) the Eligible Shareholder has loaned such shares, provided that the Eligible Shareholder has the power to recall such loaned shares on no more than five business days’ notice and has recalled such loaned shares as of the record date for the determination of shareholders entitled to vote at the annual meeting of shareholders and through the date of the annual meeting of shareholders; or (B) the Eligible Shareholder has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the Eligible Shareholder.

Whether outstanding shares of the Corporation’s capital stock are “owned” for the purposes of this Section 12 of this Article I shall be determined by the Board of Directors. The Corporation also may require the Eligible Shareholder (including each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) to furnish such other information as may be reasonably required by the Corporation to permit the Board of Directors to make such determination, and if any such Eligible Shareholder (including any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) fails to provide such information, such Eligible Shareholder (or member of a group of Noticing

Shareholders that is an Eligible Shareholder hereunder) will be barred from making nomination or being considered a member of a group of Noticing Shareholders that is an Eligible Shareholder, as applicable. For purposes of this Section 12 of this Article I, the term “affiliate” or “affiliates” shall have the meaning ascribed thereto in the regulations promulgated under the Exchange Act. The terms “owned,” “owning” and other variations of the word “own” shall have correlative meanings.

(i) The Eligible Shareholder (including each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) must provide with its timely Notice of Proxy Access Nomination the following information in writing to the Secretary of the Corporation:

(i) all of the representations, agreements and other information required in a Noticing Shareholder’s notice pursuant to Section 10(b) of this Article I;

(ii) one or more written statements from the Record Holder(s) of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year holding period) verifying that, as of a date within seven calendar days prior to the date the Notice of Proxy Access Nomination is delivered to and received by the Secretary of the Corporation, the Eligible Shareholder owns, and has owned continuously for the preceding three years, the Required Shares, as well as the Eligible Shareholder’s agreement to provide:

(A) within five business days after the record date for the annual meeting of shareholders, written statements from the Record Holder and any intermediaries through which the shares are held verifying the Eligible Shareholder’s continuous ownership of the Required Shares from the date(s) referenced in the written statements provided with the Notice of Proxy Access Nomination referenced immediately above through the record date (with such written statements being provided by each member of any group of Noticing Shareholders that is an Eligible Shareholder hereunder), and

(B) immediate notice if the Eligible Shareholder ceases to own any of the Required Shares prior to the date of the applicable annual meeting of shareholders;

(iii) a copy of the Schedule 14N that has been filed with the Securities and Exchange Commission (“SEC”) as required by Rule 14a-18 under the Exchange Act, as such rule may be amended;

(iv) in the case of a nomination by a group of Noticing Shareholders that is an Eligible Shareholder hereunder, the designation by all group members of one group member that is authorized to act on behalf of all members of the Eligible Shareholder with respect to the nomination and all matters related thereto, including withdrawal of the nomination and that such person intends to be present in person or by authorized representative to present the Shareholder Nominee at the annual meeting of shareholders;

(v) a representation and, where applicable, agreement that the Eligible Shareholder (including each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder):

(A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and does not presently have such intent,

(B) has not nominated and will not nominate for election to the Board of Directors at the annual meeting of shareholders any person other than the Shareholder Nominee(s) being nominated pursuant to this Section 12 of this Article I,

(C) has not engaged and will not engage in, and has not been and will not be, a “participant” (as defined in Schedule 14A of the Exchange Act) in, a “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting of shareholders other than a nominee of the Board of Directors,

(D) will not distribute to any shareholder any form of proxy for the annual meeting of shareholders other than the form distributed by the Corporation,

(E) will continue to own the Required Shares through the date of the annual meeting of shareholders, and

(F) is providing or will provide facts, statements and other information in all communications with the Corporation and its shareholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(vi) a representation as to the intentions of the Eligible Shareholder (and each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) with respect to continuing to own the Required Shares for at least one year following the annual meeting of shareholders; and

(vii) an undertaking that the Eligible Shareholder (including each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) agrees to:

(A) assume all liability stemming from any legal or regulatory violation arising out of the Eligible Shareholder’s communications with the Corporation’s shareholders or out of the information that the Eligible Shareholder provides or provided or that the Shareholder Nominee provides or provided to the Corporation (including without limitation any information that the Eligible Shareholder or the Shareholder Nominee omitted or failed to provide to the Corporation that was material or that was necessary to make the information provided not misleading),

(B) indemnify and hold harmless the Corporation and each of its directors, officers, employees and agents individually against any liability, loss or damages in connection with any action, suit or proceeding (whether threatened, pending or completed), whether legal, administrative, investigative or otherwise, against the Corporation or any of its directors, officers, employees or agents arising out of or relating to any nomination, solicitation or other activity by the Eligible Shareholder in connection with its efforts to elect its Shareholder Nominee pursuant to this Section 12 of this Article I or by the Shareholder Nominee pursuant to this Section 12 of this Article I,

(C) file with the SEC any solicitation or other communication with the Corporation’s shareholders relating to the annual meeting of shareholders at which the Shareholder Nominee will be nominated, regardless of whether any such filing

is required under the Proxy Rules or whether any exemption from filing is available for such solicitation or other communication under the Proxy Rules; provided however, that only other communications that both (i) relate to the nomination and (ii) are intended to reach shareholders of the Corporation holding 5% or more of the Corporation's outstanding shares of capital stock are required to be filed pursuant to this provision,

(D) comply with all other applicable laws, rules, regulations and listing standards relating to the nomination of each Shareholder Nominee pursuant to this Section 12 of this Article I, and

(E) timely provide to the Corporation any additional information that the Corporation in its sole, final, conclusive and binding discretion determines is necessary for the Corporation to make any necessary determination according to this Section 12 of this Article I.

(j) The Eligible Shareholder (but not each member of any group of Noticing Shareholders that is an Eligible Shareholder hereunder) may include, at its option, with its timely Notice of Proxy Access Nomination one written statement for inclusion in the Corporation's proxy statement for the annual meeting of shareholders, not to exceed 500 words (including without limitation any heading), in support of the Shareholder Nominee's candidacy (the "Statement"). For the avoidance of doubt, the Statement shall be limited to 500 words and shall not include any images, charts, pictures, graphic presentations or similar items. Notwithstanding anything to the contrary contained in this Section 12 of this Article I, the Corporation may omit from its proxy materials any information or Statement (or portion thereof) that it, in good faith, believes:

(i) could violate any applicable law, rule, regulation or listing standard;

(ii) is not true and correct in all material respects or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(iii) directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations with respect to, without factual foundation, any person.

(k) Within the time period specified in this Section 12 of this Article I for providing a Notice of Proxy Access Nomination, each Shareholder Nominee must deliver to the Secretary of the Corporation:

(i) All of the representations, agreements and other information required to be provided with respect to director nominees under Section 10(b) and Section 11 of this Article I;

(ii) written consent to be named in the proxy statement as a nominee and to serve as a director, if elected, and to public disclosure of the information provided by the Eligible Shareholder and to the information provided by the Shareholder Nominee in connection with the nomination and any additional consents or information as may be required from time to time by state or federal law; and

(iii) a written representation and agreement that such Shareholder Nominee:

(A) is not and will not become a party to any Voting Commitment, whether written or oral;

(B) is not and will not become a party either directly or indirectly to any compensatory, payment or other financial agreement, arrangement or other understanding, whether written or oral, with any person or entity other than the Corporation that has not been disclosed to the Corporation, including any agreement to indemnify such Shareholder Nominee for obligations arising as a result of his or her nomination, service or action taken as a director of the Corporation, and has not and will not receive either directly or indirectly any such compensation or other payment from any person or entity other than the Corporation that has not been disclosed to the Corporation, in each case in connection with such Shareholder Nominee's nomination, service or action as a director of the Corporation;

