
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 31, 2015

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

The registrant had 294,659,578 shares of common stock outstanding on August 21, 2015.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	July 31, 2015	January 30, 2015
	(Unaudited)	(see Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 180,525	\$ 579,823
Merchandise inventories	3,029,731	2,782,521
Income taxes receivable	14,646	—
Prepaid expenses and other current assets	199,945	170,265
Total current assets	<u>3,424,847</u>	<u>3,532,609</u>
Net property and equipment	<u>2,195,857</u>	<u>2,116,075</u>
Goodwill	<u>4,338,589</u>	<u>4,338,589</u>
Other intangible assets, net	<u>1,201,241</u>	<u>1,201,870</u>
Other assets, net	<u>34,661</u>	<u>34,961</u>
Total assets	<u>\$ 11,195,195</u>	<u>\$ 11,224,104</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term obligations	\$ 101,335	\$ 101,158
Accounts payable	1,536,610	1,388,154
Accrued expenses and other	443,164	413,760
Income taxes payable	41,348	59,400
Deferred income taxes	32,306	25,268
Total current liabilities	<u>2,154,763</u>	<u>1,987,740</u>
Long-term obligations	<u>2,761,794</u>	<u>2,639,427</u>
Deferred income taxes	<u>578,084</u>	<u>601,590</u>
Other liabilities	<u>281,620</u>	<u>285,309</u>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock	257,968	265,514
Additional paid-in capital	3,085,637	3,048,806
Retained earnings	2,081,543	2,403,045
Accumulated other comprehensive loss	<u>(6,214)</u>	<u>(7,327)</u>
Total shareholders' equity	<u>5,418,934</u>	<u>5,710,038</u>
Total liabilities and shareholders' equity	<u>\$ 11,195,195</u>	<u>\$ 11,224,104</u>

See notes to condensed consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)

	For the 13 weeks ended		For the 26 weeks ended	
	July 31, 2015	August 1, 2014	July 31, 2015	August 1, 2014
Net sales	\$ 5,095,904	\$ 4,724,039	\$ 10,014,576	\$ 9,246,120
Cost of goods sold	3,507,749	3,268,465	6,927,716	6,432,800
Gross profit	1,588,155	1,455,574	3,086,860	2,813,320
Selling, general and administrative expenses	1,112,343	1,027,048	2,182,854	2,005,086
Operating profit	475,812	428,526	904,006	808,234
Interest expense	20,699	22,598	42,275	44,865
Income before income taxes	455,113	405,928	861,731	763,369
Income tax expense	172,764	154,668	326,147	289,711
Net income	<u>\$ 282,349</u>	<u>\$ 251,260</u>	<u>\$ 535,584</u>	<u>\$ 473,658</u>
Earnings per share:				
Basic	\$ 0.95	\$ 0.83	\$ 1.79	\$ 1.55
Diluted	\$ 0.95	\$ 0.83	\$ 1.79	\$ 1.54
Weighted average shares outstanding:				
Basic	295,679	303,015	298,440	306,173
Diluted	296,528	303,888	299,308	307,091
Dividends per share	\$ 0.22	\$ —	\$ 0.44	\$ —

See notes to condensed consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)
(In thousands)

	For the 13 weeks ended		For the 26 weeks ended	
	July 31, 2015	August 1, 2014	July 31, 2015	August 1, 2014
Net income	\$ 282,349	\$ 251,260	\$ 535,584	\$ 473,658
Unrealized net gain (loss) on hedged transactions, net of related income tax expense (benefit) of \$238, \$450, \$719, and \$718, respectively	355	704	1,113	1,102
Comprehensive income	\$ 282,704	\$ 251,964	\$ 536,697	\$ 474,760

See notes to condensed consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(In thousands)