(C) would be in compliance, if elected as a director of the Corporation, and will comply with all applicable laws, regulations and listing standards, all of the Corporation's policies and guidelines pertaining to corporate governance, conflicts of interest, confidentiality and stock ownership, holding and trading, the Corporation's Code of Business Conduct and Ethics (the "Code") and any other policies and guidelines applicable to directors from time to time; and

(D) is providing, or will provide, facts, statements and other information in all communications with the Corporation and its shareholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(l) At the request of the Corporation, each Shareholder Nominee must fully complete, sign and submit all questionnaires the Corporation requires of its directors and officers within the timeframe requested by the Corporation. The Corporation also may require any Shareholder Nominee (and if so required, such Shareholder Nominee must fully furnish such information within the timeframe requested by the Corporation) to furnish such other information as the Corporation reasonably believes is necessary or advisable to permit the Board of Directors to determine whether:

(i) such Shareholder Nominee is independent for purposes of service on the Board of Directors and each committee thereof under all applicable law, applicable listing standards, any applicable rules or regulations of the SEC and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors (the "Applicable Independence Standards") or that the Corporation reasonably believes could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Shareholder Nominee;

(ii) such Shareholder Nominee had or has any direct or indirect material interest in any transaction with the Corporation or any of its subsidiaries that would be reportable under Item 404 of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act"), or any amended or successor provision;

(iii) such Shareholder Nominee has any conflict of interest with the Corporation or any of its subsidiaries that would cause such Shareholder Nominee to violate the Code or any other issue that would result in the Shareholder Nominee's violation of any provision of the Code;

(iv) such Shareholder Nominee is or has been subject to:

(A) any event specified in Item 401(f) of Regulation S-K under the Securities Act, or any amended or successor provision, or

(B) any order of the type specified in Rule 506(d) of Regulation D under the Securities Act or any amended or successor provision.

(m) In the event that any information or communications provided by an Eligible Shareholder (including information or communications provided by any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) or any Shareholder Nominee to the Corporation or its shareholders is not or ceases to be true and correct in any material respect or omitted or omits a fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Shareholder or Shareholder Nominee, as the case may be, shall promptly notify the Secretary of the Corporation of any such inaccuracy, omission or defect in such previously provided information and of the information that is required to make such information or communication true and correct, it being understood that providing any such notification and information shall not be deemed to cure any defect or limit the Corporation's right to omit a Shareholder Nominee from its proxy materials as provided in this Section 12 of this Article I.

(n) Notwithstanding anything to the contrary set forth in this Section 12 of this Article I, the Corporation shall not be required to include, pursuant to this Section 12 of this Article I, a Shareholder Nominee in its proxy materials (or, if the proxy statement has already been filed, then the Board of Directors or the person presiding at the annual meeting of shareholders may declare a nomination by an Eligible Shareholder to be invalid and that such nomination shall be disregarded and no vote on any such Shareholder Nominee shall occur, notwithstanding that proxies in respect of such vote may have been received by the Corporation), and no replacement nominee or nominees shall be included in the Corporation's proxy materials or otherwise submitted for election as a director in substitution thereof:

(i) if the Shareholder Nominee or the Eligible Shareholder (or any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) who nominated the Shareholder Nominee fails to provide any of the information required or requested by the Corporation pursuant to any provision of this Section 12 of this Article I in the timeframe and manner set forth herein;

(ii) for any annual meeting of shareholders for which the Secretary of the Corporation receives a notice that the Eligible Shareholder (or any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) or any other Noticing Shareholder has nominated or intends to nominate a person for election to the Board of Directors pursuant to Section 10 of this Article I;

(iii) if any person is nominated pursuant to an agreement, arrangement or other understanding with one or more shareholders or beneficial owners, as the case may be, in lieu of such person being formally proposed as a nominee for election to the Board of Directors pursuant to Section 10 of this Article I or if any director then in office was

previously nominated pursuant to Section 10 of this Article I or pursuant to an agreement, arrangement or other understanding with one or more shareholders or beneficial owners, as the case may be, in lieu of such person being formally proposed as a nominee for election to the Board pursuant to Section 10 of this Article I, in each case at one of the previous two annual meetings;

(iv) if the Eligible Shareholder (or any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) has or is currently engaged in, or has been or is a “participant” (as defined in Schedule 14A of the Exchange Act) in, a “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting of shareholders other than a nominee of the Board of Directors;

(v) if the Eligible Shareholder (or any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) or if the Shareholder Nominee is or becomes a party to any compensatory, payment or other financial agreement, arrangement or understanding, whether written or oral, with any person or entity other than the Corporation that has not been disclosed to the Corporation, including any agreement to indemnify such Shareholder Nominee for obligations arising as a result of his or her nomination, service or action taken as a director of the Corporation;

(vi) who is not independent under the Applicable Independence Standards, as determined by the Board of Directors;

(vii) whose election as a member of the Board of Directors would cause the Corporation to be in violation of these Bylaws, the Corporation’s Charter, the listing standards of the principal exchange upon which the Corporation’s capital stock is traded, or any applicable state or federal law, rule or regulation, in each case as may be in effect from time to time;

(viii) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended;

(ix) who has or would have a conflict of interest with the Corporation or any of its subsidiaries that would cause such Shareholder Nominee to violate the Code or any fiduciary duties of directors established pursuant to the Act, including but not limited to, the duty of loyalty and duty of care, as determined by the Board of Directors;

(x) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding;

(xi) who is subject to any order of the type specified in Rule 506(d) of Regulation D under the Securities Act;

(xii) if such Shareholder Nominee or the applicable Eligible Shareholder (or any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) shall have provided information to the Corporation or shareholders required or requested pursuant to this Section 12 of this Article I that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors;

(xiii) if the Eligible Shareholder (or a qualified representative thereof) does not appear at the annual meeting of shareholders to present the Shareholder Nominee for election pursuant to this Section 12 of this Article I;

(xiv) if the Eligible Shareholder (or any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) becomes ineligible to nominate a director pursuant to this Section 12 of this Article I or withdraws its nomination or if the Shareholder Nominee becomes unwilling, unavailable or ineligible to serve on the Board of Directors, whether before or after the mailing of the definitive proxy statement; or

(xv) if such Shareholder Nominee or the applicable Eligible Shareholder (or any member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) otherwise breaches or contravenes any of the agreements, representations or undertakings made by such Shareholder Nominee or Eligible Shareholder or fails to comply with its obligations pursuant to this Section 12 of this Article I in any way, as determined in the discretion of the Board of Directors of the Corporation or the person presiding at the annual meeting of shareholders, which determination shall be final and binding.

(o) Any Shareholder Nominee who is included in the Corporation's proxy materials for a particular annual meeting of shareholders, but to whom either (i) or (ii) below applies, shall be ineligible to be a Shareholder Nominee pursuant to this Section 12 of this Article I for the next two annual meetings of shareholders following the annual meeting of shareholders for which the Shareholder Nominee has been nominated for election:

(i) the Shareholder Nominee withdraws from or becomes ineligible or unavailable for election at the annual meeting of shareholders, including without limitation for the failure to comply with any provision of these Bylaws (provided that in no event shall any such withdrawal, ineligibility or unavailability commence a new time period (or extend any time period) for the giving of a Notice of Proxy Access Nomination), or

(ii) the Shareholder Nominee does not receive a number of votes cast in favor of his or her election equal to at least 25% of the number of shares present in person or represented by proxy at the annual meeting of shareholders and entitled to vote on the Shareholder Nominee's election.