	For the 26 weeks ended	
	July 31, 2015	August 1, 2014
<i>Cash flows from operating activities:</i>		
Net income	\$ 535,584	\$ 473,658
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	174,734	169,498
Deferred income taxes	(32,680)	(38,880)
Tax benefit of share-based awards	(27,929)	(10,994)
Noncash share-based compensation	19,642	18,320
Other noncash (gains) and losses	7,734	3,539
Change in operating assets and liabilities:		
Merchandise inventories	(246,793)	(235,890)
Prepaid expenses and other current assets	(30,754)	(29,055)
Accounts payable	133,615	104,382
Accrued expenses and other liabilities	29,237	61,977
Income taxes	(4,769)	(28,469)
Other	(569)	(1,162)
Net cash provided by (used in) operating activities	557,052	486,924
<i>Cash flows from investing activities:</i>		
Purchases of property and equipment	(247,051)	(191,414)
Proceeds from sales of property and equipment	257	692
Net cash provided by (used in) investing activities	(246,794)	(190,722)
<i>Cash flows from financing activities:</i>		
Repayments of long-term obligations	(50,605)	(26,672)
Borrowings under revolving credit facilities	445,100	972,000
Repayments of borrowings under revolving credit facilities	(272,100)	(782,000)
Repurchases of common stock	(734,334)	(800,095)
Payments of cash dividends	(131,204)	—
Other equity and related transactions	5,658	(3,521)
Tax benefit of share-based awards	27,929	10,994
Net cash provided by (used in) financing activities	(709,556)	(629,294)
Net increase (decrease) in cash and cash equivalents	(399,298)	(333,092)
Cash and cash equivalents, beginning of period	579,823	505,566
Cash and cash equivalents, end of period	\$ 180,525	\$ 172,474
<i>Supplemental schedule of non-cash investing and financing activities:</i>		
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	\$ 46,427	\$ 31,996

See notes to condensed consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of presentation

The accompanying unaudited condensed consolidated financial statements of Dollar General Corporation and its subsidiaries (the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and are presented in accordance with the requirements of Form 10-Q and Rule 10-01 of Regulation S-X. Such financial statements consequently do not include all of the disclosures normally required by U.S. GAAP for annual financial statements or those normally made in the Company’s Annual Report on Form 10-K, including the condensed consolidated balance sheet as of January 30, 2015 which has been derived from the audited consolidated financial statements at that date. Accordingly, readers of this Quarterly Report on Form 10-Q should refer to the Company’s Annual Report on Form 10-K for the fiscal year ended January 30, 2015 for additional information.

The Company’s fiscal year ends on the Friday closest to January 31. Unless the context requires otherwise, references to years contained herein pertain to the Company’s fiscal year. The Company’s 2015 fiscal year is scheduled to be a 52-week accounting period ending on January 29, 2016, and the 2014 fiscal year was a 52-week accounting period that ended on January 30, 2015.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the Company’s customary accounting practices. In management’s opinion, all adjustments (which are of a normal recurring nature) necessary for a fair presentation of the consolidated financial position as of July 31, 2015 and results of operations for the 13-week and 26-week accounting periods ended July 31, 2015 and August 1, 2014 have been made.

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

The Company uses the last-in, first-out (“LIFO”) method of valuing inventory. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management’s estimates of expected year-end inventory levels, sales for the year and the expected rate of inflation or deflation for the year. The interim LIFO calculations are subject to adjustment in the final year-end LIFO inventory valuation. The Company recorded a LIFO provision (benefit) of \$(1.0) million and \$0.8 million in the respective 13-week periods, and \$(0.6) million and \$0.9 million in the respective 26-week periods, ended July 31, 2015 and August 1, 2014. In addition, ongoing estimates of inventory shrinkage and initial markups and markdowns are included in the interim cost of goods sold calculation. Because the Company’s

business is moderately seasonal, the results for interim periods are not necessarily indicative of the results to be expected for the entire year.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued comprehensive new accounting standards related to the recognition of revenue, which specified an effective date for annual reporting periods beginning after December 15, 2016, with early adoption not permitted. In August 2015, the FASB extended the effective date to annual reporting periods beginning after December 15, 2017. The new guidance allows for companies to use either a full retrospective or a modified retrospective approach in the adoption of this guidance, and the Company is evaluating these transition approaches. The Company expects to adopt this guidance in the first quarter of the fiscal year following its effective date and is currently in the process of evaluating the effect of adoption on its consolidated financial statements.