(p) The Board of Directors (and any other person or body authorized by the Board of Directors) shall have the power and authority to interpret this Section 12 of this Article I and to make any and all determinations necessary or advisable to apply this Section 12 of this Article I to any persons, facts or circumstances, including without limitation the power to determine:

(i) whether a person or group of persons qualifies as an Eligible Shareholder;

(ii) whether a group of funds satisfies the criteria to be treated as one shareholder for purposes of determining the number of shareholders whose ownership is aggregated according to this Section 12 of this Article I;

(iii) whether outstanding shares of the Corporation's capital stock are "owned" for purposes of meeting the ownership requirements of this Section 12 of this Article I;

(iv) whether a notice is timely and otherwise complies with the requirements of this Section 12 of this Article I;

(v) whether a person satisfies the qualifications and requirements to be a Shareholder Nominee;

(vi) whether inclusion of the Required Information in the Corporation's proxy statement is consistent with all applicable laws, rules, regulations and listing standards; and

(vii) whether any and all requirements of Section 12 of this Article I have been satisfied.

The Board of Directors (and any other person or body authorized by the Board of Directors) may require an Eligible Shareholder (including each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) or a Shareholder Nominee to furnish any additional information as may be reasonably required by the Corporation (as determined solely and exclusively by the Corporation, with such determination being final and binding) to permit the Board of Directors (and any other person or body authorized by the Board of Directors) to make any such interpretation or determination. Any such interpretation or determination adopted in good faith by the Board of Directors (or any other person or body authorized by the Board of Directors) shall be final, conclusive and binding on all persons, including without limitation the Corporation, all record or beneficial owners of stock of the Corporation, all persons purporting to own stock of the Corporation, and all persons nominated or attempted to be nominated pursuant to this Section 12 of this Article I.

Section 13. Delivery Requirements. Whenever this Article I requires one or more persons (including a Record Holder, Nominee Holder, Requesting Shareholder, Noticing Shareholder, Eligible Shareholder, Shareholder Associated Person or their duly authorized agents) to deliver a document or information to the Corporation (including any notice, request, questionnaire, evidence, revocation, certification, representation, statement, consent, filing or other document or agreement), the Corporation shall not be required to accept delivery of such document or information unless the document or information is in writing exclusively (and not in an electronic transmission) and delivered to the principal executive offices of the Corporation exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested and addressed to the Secretary of the Corporation.

ARTICLE II DIRECTORS

Section 1. Number, Election and Removal of Directors. The Board of Directors of the Corporation shall consist of not less than one (1) nor more than fifteen (15) members. The number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by the Board of Directors pursuant to and in compliance with any applicable shareholders' agreement. The Directors shall be elected by shareholders at their annual meeting or a special meeting called for that purpose in compliance with these Bylaws. Subject to the provisions contained in the Charter or any applicable shareholders' agreement, a director may be removed only for cause by the affirmative vote of the holders of a majority of the voting power of the then outstanding shares of capital stock entitled to vote generally in the election of directors voting together as a single class.

Section 2. Vacancies. Any vacancies and newly created directorships resulting from any increase in the number of directors may be filled, subject to compliance with any applicable shareholders' agreement, by directors entitled to cast that number of votes constituting a majority of votes that may be cast by directors then in office, although less than a quorum, or by the sole remaining director.

Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided. Any director may resign at any time upon written notice to the Corporation.

Section 3. Voting. Each director shall be entitled to one vote. Except as otherwise provided by law, the Charter of the Corporation, these Bylaws or any contract or agreement to which the Corporation and its shareholders are parties, at a meeting at which a quorum is present, the vote of a majority of the directors present shall be the act of the Board of Directors.

Section 4. Meetings. Regular meetings of the Board of Directors shall be held on such dates and at such times and places, if any, as may from time to time be determined by the Chairman of the Board of Directors. Special meetings of the Board of Directors may be held at any time upon the call of the Chairman and shall be called by the Chairman and Secretary if directed by the Board of Directors or if requested by any two directors.

Section 5. Notice. Meetings (other than regular meetings the dates and times of which are established as provided in Section 4 of this Article II) of the Board of Directors must be preceded by at least twenty-four (24) hours notice to each director. Notice of any special meeting of the Board of Directors shall be delivered personally, by telephone, by mail, by private carrier, by telecopier, by electronic mail or by any other means of communication reasonably calculated to give notice, at such times and at such places as shall from time to time be determined by the Board of Directors, or the Chairman thereof (if any), as applicable. Telephone notice shall be deemed to be given when the director is personally given such notice in a telephone call to which such director is a party. Telegraph, teletype, facsimile or other electronic transmission (e.g., e-mail) notice shall be deemed to be given upon completion of the transmission of the message. Notice of a special meeting need not be given to any director if a written waiver of notice, executed by such director before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting the lack of notice prior thereto or at its commencement.

Section 6. Quorum. At all duly called meetings of the Board of Directors, except as otherwise provided by law, the Charter of the Corporation, these Bylaws or any contract or agreement to which the Corporation and its shareholders are parties, the presence of a majority of the directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board of Directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until such a quorum is present.

Section 7. Committees. The Board of Directors may, by resolution adopted pursuant to Section 3 of this Article II and otherwise in accordance with the terms of any applicable shareholders' agreement, designate one or more committees, including, without limitation, an Executive Committee, an Audit Committee, a Nominating and Corporate Governance Committee and/or a Compensation Committee, to have such composition and to exercise such power and authority as the Board of Directors shall specify. At a meeting at which a quorum is present, the vote of a majority of the committee members present shall be the act of the committee. Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee and subject to the rules and regulations of the stock exchange, if any, on which the Company's securities are listed.

Section 8. Actions of Board Without Meeting. Unless otherwise provided by the Charter of the Corporation, these Bylaws or applicable law, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all the members of the Board of Directors or committee, as the case may be, consent to taking such action

without a meeting, in which case, subject to Article II, Section 3 of these Bylaws, the vote of a majority of the directors or committee members, as the case may be, is the act of the Board of Directors or any such committee. The action must be evidenced by one or more written consents describing the action taken, signed, in one or more counterparts, by that number of directors specified pursuant to the immediately preceding sentence, indicating each such director's vote or abstention on the action, and be included with the minutes of proceedings of the Board of Directors or committee.

Section 9. Presence through Communications Equipment. Meetings of the Board of Directors, and any meeting of any Board committee, may be held through any communications equipment (e.g., conference telephone) if in accordance with the Act.

ARTICLE III OFFICERS

The officers of the Corporation shall consist of a Secretary who is responsible for preparing minutes of the directors' and shareholders' meetings and for authenticating records of the Corporation, and such other officers with such titles as the Board of Directors shall determine, all of which shall be chosen by and shall serve at the pleasure of the Board of Directors. Such officers shall have the usual powers and shall perform all the usual duties incident to their respective offices. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause. Each officer shall serve until the earlier of his or her removal, the expiration of the term for which he or she is elected or until his or her successor has been elected and qualified. Election of an officer or agent shall not itself create contract rights between the Corporation and such officer or agent.

ARTICLE IV SHARES OF STOCK

Section 1. Shares with or without Certificates. The Board of Directors may authorize that some or all of the shares of any or all of the Corporation's classes or series of stock be evidenced by a certificate or certificates of stock. The Board of Directors may also authorize the issue of some or all of the shares of any or all of the Corporation's classes or series of stock without certificates. The rights and obligations of shareholders with the same class and/or series of stock shall be identical whether or not their shares are represented by certificates.

Section 2. Shares with Certificates. If the Board of Directors chooses to issue shares of stock evidenced by a certificate or certificates, each individual certificate shall include the following on its face: (i) the Corporation's name, (ii) the fact that the Corporation is organized under the laws of the State of Tennessee, (iii) the name of the person to whom the certificate is issued, (iv) the number of shares represented thereby, (v) the class of shares and the designation of the series, if any, which the certificate represents, and (vi) such other information as applicable law may require or as may be lawful.

If the Corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences and limitations determined for each series (and the authority of the Board of Directors to determine variations for future series) shall be summarized on the front or back of each certificate. Alternatively, each certificate shall state on its front or back that the Corporation will furnish the shareholder this information in writing, without charge, upon request.