2. Earnings per share

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

	13 Weeks Ended July 31, 2015			13 Weeks Ended August 1, 2014		
	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
Basic earnings per share	\$ 282,349	295,679	\$ 0.95	\$ 251,260	303,015	\$ 0.83
Effect of dilutive share-based awards		849			873	
Diluted earnings per share	\$ 282,349	296,528	\$ 0.95	\$ 251,260	303,888	\$ 0.83

	26 Weeks Ended July 31, 2015			26 Weeks Ended August 1, 2014		
	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
Basic earnings per share	\$ 535,584	298,440	\$ 1.79	\$ 473,658	306,173	\$ 1.55
Effect of dilutive share-based awards		868			918	
Diluted earnings per share	\$ 535,584	299,308	\$ 1.79	\$ 473,658	307,091	\$ 1.54

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

Share-based awards that were outstanding at the end of the respective periods, but were not included in the computation of diluted earnings per share because the effect of exercising such awards would be antidilutive, were 1.0 million and 1.7 million in the 2015 and 2014 13-week periods, respectively, and were 1.1 million and 1.6 million in the 2015 and 2014 26-week periods, respectively.

3. Income taxes

Under the accounting standards for income taxes, the asset and liability method is used for computing the future income tax consequences of events that have been recognized in the Company’s consolidated financial statements or income tax returns.

Income tax reserves are determined using the methodology established by accounting standards for income taxes which require companies to assess each income tax position taken using the following two-step approach. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position.

The Internal Revenue Service (“IRS”) has previously examined the Company’s 2009 and earlier federal income tax returns. As a result, the 2009 and earlier tax years are not open for further examination by the IRS. Due to the filing of an amended federal income tax return for the 2010 tax year, the IRS may, to a limited extent, examine the Company’s 2010 income tax filings. The IRS, at its discretion, may also choose to examine the Company’s 2011 through 2014 fiscal year income tax filings. The Company has various state income tax examinations that are currently in progress. Generally, the Company’s 2010 and later tax years remain open for examination by the various state taxing authorities.

As of July 31, 2015, the total reserves for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were \$9.4 million, \$1.1 million and \$0.5 million, respectively, for a total of \$11.0 million. This total amount is reflected in noncurrent Other liabilities in the condensed consolidated balance sheet.

The Company believes it is reasonably possible that the reserve for uncertain tax positions may be reduced by approximately \$3.0 million in the coming twelve months principally as a result of the effective settlement of uncertain tax positions. As of July 31, 2015, approximately \$9.4 million of the reserve for uncertain tax positions would impact the Company’s effective income tax rate if the Company were to recognize the tax benefit for these positions.

The effective income tax rates for the 13-week and 26-week periods ended July 31, 2015 were 38.0% and 37.8%, respectively, compared to rates of 38.1% and 38.0%, respectively, for the 13-week and 26-week periods ended August 1, 2014. Both the 13-week and 26-week effective income tax rates decreased primarily due to favorable changes in state income tax laws.

4. Current and long-term obligations

The Company’s senior unsecured credit facilities (the “Facilities”) consist of a senior unsecured term loan facility (the “Term Facility”), which had a balance of \$875.0 million at July 31, 2015, and an \$850.0 million senior unsecured revolving credit facility (the “Revolving Facility”), which provides for the issuance of letters of credit up to \$250.0 million. The Term Facility amortizes in quarterly installments of \$25.0 million. The Facilities are scheduled to mature on April 11, 2018.

Under the Revolving Facility as of July 31, 2015, there were outstanding borrowings of \$173.0 million, outstanding standby letters of credit totaling \$30.6 million, and borrowing

availability of \$646.4 million. In addition, the Company had additional outstanding commercial letters of credit totaling \$11.5 million outside the Revolving Facility.

5. Assets and liabilities measured at fair value

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

In connection with accounting standards for fair value measurement, the Company has made an accounting policy election to measure the credit risk of any derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. When applicable, the Company has determined that the majority of the inputs used to value derivative financial instruments using the income approach fall within Level 2 of the fair value hierarchy. However, the credit valuation adjustments associated with derivatives may utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. Historically, the credit valuation adjustments have not been significant to the overall valuation of the Company's derivative positions. The Company does not have any fair value measurements categorized within Level 3 as of July 31, 2015.

(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)	Balance at July 31, 2015
Liabilities:				
Long-term obligations (a)	\$ 1,775,824	\$ 1,060,251	\$ —	\$ 2,836,075
Deferred compensation (b)	24,483	—	—	24,483

(a) Reflected at book value in the condensed consolidated balance sheet as Current portion of long-term obligations of \$101,335 and Long-term obligations of \$2,761,794.