Each certificate of stock issued by the Corporation shall be signed (either manually or in facsimile) by any two officers of the Corporation. If the person who signed a certificate no longer holds office when the certificate is issued, the certificate is nonetheless valid.

Section 3. Shares without Certificates. If the Board of Directors chooses to issue shares of stock without certificates, the Corporation, if required by the Act, shall, within a reasonable time after the issue or transfer of shares without certificates, send the shareholder a written statement of the information required on certificates by Article IV, Section 2 of these Bylaws and any other information required by the Act. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, provided the use of such system by the Corporation is permitted in accordance with applicable law.

Section 4. Subscriptions for Shares. Subscriptions for shares of the Corporation shall be valid only if they are in writing. Unless the subscription agreement provides otherwise, subscriptions for shares, regardless of the time when they are made, shall be paid in full at such time, or in such installments and at such periods, as shall be determined by the Board of Directors. All calls for payment on subscriptions shall be uniform as to all shares of the same class or of the same series, unless the subscription agreement specifies otherwise.

Section 5. Transfers. Transfers of shares of the capital stock of the Corporation shall be made only on the books of the Corporation by (i) the holder of record thereof, (ii) by his or her legal representative, who, upon request of the Corporation, shall furnish proper evidence of authority to transfer, or (iii) his or her attorney, authorized by a power of attorney duly executed and filed with the Secretary of the Corporation or a duly appointed transfer agent. Such transfers shall be made only upon surrender, if applicable, of the certificate or certificates for such shares properly endorsed and with all taxes thereon paid.

Section 6. Lost, Destroyed or Stolen Certificates. In case of loss, mutilation or destruction of a certificate of stock, a duplicate certificate may be issued upon the terms prescribed by the Board of Directors, including provision for indemnification of the Corporation secured by a bond or other security sufficient to protect the Corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft, or destruction of the certificate or the issuance of the replacement certificate.

ARTICLE V GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board of Directors.

Section 2. Corporate Books. The books of the Corporation may be kept at such place within or outside the State of Tennessee as the Board of Directors may from time to time determine.

Section 3. Waiver of Notice. Whenever any notice is required to be given pursuant to the Charter of the Corporation or these Bylaws or pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except when such person attends the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Any waiver of notice shall be filed with the minutes of the corporate records.

Section 4. Amendment of Bylaws. Subject to the provisions of the Charter of the Corporation, these Bylaws may be altered, amended, or repealed or new bylaws may be adopted by the majority vote of the entire Board of Directors at any regular or special meeting of the Board of Directors.

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

Section 5. Exclusive Forum. Unless the Corporation consents in writing to the selection of an alternative forum, any (i) derivative action or proceeding brought on behalf of the Corporation, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer, shareholder or employee of the Corporation to the Corporation or the Corporation's shareholders, (iii) action asserting a claim arising pursuant to any provision of the Act, the Corporation's Charter or these Bylaws, or (iv) action asserting a claim governed by the internal affairs doctrine shall, to the fullest extent permitted by law, be exclusively brought in a state or federal court located within the State of Tennessee. In addition, unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article V, Section 5. If any provision or provisions of this Article V, Section 5 shall be held to be invalid, illegal or unenforceable as applied to any person or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article V, Section 5 (including, without limitation, each portion of any sentence of this Article V, Section 5 containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons and circumstances shall not in any way be affected or impaired thereby.

ARTICLE VI INDEMNIFICATION

Section 1. Indemnification and Advancement of Expenses. The Corporation shall indemnify and advance expenses to each director and officer of the Corporation, or any person who may have served at the request of the Corporation's Board of Directors or its President or Chief Executive Officer as a director or officer of another corporation (and, in either case, such person's heirs, executors and administrators), to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted. The Corporation may indemnify and advance expenses to any employee or agent of the Corporation who is not a director or officer (and such person's heirs, executors and administrators) to the same extent as to a director or officer, if the Board of Directors determines that doing so is in the best interests of the Corporation.

Section 2. Non-Exclusivity of Rights. The indemnification and expense advancement provisions of Section 1 of this Article VI shall not be exclusive of any other right which any person (and such person's heirs, executors and administrators) may have or hereafter acquire under any statute, provision of the Charter, provision of these Bylaws, resolution adopted by the shareholders, resolution adopted by the Board of Directors, agreement, or insurance (purchased by the Corporation or otherwise), both as to action in such person's official capacity and as to action in another capacity.

Section 3. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any individual who is or was a director, officer, employee or agent of the Corporation, or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation's Board of Directors or its Chief Executive Officer as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other

enterprise against any expense, liability or loss whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article or the Act.

**BYLAWS
OF
DOLLAR GENERAL CORPORATION
As Amended and Restated on March 23, 2023**

**ARTICLE I
MEETINGS OF SHAREHOLDERS**

Section 2. Annual and Special Meetings.

(b) *Special Meetings.*

(i) In order for a Shareholder Requested Special Meeting to be called, the Shareholder Special Meeting Request must be signed and dated by the Requesting Shareholders (or their duly authorized agents) who are entitled to cast not less than the Requisite Percentage of votes on the matter or matters proposed to be brought before the Shareholder Requested Special Meeting and must be delivered ~~by registered mail~~ to the Secretary of the Corporation at the principal executive offices of the Corporation.

Section 8. Voting and Proxies. Except as otherwise required by law, all matters submitted to a meeting of shareholders shall be decided by vote of the holders of record, present in person or by proxy, and shall be approved if the votes in favor of the matter exceed the votes against the matter. Every shareholder entitled to vote at any meeting may do so either in person or by written proxy, which proxy shall be filed with the secretary of the meeting before being voted. Proxies and written ballots may be in any format, including facsimile or any electronic form of communication (e.g., e-mail). Unless otherwise provided by the Act or the Charter, each outstanding share is entitled to one (1) vote on each matter voted on at a shareholders' meeting. Only shares are entitled to vote. Unless otherwise provided in the Charter, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. In addition, any shareholder directly or indirectly soliciting proxies from other shareholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board of Directors.

Section 10. Notice of Shareholder Business to be Conducted at a Meeting of Shareholders.

(b) To be in proper form, whether in regard to a nominee for election to the Board of Directors or other business, a Noticing Shareholder's notice to the Secretary must:

(i) Set forth, as to the Noticing Shareholder and, if the Noticing Shareholder holds for the benefit of another, the beneficial owner on whose behalf the nomination or proposal is made, the following information together with a representation as to the accuracy of the information:

(A) the name and address of the Noticing Shareholder as they appear on the Corporation's books and, if the Noticing Shareholder holds for the benefit of another, the name and address of such beneficial owner (collectively "Holder") and of any Shareholder Associated Person,

(B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned beneficially and/or of record by the Noticing Shareholder and Shareholder Associated Person identified in clause (A) of this Article 1, Section 10(b)(i), and the date such ownership was acquired,

(J) a representation that the Noticing Shareholder intends to appear in person or by proxy at the meeting to nominate the person(s) named or propose the business specified in the notice and whether or not such shareholder intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding shares required to approve the nomination(s) or the business proposed and/or otherwise to solicit proxies from shareholders in support of the nomination(s) or the business proposed,

(K) if such Noticing Shareholder intends to engage in a solicitation with respect to a nomination pursuant to Section 10 of this Article 1, (i) a statement disclosing the name of each participant in such solicitation (as defined in Schedule 14A under the Exchange Act) and (ii) a representation that such Noticing Shareholder intends to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding shares required under Rule 14a-19 under the Exchange Act,

~~(K)~~(L) a certification regarding whether or not such shareholder and Shareholder Associated Persons have complied with all applicable federal, state and other legal requirements in connection with such shareholder's and/or Shareholder Associated Persons' acquisition of shares or other securities of the Corporation and/or such shareholder's and/or Shareholder Associated Persons' acts or omissions as a shareholder of the Corporation,

~~(L)~~(M) any other information relating to the Holder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for

the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder, and

~~(M)~~(N) any other information as reasonably requested by the Corporation.