(b) Reflected at fair value in the condensed consolidated balance sheet as Accrued expenses and other current liabilities of \$5,663 and noncurrent Other liabilities of \$18,820.

6. Derivatives and hedging activities

The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as

interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge.

The Company may enter into derivative contracts that are intended to economically hedge a certain portion of its risk, even though hedge accounting does not apply or the Company elects not to apply the hedge accounting standards. Changes in the fair value of such derivatives are recorded directly in earnings.

Risk management objective of using derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of its debt funding and, from time to time, the use of derivative financial instruments. Specifically, the Company may enter into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined primarily by interest rates.

In addition, the Company is exposed to certain risks arising from uncertainties of future market values caused by the fluctuation in the prices of commodities. From time to time the Company may enter into derivative financial instruments to protect against future price changes related to these commodity prices.

Cash flow hedges of interest rate risk

The Company's objectives when using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate changes. To accomplish this objective, the Company has from time to time used interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company also previously entered into treasury locks that were designated as cash flow hedges of interest rate risk prior to its April 2013 issuance of long-term debt.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in Accumulated other comprehensive income (loss) (also referred to as "OCI") and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During the 13-week and 26-week periods ended July 31, 2015 and August 1, 2014, such interest rate swaps were used to hedge the variable cash flows

associated with existing variable-rate debt. The ineffective portion of the change in fair value of the interest rate swaps, if any, is recognized directly in earnings.

The Company had interest rate swaps with a combined notional value of \$875.0 million designated as cash flow hedges of interest rate risk that expired on May 31, 2015. Amounts reported in Accumulated other comprehensive income (loss) related to derivatives were reclassified to interest expense as interest payments were made on the Company's variable-rate debt.

In 2013, the Company recorded a loss on the settlement of treasury locks associated with the issuance of long-term debt which was deferred to OCI and is being amortized as an increase to interest expense over the period of the debt's maturity. All of the amounts reflected in Accumulated other comprehensive income (loss) in the condensed consolidated balance sheets for the periods presented are related to cash flow hedges.

During the 52-week period following July 31, 2015, the Company estimates that approximately \$1.3 million will be reclassified as an increase to interest expense related to its previous cash flow hedges.

The table below presents the fair value of the Company's derivative financial instruments as well as their classification in the condensed consolidated balance sheets as of July 31, 2015 and January 30, 2015:

<u>(in thousands)</u>	<u>July 31, 2015</u>	<u>January 30, 2015</u>
Derivatives Designated as Hedging Instruments		
Interest rate swaps classified as Accrued expenses and other	\$ —	\$ 1,173

The table below presents the pre-tax effect of the Company's derivative financial instruments as reflected in the condensed consolidated statements of comprehensive income for the 13-week and 26-week periods ended July 31, 2015 and August 1, 2014:

<u>(in thousands)</u>	<u>13 Weeks Ended</u>		<u>26 Weeks Ended</u>	
	<u>July 31, 2015</u>	<u>August 1, 2014</u>	<u>July 31, 2015</u>	<u>August 1, 2014</u>
Derivatives in Cash Flow Hedging Relationships				
Loss related to effective portion of derivatives recognized in OCI	\$ 1	\$ 139	\$ 3	\$ 755
Loss related to effective portion of derivatives reclassified from Accumulated OCI to Interest expense	\$ 593	\$ 1,294	\$ 1,834	\$ 2,576

7. Commitments and contingencies

Legal proceedings

On October 31, 2014, a lawsuit entitled *Ronda Hood v. Dollar General Corporation* was filed in the United States District Court for the Eastern District of Louisiana (Case No. 2:14-cv-02512-JTM-DEK) ("Hood"). In the Complaint, the *Hood* plaintiff seeks to proceed on a

nationwide collective basis under the Fair Labor Standards Act (“FLSA”) on behalf of herself and other similarly situated store managers who allegedly were improperly classified as exempt executive employees under the FLSA and seeks to recover overtime pay, liquidated damages, and attorneys’ fees and costs. The *Hood* plaintiff also asserts individual causes of action for alleged violations of the Americans with Disabilities Act, the Louisiana Human Rights Act, the Family Medical Leave Act, and negligent infliction of emotional distress and seeks damages for those claims including back wages, compensatory damages, liquidated and/or punitive damages, reinstatement and/or front pay, interest, and attorneys’ fees and costs. The Company filed its answer to the complaint on January 16, 2015.