Such information shall be provided as of the date of the notice and shall be supplemented by the Holder not later than 10 days after the record date for the meeting to disclose such ownership as of the record date. In addition, if any Noticing Shareholder provides notice of a proposed nomination for election to the Board of Directors pursuant to Rule 14a-19 under the Exchange Act, such Noticing Shareholder shall deliver to the Corporation reasonable evidence that it has met the requirements of Rule 14a-19 under the Exchange Act. Such reasonable evidence must be delivered to the Secretary of the Corporation no later than five business days before the date of the meeting.

(e) Only those persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors. Only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in these Bylaws, provided, however, that, once business has been properly brought before the meeting in accordance with Section 10(e) of this Article I, nothing in Section 10(e) of this Article I shall be deemed to preclude discussion by any shareholder of such business. If any information submitted pursuant to Section 10 of this Article I by any shareholder proposing a nominee(s) for election as a director at a meeting of shareholders is inaccurate in any material respect, such information shall be deemed not to have been provided in accordance with Section 10 of this Article I. Except as otherwise provided by law, the Charter, or these Bylaws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in compliance with the procedures set forth in these Bylaws and, if he should determine that any proposed nomination or business is not in compliance with these Bylaws, he shall so declare to the meeting and any such nomination or business not properly brought before the meeting shall be disregarded or not be transacted. Notwithstanding the foregoing provisions of Section 10 of this Article I, unless otherwise required by law, if any Noticing Shareholder provides notice of a proposed nomination for election to the Board of Directors pursuant to Rule 14a-19 under the Exchange Act and subsequently fails to comply with any requirements of Rule 14a-19 under the Exchange Act or any other rules or regulations thereunder, as determined by the Chairman of the meeting, then the Corporation shall disregard any proxies or votes solicited for such nominee. In addition, any Noticing Shareholder that provides notice of a proposed nomination for election to the Board of Directors pursuant to Rule 14a-19 under the Exchange Act shall notify the Secretary of the Corporation within two business days of any change in such shareholder's intent to deliver a proxy statement and form of proxy to the amount of holders of shares of the Corporation's outstanding capital stock required under Rule 14a-19 under the Exchange Act.

Section 11. Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the Corporation by a Holder, a person must complete and deliver (in accordance with the time periods prescribed for delivery of notice under Article I, Section 10 or Article I, Section 12 of these Bylaws, as applicable) to the Secretary at the principal executive offices of the Corporation a written questionnaire providing the information requested about the background, ~~and~~ qualifications, stock ownership and independence of such person and the background of any other person or entity on whose behalf the nomination is being made and a written representation and

agreement (the questionnaire, representation, and agreement to be in the form provided by the Secretary upon written request) that such person:

Section 12. Proxy Access for Director Nominations.

(g) An Eligible Shareholder must have owned (as defined below) that number of shares of stock of the Corporation as shall constitute three percent (3%) or more of the Corporation's outstanding capital stock eligible to vote generally in the election of directors (the "Required Shares") continuously for at least three (3) years as of both the date the Notice of Proxy Access Nomination is delivered to ~~or mailed~~ and received by the Secretary of the Corporation in accordance with this Section 12 of this Article I and the record date for determining shareholders entitled to vote at the annual meeting of shareholders, and must continue to own the Required Shares through the date of the annual meeting of shareholders. If and to the extent a Noticing Shareholder is acting on behalf of one or more beneficial owners in submitting the Notice of Proxy Access Nomination, only shares owned by such beneficial owner or owners, and not any other shares owned by such Noticing Shareholder, shall be counted for purposes of satisfying the foregoing ownership requirement.

(i) The Eligible Shareholder (including each member of a group of Noticing Shareholders that is an Eligible Shareholder hereunder) must provide with its timely Notice of Proxy Access Nomination the following information in writing to the Secretary of the Corporation:

(i) all of the representations, agreements and other information required in a Noticing Shareholder's notice pursuant to Section 10(b) of this Article I;

(ii) one or more written statements from the Record Holder(s) of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year holding period) verifying that, as of a date within seven calendar days prior to the date the Notice of Proxy Access Nomination is delivered to ~~or mailed~~ and received by the Secretary of the Corporation, the Eligible Shareholder owns, and has owned continuously for the preceding three years, the Required Shares, as well as the Eligible Shareholder's agreement to provide:

Section 13. Delivery Requirements. Whenever this Article I requires one or more persons (including a Record Holder, Nominee Holder, Requesting Shareholder, Noticing Shareholder, Eligible Shareholder, Shareholder Associated Person or their duly authorized agents) to deliver a document or information to the Corporation (including any notice, request, questionnaire, evidence, revocation, certification, representation, statement, consent, filing or other document or agreement), the Corporation shall not be required to accept delivery of such document or information unless the document or information is in writing exclusively (and not in an electronic transmission) and delivered to the principal executive offices of the Corporation exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested and addressed to the Secretary of the Corporation.



Teamshare Incentive Program

I. Definitions

As used in this document:

“Applicable Base Pay” shall mean the eligible employee’s annual salary (or hourly rate, where applicable) plus shift differential, subject to adjustment based on all other eligibility requirements and administrative rules.

“Committee” shall mean the Compensation Committee of the Board of Directors (or any successor committee with oversight of executive compensation).

“Dollar General” or the “Company” means Dollar General Corporation and its subsidiaries (excluding DolgenMX, S.A. de C.V. and any other DG Mexico subsidiaries).

“Eligible Employee” shall mean those employees meeting all of the criteria set forth in (a) through (c) of Section IV below.

“IRS” refers to the Internal Revenue Service.

“Merit Effective Date” shall mean [April 1] of the applicable performance period or, if later, the applicable date of the annual merit increase (e.g., for the [year] Teamshare program, the Merit Effective Date for salaried employees is [April 1, [year]]).

“Performance Period” refers to the [year] fiscal year from [first day of fiscal year] to [last day of fiscal year].

“Senior Officers” shall include all officers at or above the level of Senior Vice President.

“Teamshare” shall mean this [year] Teamshare Incentive Program as established by the Committee.

II. Teamshare Overview

The Committee has established the terms of Teamshare set forth herein, which provides each Eligible Employee an opportunity to receive a cash bonus payment equal to a certain percentage (or hours, where applicable) of his or her Applicable Base Pay based upon Dollar General’s achievement of one or more pre-established financial performance measure for a specified Performance Period. When more than one financial performance measure is selected, the Committee determines the applicable weight to be assigned to each of the selected measures.

Threshold, target and maximum performance levels are established by the Committee for the selected performance measure. No Teamshare payout may be made unless the threshold performance level is achieved. The amount payable to each Eligible Employee if the Company reaches the target performance level(s) is equal to a specified percentage (or hours, where applicable) of the Eligible Employee’s Applicable Base Pay, subject to

adjustment for performance and an individual maximum, in each case as discussed under Section IV below. Teamshare payments for financial performance below or above the applicable target levels are prorated on a graduated scale, subject to the threshold and the maximum limits.

For Eligible Employees that are also eligible to participate in the CDP, the Teamshare payment may be deferred in accordance with a written election by the participant in accordance with the terms of the Company's CDP/SERP Plan, as such Plan may be amended and/or restated from time to time.

III. **[[Year] Teamshare Program**

For the [year] Teamshare program, the Committee selected earnings before interest and taxes, as adjusted for certain items ("Adjusted EBIT"), as the financial performance measure and established the [year] Adjusted EBIT performance goal. In determining the level of performance the Company has achieved for this performance measure at year end, certain categories of items previously identified by the Committee may be excluded from the calculation. Threshold and maximum performance results for Adjusted EBIT coincide with potential Teamshare payout levels equal to 50% and 300% of individual payout targets, respectively (as a percentage or hours, where applicable, of the Eligible Employee's Applicable Base Pay).