The *Hood* plaintiff did not seek certification of her FLSA claims. Based on the current status of this matter, the Company does not believe that the outcome of this litigation is likely to have a material adverse effect on its consolidated financial statements as a whole.

In September 2011, the Chicago Regional Office of the United States Equal Employment Opportunity Commission (“EEOC” or “Commission”) notified the Company of a cause finding related to the Company’s criminal background check policy. The cause finding alleges that the Company’s criminal background check policy, which excludes from employment individuals with certain criminal convictions for specified periods, has a disparate impact on African-American candidates and employees in violation of Title VII of the Civil Rights Act of 1964, as amended (“Title VII”).

The Company and the EEOC engaged in the statutorily required conciliation process, and despite the Company’s good faith efforts to resolve the matter, the Commission notified the Company on July 26, 2012 of its view that conciliation had failed.

On June 11, 2013, the EEOC filed a lawsuit in the United States District Court for the Northern District of Illinois entitled *Equal Opportunity Commission v. Dolgencorp, LLC d/b/a Dollar General* (Case No. 1:13-cv-04307) in which the Commission alleges that the Company’s criminal background check policy has a disparate impact on “Black Applicants” in violation of Title VII and seeks to recover monetary damages and injunctive relief on behalf of a class of “Black Applicants.” The Company filed its answer to the complaint on August 9, 2013.

The Court has bifurcated the issues of liability and damages for purposes of discovery and trial. Fact discovery related to liability is to be completed on or before February 16, 2016.

On July 29, 2014 and May 5, 2015, the court entered orders requiring the Company to produce certain documents, information, and electronic data for the period 2004 to present.

The Company believes that its criminal background check process is both lawful and necessary to a safe environment for its employees and customers and the protection of its assets and shareholders’ investments. The Company also does not believe that this matter is amenable to class or similar treatment. However, at this time, it is not possible to predict whether the action will ultimately be permitted to proceed as a class or in a similar fashion or the size of any putative class. Likewise, at this time, it is not possible to estimate the value of the claims asserted, and, therefore, the Company cannot estimate the potential exposure or range of potential loss. If the matter were to proceed successfully as a class or similar action or the

Company is unsuccessful in its defense efforts as to the merits of the action, the resolution of this matter could have a material adverse effect on the Company's consolidated financial statements as a whole.

On May 23, 2013, a lawsuit entitled *Juan Varela v. Dolgen California and Does 1 through 50* (Case No. RIC 1306158) ("Varela") was filed in the Superior Court of the State of California for the County of Riverside. In the original complaint, the *Varela* plaintiff alleges that he and other "key carriers" were not provided with meal and rest periods in violation of California law and seeks to recover alleged unpaid wages, injunctive relief, consequential damages, pre-judgment interest, statutory penalties and attorneys' fees and costs and seeks to represent a putative class of California "key carriers" as to these claims. The *Varela* plaintiff also asserts a claim for unfair business practices and seeks to proceed under California's Private Attorney General Act (the "PAGA"). The Company filed its answer to the complaint on July 1, 2013.

On November 4, 2014, the *Varela* plaintiff filed an amended complaint to add Victoria Lee Dinger Main as a named plaintiff and to add putative class claims on behalf of "key carriers" for alleged inaccurate wage statements and failure to provide appropriate pay upon termination in violation of California law. The Company filed its answer to the amended complaint on December 23, 2014. The parties have been ordered to engage in informal discovery and mediation.

On January 15, 2015, a lawsuit entitled *Kendra Pleasant v. Dollar General Corporation, Dolgen California, LLC, and Does 1 through 50* (Case No. CIVDS1500651) ("Pleasant") was filed in the Superior Court of the State of California for the County of San Bernardino in which the plaintiff seeks to proceed under the PAGA for various alleged violations of California's Labor Code. Specifically, the plaintiff alleges that she and other similarly situated non-exempt California store-level employees were not paid for all time worked, provided meal and rest breaks, reimbursed for necessary work related expenses, and provided with accurate wage statements and seeks to recover unpaid wages, civil and statutory penalties, interest, attorneys' fees and costs. On March 12, 2015, the Company filed a demurrer asking the court to stay all proceedings in the *Pleasant* matter pending an issuance of a final judgment in the *Varela* matter. The court granted the Company's demurrer and stayed proceedings until resolution of the *Varela* matter. Subsequently, the *Pleasant* plaintiff moved to transfer this matter to the Superior Court of the State of California for the County of Riverside where the *Varela* matter is pending, which the Company opposed. The court denied the *Pleasant* plaintiff's motion to transfer.

On February 20, 2015, a lawsuit entitled *Julie Sullivan v. Dolgen California and Does 1 through 100* (Case No. RG 15759417) ("Sullivan") was filed in the Superior Court of the State of California for the County of Alameda in which the plaintiff alleges that she and other similarly situated Dollar General Market store managers in the State of California were improperly classified as exempt employees and were not provided with meal and rest breaks and accurate wage statements in violation of California law. The *Sullivan* plaintiff also alleges that she and other California store employees were not provided with printed wage statements, purportedly in violation of California law. The plaintiff seeks to recover unpaid wages, including overtime pay, civil and statutory penalties, interest, injunctive relief, restitution, and attorneys' fees and costs.

On April 8, 2015, the Company removed this matter to the United States District Court for the Northern District of California (Case No. 3:15-cv-01617-JD) and filed its answer on the same date. On April 29, 2015, the *Sullivan* plaintiff amended her complaint to add a claim under PAGA. The Company's response to the amended complaint was filed on May 14, 2015.

The Company believes that its policies and practices comply with California law and that the *Varela, Pleasant*, and *Sullivan* actions are not appropriate for class or similar treatment. The Company intends to vigorously defend these actions; however, at this time, it is not possible to predict whether the *Varela, Pleasant*, or *Sullivan* action ultimately will be permitted to proceed as a class, and no assurances can be given that the Company will be successful in its defense of these actions on the merits or otherwise. Similarly, at this time the Company cannot estimate either the size of any potential class or the value of the claims asserted in the *Varela, Pleasant*, or *Sullivan* action. For these reasons, the Company is unable to estimate any potential loss or range of loss in these matters; however, if the Company is not successful in its defense efforts, the resolution of any of these actions could have a material adverse effect on the Company's consolidated financial statements as a whole.

From time to time, the Company is a party to various other legal actions involving claims incidental to the conduct of its business, including actions by employees, consumers, suppliers, government agencies, or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation, including without limitation under federal and state employment laws and wage and hour laws. The Company believes, based upon information currently available, that such other litigation and claims, 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 involves an element of uncertainty. Future developments could cause these actions or claims to have a material adverse effect on the Company's results of operations, cash flows, or financial position. In addition, certain of these lawsuits, if decided adversely to the Company or settled by the Company, may result in liability material to the Company's financial position or may negatively affect operating results if changes to the Company's business operation are required.

8. Segment reporting

The Company manages its business on the basis of one reportable operating segment. As of July 31, 2015, all of the Company's operations were located within the United States with the exception of a Hong Kong subsidiary and a liaison office in India, which collectively are not material to the condensed consolidated financial statements. The following net sales data is presented in accordance with accounting standards related to disclosures about segments of an enterprise.

(in thousands)	13 Weeks Ended		26 Weeks Ended	
	July 31, 2015	August 1, 2014	July 31, 2015	August 1, 2014
Classes of similar products:				
Consumables	\$ 3,867,635	\$ 3,576,189	\$ 7,621,613	\$ 7,021,654
Seasonal	642,525	593,596	1,228,818	1,135,028
Home products	304,305	285,428	607,329	569,025
Apparel	281,439	268,826	556,816	520,413
Net sales	<u>\$ 5,095,904</u>	<u>\$ 4,724,039</u>	<u>\$ 10,014,576</u>	<u>\$ 9,246,120</u>

9. Common stock transactions

On August 29, 2012, the Company's Board of Directors authorized a common stock repurchase program, which has been increased on several occasions, most recently on March 10, 2015. As of July 31, 2015, a cumulative total of \$3.0 billion had been authorized under the program and \$489.1 million remained available for repurchase. The repurchase authorization has no expiration date and allows repurchases from time to time in the open market or in privately negotiated transactions. The timing and number of shares purchased depends on a variety of factors, such as price, market conditions, compliance with the covenants and restrictions under the Company's debt agreements and other factors. Repurchases under the program may be funded from available cash or borrowings under the Facilities discussed in further detail in Note 4.