For purposes of the [year] Teamshare program, Adjusted EBIT shall mean the Company's Operating Profit as calculated in accordance with United States generally accepted accounting principles, but excluding the impact of: (a) any costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any asset sale, merger or other transaction that results in a Change in Control (within the meaning of the Dollar General Corporation 2021 Stock Incentive Plan) of the Company or any offering of Company common stock or other security; (b) disaster-related charges; (c) any LIFO provision, which exclusion shall be limited to 3% of fiscal year-end consolidated inventory balance, or LIFO benefit, which exclusion shall be limited to 3% of fiscal year-end consolidated inventory balance; and (d) unless the Committee disallows any such item, (i) any unusual unplanned item or event which individually exceeds \$30 million; (ii) any unbudgeted loss which individually exceeds \$1 million as a result of the resolution of a legal matter; (iii) any unplanned loss or gain which individually exceeds \$1 million related to the implementation of accounting or tax legislative changes or changes in federal, state or local wage or benefit mandates; and (iv) any unplanned loss or gain of a non-recurring nature which individually exceeds \$1 million, provided that the combined amount of (d)(ii), (iii), and (iv) equals or exceeds loss(es) or gain(s) of \$10 million.]

IV. **Determination of Bonuses**

(a) Eligibility to Participate in Teamshare:

- i. An active U.S. regular, full-time or part-time store support center (SSC), field (excluding store and those eligible for the retail incentive plan), distribution center (DC) salaried, truck driver, or international Dollar General Global Sourcing (DGGs) employee of the Company during the Performance Period.
 - ii. Hired by [January 15, [year]].
-

- iii. Employed with the Company through [last day of fiscal year] and, unless otherwise required by law, on the date on which the Teamshare payment is made.
- iv. Estates of Eligible Employees will be eligible to receive the Teamshare payment, prorated based on the terms set forth in Sections V(b) & V(c), if the employee's death occurs before the date on which the Teamshare payment is made.

(b) Eligibility to Receive Bonus Payout:

If the Company achieves at least the threshold financial performance level, each employee who participates in Teamshare will become eligible to receive a bonus payout; provided, however, that any salaried employee who fails to comply with the Code of Business Conduct and Ethics during the fiscal year shall not be deemed eligible to receive a bonus payout regardless of his or her performance rating.

(c) Adjustments to Bonus Payouts to Eligible Employees:

If an employee is determined to be eligible to receive a bonus payout in accordance with the eligibility rules outlined immediately above, adjustments to the bonus payout may be made only as follows:

- i. Bonuses for Eligible Employees shall be calculated based on Company financial performance, but may be adjusted upward or downward based upon individual performance or other factors as determined by management, except only the Committee may approve such upward or downward adjustments for any Senior Officer or related parties.
- ii. In no event may an individual payout exceed \$10.0 million.
- iii. In no event may the aggregate amount paid under Teamshare, taking into account all allowable adjustments, exceed the earned bonus pool.

(d) CEO Discretion to Distribute Unallocated Funds:

Bonuses that are not allocated out of the earned bonus pool are subject to distribution at the discretion of the Chief Executive Officer of the Company, except that only the Committee may authorize the distribution of any unallocated bonus amounts to any Senior Officer or related parties.

V. Administrative Rules

- (a) Each Eligible Employee's Teamshare payout is computed as a percentage (or hours, where applicable) of the Applicable Base Pay.
 - (b) Teamshare payouts will be prorated for changes to an Eligible Employee's position, pay, individual target, shift differential, status or death that occur during the Performance Period based on the number of days the applicable element applies. The Applicable Base Pay used for Teamshare from the beginning of the Performance Period to the Merit Effective Date will be the Eligible Employee's base pay as of the Merit Effective Date.
 - (c) Teamshare payouts are prorated to exclude leaves of absence during the Performance Period (unless otherwise required by law).
-

- (d) Teamshare payouts will be made no later than [April 15] of the year following the fiscal year in which financial performance is measured (e.g., the [year] Teamshare program payouts, if any, will be made no later than [April 15, [year]]).
- (e) Teamshare information is proprietary and confidential. Employees are reminded that they may not disclose Teamshare information relating to the Company's financial goals or performance. Such disclosure may result in disciplinary action, up to and including termination. The Company reserves the right to adjust, amend or suspend Teamshare at any time for any reason, including, but not limited to, unforeseen events.
- (f) No member of the Committee or the Board of Directors, and no officer, employee or agent of the Company shall be liable for any act or action hereunder, whether of commission or omission, taken by any other member, or by any officer, agent, or employee, or, except in circumstances involving bad faith, for anything done or omitted to be done in administration of Teamshare.

VI. Tax and Other Withholding Information

The IRS considers incentive payments as supplemental wages. In accordance with IRS guidelines, the Company will withhold federal income taxes at the supplemental rate (currently established at [22%] for supplemental wages of [\$1 million] or less). In addition, this payment will be subject to applicable social security, Medicare, state and local taxes. Voluntary deductions (e.g. health insurance, 401k, etc.) will not be deducted from this amount. Where required by law, specific garnishments (e.g., child support) may be deducted, as appropriate, from this amount. Certain state laws require incentive payments be held for up to [30 days] after the check date pending review of applicable child support garnishments. After the Company receives notification from the state child support agencies regarding whether part or all of the impacted employee's incentive payment should be paid toward child support, the Company will pay any remaining incentive funds with the next regular payroll.

VII. Clawback

As a condition of receiving payment of an award under Teamshare, each participant's rights, payments, and benefits with respect to such award 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 the Securities and Exchange Commission or any applicable national exchange, 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 Company's Board of Directors or the Committee.

CONSULTING AGREEMENT

This Consulting Agreement (this “Agreement”) is entered into by and between Dollar General Corporation (the “Company”) and Todd J. Vasos (“Consultant”) as of the dates set forth on the signature pages hereto.

WHEREAS, following fourteen (14) years of employment with the Company, Consultant will retire from employment with the Company effective April 2, 2023 (the “Retirement Date”); and

WHEREAS, the Company and Consultant desire that, subject to the terms and conditions of this Agreement, Consultant will provide certain consulting services to the Company’s Board of Directors and the Company’s Chief Executive Officer on an independent contractor basis; and

WHEREAS, the Company and Consultant previously entered into that certain Stock Option Award Agreement, dated March 17, 2020, that certain Stock Option Award Agreement, dated March 16, 2021, and that certain Performance Share Unit Award Agreement, dated March 16, 2021 (collectively, the “Equity Award Agreements”), which provide for, among other things, certain vesting provisions in the event the conditions of Consultant’s Early Retirement, as defined in each of the Equity Award Agreements, are satisfied (the “Early Retirement Provisions”); and

WHEREAS, the consulting services provided for by this Agreement shall constitute the transition services contemplated by the Early Retirement Provisions of the Equity Award Agreements; and

WHEREAS, the Company and Consultant previously entered into that certain Employment Agreement effective June 3, 2021, as amended by that certain Amendment to Employment Agreement effective November 1, 2022 (as so amended, the “Employment Agreement”), which provide for certain continuing obligations following the Retirement Date; and

WHEREAS, as provided by the Early Retirement Provisions of the Equity Award Agreements, Consultant desires to extend the Restricted Period (as defined in the Employment Agreement) applicable to Sections 16 through 20 of the Employment Agreement to three (3) years following the Retirement Date.

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 hereto agree as follows:

1. Term. This Agreement shall become effective on the Retirement Date and shall terminate at 11:59 p.m. Central Time on April 2, 2025 (the period during which this Agreement is in effect is the “Term”), unless earlier terminated in accordance with Section 9 of this Agreement.

2. Services. Subject to the terms and conditions of this Agreement, commencing on the Effective Date and continuing for the Term of this Agreement, Consultant shall provide such consulting services to the Company as shall be reasonably requested by the Company’s Board of Directors or the Company’s Chief Executive Officer (the “Services”) from time to time.

2.1 It is the parties' intent that the level of services Consultant renders under this Agreement be at such a level so as not to negate or otherwise override the "separation from

service" that has occurred between Consultant and the Company as of the Retirement Date within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the related Treasury Regulation, 26 C.F.R. § 1.409A-1(h) (collectively "Section 409A"). Accordingly, notwithstanding any other provision or term of this Agreement, in no event will the level of services Consultant performs under this Agreement be more than twenty percent (20%) of the average level of services Consultant performed for the Company over the 36-month period immediately preceding the Retirement Date.

2.2 Consultant may provide the Services at the Company's corporate offices or elsewhere, provided the Chairman or CEO may require his Services to be performed in a particular location from time to time for business purposes. If Consultant provides the Services at the Company's corporate offices, the Company will provide him with office space and, as needed, administrative support.

3. Consideration and Compensation. The continued equity vesting pursuant to the terms of the Early Retirement Provisions in the Equity Award Agreements constitutes consideration for the Services, and no additional compensation shall be paid for the Services. Consultant is entitled to reimbursement for reasonable, documented expenses incurred in providing the Services. Consultant shall submit expense reimbursement requests to the Company monthly. The Company shall pay each undisputed reimbursement request within sixty (60) days after receipt. Such expense reimbursement requests shall be sent to the attention of the General Counsel.

4. Board Service. Consultant's service on the Company's Board of Directors is separate from and not subject to this Agreement, and therefore Consultant's fees and expense reimbursement for such service on the Company's Board of Directors shall be determined under the Company's normal processes and procedures for determining non-employee director compensation.

5. Independent Contractor Status. The parties agree that Consultant is an independent contractor and not an employee, agent, joint venturer, or partner of the Company with respect to the provision of the Services. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between the Company and Consultant.

6. Restricted Period. The parties agree that the Restricted Period for purposes of Sections 16 through 20 of the Employment Agreement shall mean three (3) years following the Retirement Date.

7. Confidentiality.

7.1 General. Consultant agrees that, as a condition to the receipt of Confidential Information, Consultant shall: (i) not disclose, directly or indirectly, to any third party (including, without limitation, any affiliate of Consultant, any research company, analyst, any member of the media, any direct or indirect competitor of the

Company or any of its subsidiaries or affiliates) any portion of the Confidential Information without the prior written consent of the Company; (ii) not use or exploit the Confidential Information in any way except for purposes of providing Services to the Company in accordance with this Agreement; (iii) not copy the Confidential Information, in whole or in part; (iv) segregate such Confidential Information from Consultant's own proprietary information and information received from third parties; (v) promptly return or destroy, at the Company's option, all materials and documentation containing or regarding the Confidential Information upon expiration or termination of this Agreement or upon request of the Company; (vi) take all necessary precautions to protect the confidentiality of the Confidential Information received hereunder and exercise at least the same degree of care in safeguarding the Confidential Information as Consultant would with Consultant's own confidential information, but in no event less than a diligent standard of care; and, (vii) promptly advise the Company in writing upon learning of any unauthorized use or disclosure of the Confidential Information.

7.2 Governmental Order. If Consultant is required under a final judicial or governmental order to disclose any Confidential Information, Consultant may disclose the Confidential Information provided that Consultant gives the Company sufficient prior notice to contest such order and that Consultant discloses only such portions of the Confidential Information as required by such order.

7.3 Trading of Securities. During the course of this Agreement, Consultant may be privy to material, non-public information of the Company or any of its subsidiaries or affiliates. Consultant hereby acknowledges that he understands and is aware that federal securities laws prohibit any person (including his/her spouse and dependents and anyone living in his/her home) who possesses material, non-public information about a company from purchasing or selling securities of such company while such information remains material and nonpublic or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities, and Consultant hereby agrees to comply with such laws.

7.4 Definition. For purposes of this Agreement, "**Confidential Information**" shall mean confidential or other proprietary information, data, documents or materials (whether oral, written, electronic or otherwise) pertaining to the Company or any of its subsidiaries or affiliates that is disclosed or available to Consultant in connection with the performance of this Agreement including, without limitation, any strategies, research, methodologies, techniques, transportation data, sales data, financial information, designs, drawings, models, prototypes, product specifications and documentation, business, marketing and product plans and data, inventory management data, current or future initiatives, information related to debt or equity offerings, pricing, vendor lists, customer lists, flow charts, non-public material information, and other confidential business information, whether of tangible or intangible value to the Company or any of its subsidiaries or affiliates. Confidential Information shall also include any information observed by Consultant while at the facilities of the Company or any of its subsidiaries or

affiliates or in the course of meetings with personnel of the Company or any of its subsidiaries or affiliates, or the personnel of any of the Company's or any of its subsidiaries' or affiliates' advisors, consultants or representatives. Confidential Information shall not include information that is or becomes public knowledge without any action by, or involvement of, Consultant.

8. Limited Warranty. Consultant represents and warrants that: (i) the Services provided hereunder will be performed in a professional manner to the best of his ability, and (ii) the provision of the Services hereunder will not conflict with any contractual or other obligation to which Consultant is bound.

9. Termination. Either party may, at its/his sole option, terminate this Agreement prior to the expiration of the Term with or without cause and upon written notice to the other; provided, however, that any such termination by Consultant prior to the end of the minimum consulting periods required by the applicable Early Retirement Provisions in the Equity Award Agreements shall result in noncompliance with the consulting requirements in the applicable Early Retirement Provisions, and any unvested portion of the equity awards under the Equity Award Agreements shall immediately and automatically terminate and be forfeited and any vested portion of the equity awards that vested following the Retirement Date shall be subject to clawback as provided in the applicable Equity Award Agreements.

Upon receipt of such notice, Consultant shall advise the Company of the extent to which performance has been completed through such date, and collect and deliver to the Company whatever work product then exists in the manner requested by the Company. Sections 3, 4, 6, and 7 of this Agreement shall survive and continue in effect following the expiration or termination of this Agreement for any reason.

10. General Provisions.

10.1 Complete Understanding; Modification. This Agreement constitutes the complete and exclusive understanding and agreement of the parties and supersedes all prior understandings and agreements, whether written or oral, with respect to the subject matter hereof. Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by both parties hereto.

10.2 Governing Law. This Agreement, and any claims, whether in contract, tort or otherwise, arising from this Agreement shall be governed by and interpreted in accordance with the laws of the State of Tennessee, without giving effect to principles of conflicts of law. The parties agree that the state and federal courts sitting in Davidson County, Tennessee, shall have proper and exclusive jurisdiction and venue for any proceedings arising from this Agreement. Consultant recognizes that a breach of Section 6 or Section 7 of this Agreement will cause irreparable harm to the Company that is inadequately compensable in damages, and that the Company is entitled to injunctive relief for any such breach without posting of bond.

10.3 Notices. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail as provided in this Section 10.3 or as otherwise agreed upon by the parties in writing. Mailed notices shall be addressed to the parties at the addresses appearing on the signatures page(s) to this Agreement, but each party may change such address by written notice in accordance with this Section. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated when (i) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (as registered or certified mail, with return receipt requested and with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service; or (ii) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (as priority mail, with tracking and with fees prepaid) in an office regularly maintained by FedEx, UPS, or comparable non-public mail carrier.

10.4 Blue Pencil. If any provision of this Agreement is or is deemed to be invalid, illegal or unenforceable in any jurisdiction, such provision shall be deemed amended to conform to applicable laws so as to be valid and enforceable and the remainder of this Agreement shall remain in full force and effect.

10.5 Acceptance of Facsimile and Scanned Signatures. The parties agree that any signatures of a party or parties delivered by facsimile transmission or by scanned image (e.g., pdf file) as an attachment to electronic mail (email) will be treated in all respects as having the same effect as an original signature.

10.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Date: 3/23/23

DOLLAR GENERAL CORPORATION

By: /s/ Rhonda M. Taylor

Printed Name: Rhonda M. Taylor

Title: EVP & GC

Address for Notices: Attn:

General Counsel
100 Mission Ridge,
Goodlettsville, TN
37072

Date: 3/23/23

CONSULTANT

/s/ Todd J. Vasos
Todd J. Vasos

Address for Notices: [*]

SUBSIDIARIES OF THE REGISTRANT
(as of March 24, 2023)

Name of Entity	Jurisdiction of Incorporation/Organization
DC Financial, LLC	Tennessee
Dolgencorp, LLC(1)	Kentucky
DG Louisiana, LLC(2)	Tennessee
Dolgen I, Inc.	Tennessee
Dolgen II, Inc.	Tennessee
Dolgen Holdings, LLC(3)	Tennessee
DolgenMX, S.A. de C.V.(4)	Mexico
MaconDGMX, S.A. de C.V.(5)	Mexico
DG Shared Services, S.A. de C.V.(6)	Mexico
Dollar General I (HK) Limited(7)	Hong Kong
Dollar General II (HK) Limited(7)	Hong Kong
Dolgen V(8)	People's Republic of China
Dollar General Global Sourcing Holdings Limited(9)	Hong Kong
Dollar General Global Sourcing (Shenzhen) Co. Ltd.(10)	People's Republic of China
Dolgen III, Inc.	Tennessee
DG eCommerce, LLC	Tennessee
DG Strategic II, LLC	Tennessee
DG Strategic VI, LLC	Tennessee
Dollar General Partners(11)	Kentucky
DG Promotions, Inc.	Tennessee
DG Strategic I, LLC(12)	Tennessee
Dolgencorp of Texas, Inc.(13)(15)	Kentucky
DG Product Services, LLC(14)	Tennessee
DG Retail, LLC(14)(15)	Tennessee
Dolgen California, LLC(14)	Tennessee
Dolgen Midwest, LLC(14)(15)	Tennessee
Dolgen New York, LLC(14)	Kentucky
Dolgen Rhode Island, LLC(14)	Tennessee
DG Distribution of Texas, LLC	Tennessee
DG Transportation, Inc.	Tennessee
DG Logistics, LLC(16)	Tennessee
South Boston Holdings, Inc.	Delaware
Sun-Dollar, L.P.(17)	California
South Boston FF&E, LLC(18)	Delaware
Ashley River Insurance Company, Inc.	Tennessee
DGC Holdings, LLC	Delaware
Dollar General Global Sourcing Limited(19)	Hong Kong
Dollar General Literacy Foundation(20)	Tennessee
Retail Property Investments, LLC	Delaware
Retail Risk Solutions, LLC	Tennessee
DG Distribution Midwest, LLC	Tennessee
DG Distribution Northeast, LLC	Tennessee
DG Distribution Southeast, LLC	Tennessee
Dolgen NW, LLC	Tennessee
DG Strategic VII, LLC(21)	Tennessee
DG Distribution PA, LLC	Tennessee
DG Distribution IN, LLC	Tennessee
DG Distribution NC, LLC	Tennessee
DG Distribution GA, LLC	Tennessee
DG Fresh Distribution AL, LLC	Tennessee
DG Fresh Distribution FL, LLC	Tennessee
DG Fresh Distribution MO, LLC	Tennessee
DG Media Network, LLC	Tennessee
DG Fresh Distribution TX, LLC	Tennessee
JPI, LLC	Tennessee
Ridge 2021, LLC	Tennessee

- (1) A limited liability company also doing business as (i) Dolgen, LLC; (ii) Old East Main Co.; and (iii) pOpshef.
- (2) A limited liability company in which Dolgencorp, LLC is the sole member.
- (3) A limited liability company wholly owned by Dolgen II, Inc.
- (4) A Mexican corporation with Dolgen II, Inc. (99.99%) and Dolgen Holdings, LLC (0.01%) as sole shareholders.
- (5) A Mexican corporation with DolgenMX, S.A. de C.V. (99.99%) and Dolgen Holdings, LLC (0.01%) as sole shareholders.
- (6) A Mexican corporation with DolgenMX, S.A. de C.V. (99.99%) and MaconDGMX, S.A. de C.V. (0.01%) as sole shareholders.
- (7) A corporation (settlor and beneficiary of Dolgen V) in which the sole shareholder is Dolgen II, Inc.
- (8) A People's Republic of China business trust in which Dollar General I (HK) Limited is settlor and beneficiary, Dollar General II (HK) Limited is also a settlor and beneficiary, and Dollar General Global Sourcing Holdings Limited is the trustee.
- (9) A corporation (trustee for Dolgen V) in which the sole shareholder is Dolgen II, Inc.
- (10) A People's Republic of China limited liability company in which Dollar General Global Sourcing Holdings Limited is sole investor, as trustee, on behalf of Dolgen V, the trust.
- (11) A general partnership in which the general partners are DG Strategic VI, LLC and DG Promotions, Inc.
- (12) A limited liability company in which DG Promotions, Inc. is the sole member.
- (13) A corporation in which the sole shareholder is DG Strategic I, LLC.
- (14) A limited liability company in which Dolgencorp of Texas, Inc. is the sole member.
- (15) Also doing business as pOpshef.
- (16) A limited liability company in which DG Transportation, Inc. is the sole member.
- (17) A limited partnership in which the general partner is South Boston Holdings, Inc. and the limited partner is Dollar General Corporation.
- (18) A limited liability company in which Sun-Dollar, L.P. is the sole member.
- (19) A corporation in which the sole shareholder is Dollar General Corporation.
- (20) A nonprofit, public benefit membership corporation in which Dollar General Corporation is the sole member.
- (21) A limited liability company in which Dolgen NW, LLC is the sole member.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-256562) pertaining to the Dollar General Corporation 2021 Stock Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-254501) pertaining to the Dollar General Corporation CDP/SERP Plan,
- (3) Registration Statement (Form S-3 No. 333-237519) pertaining to the Shelf Registration Statement of Dollar General Corporation and its Affiliates,
- (4) Registration Statement (Form S-8 No. 333-163200) pertaining to the Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates,
- (5) Registration Statement (Form S-8 No. 333-151655) pertaining to the 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates,
- (6) Registration Statement (Form S-8 No. 333-151049) pertaining to the Dollar General Corporation CDP/SERP Plan, and
- (7) Registration Statement (Form S-8 No. 333-151047) pertaining to the 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates,

of our reports dated March 24, 2023, with respect to the consolidated financial statements of Dollar General Corporation and subsidiaries and the effectiveness of internal control over financial reporting of Dollar General Corporation and subsidiaries included in this Annual Report (Form 10-K) of Dollar General Corporation for the year ended February 3, 2023.

/s/ Ernst & Young LLP

Nashville, Tennessee
March 24, 2023

CERTIFICATIONS

I, Jeffery C. Owen, certify that:

1. I have reviewed this annual report on Form 10-K 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: March 24, 2023

/s/ Jeffery C. Owen
Jeffery C. Owen
Chief Executive Officer

I, John W. Garratt, certify that:

1. I have reviewed this annual report on Form 10-K 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: March 24, 2023

/s/ John W. Garratt

John W. Garratt
President & Chief Financial Officer

CERTIFICATIONS
Pursuant to 18 U.S.C. Section 1350

Each of the undersigned hereby certifies that to his knowledge the Annual Report on Form 10-K for the fiscal year ended February 3, 2023 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/ Jeffery C. Owen

Name: Jeffery C. Owen

Title: Chief Executive Officer

Date: March 24, 2023

/s/ John W. Garratt

Name: John W. Garratt

Title: President & Chief Financial Officer

Date: March 24, 2023