Pursuant to its common stock repurchase program, during the 26-week periods ended July 31, 2015, and August 1, 2014, the Company repurchased in the open market approximately 9.7 million shares of its common stock at a total cost of \$734.3 million and approximately 14.1 million shares at a total cost of \$800.1 million, respectively.

The Company paid quarterly cash dividends of \$0.22 per share during each of the first and second quarters of 2015. On August 26, 2015, the Company's Board of Directors approved a quarterly cash dividend of \$0.22 per share, which is payable on September 30, 2015 to shareholders of record as of September 16, 2015. The declaration of future cash dividends is subject to the 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.

Review Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Dollar General Corporation

We have reviewed the condensed consolidated balance sheet of Dollar General Corporation and subsidiaries (the Company) as of July 31, 2015, and the related condensed consolidated statements of income and comprehensive income for the thirteen and twenty-six week periods ended July 31, 2015 and August 1, 2014, and the condensed consolidated statements of cash flows for the twenty-six week periods ended July 31, 2015 and August 1, 2014. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Dollar General Corporation and subsidiaries as of January 30, 2015 and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for the fiscal year then ended (not presented herein) and in our report dated March 20, 2015, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the accompanying condensed consolidated balance sheet of Dollar General Corporation and subsidiaries as of January 30, 2015, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Ernst & Young LLP

August 27, 2015
Nashville, Tennessee

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

This discussion and analysis is based on, should be read with, and is qualified in its entirety by, the accompanying unaudited condensed consolidated financial statements and related notes, as well as our consolidated financial statements and the related Management's Discussion and Analysis of Financial Condition and Results of Operations as contained in our Annual Report on Form 10-K for the year ended January 30, 2015. It also should be read in conjunction with the disclosure under "Cautionary Disclosure Regarding Forward-Looking Statements" in this report.

Executive Overview

Dollar General operates 12,198 stores located in 43 states as of July 31, 2015, geographically concentrated in the southern, southwestern, midwestern and eastern United States. We offer a broad selection of merchandise, including consumable products such as food, paper and cleaning products, health and beauty products, pet supplies and tobacco products, and non-consumable products such as seasonal merchandise, home decor and domestics, and basic apparel. Our merchandise includes high quality national brands from leading manufacturers, as well as comparable quality or value 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, with selling space averaging approximately 7,400 square feet per store.

The customers we serve are value-conscious, many with low or fixed incomes. We have always been intensely focused on helping our customers make the most of their spending dollars. We believe our convenient store format and broad selection of high quality products at compelling values have driven our substantial growth and financial success over the years. Like other retailers, we have been operating for several years in an environment with ongoing economic difficulties and uncertainties. Our core customers are often the first to be affected by negative or uncertain economic conditions such as unemployment and fluctuating food, energy and medical costs, and the last to feel the effects of improving economic conditions. Although our customer has experienced some positive general economic factors since the middle of 2014 such as lower gasoline prices and unemployment rates, these factors have been inconsistent and their duration is unknown.

We remain keenly focused on executing our four primary operating priorities, which are: 1) drive productive sales growth, 2) enhance our gross profit margins, 3) leverage process improvements and information technology to reduce costs, and 4) strengthen and expand our culture of serving others.

We seek to drive productive sales growth by increasing shopper frequency, increasing item unit sales and average transaction amount in our same-stores, and adding new stores, as well as remodeling and relocating stores. We continued to meet the affordability needs of our core customer, as more than 75% of our stock-keeping units ("SKUs") at quarter-end were

priced at \$5 or less, with sales of \$1 items growing slightly more than the overall company average. Our offering of tobacco products continues to drive increased customer traffic and average basket, while we believe a key competitor's decision during 2014 to discontinue the sale of such products has boosted our tobacco sales. During the fiscal 2015 second quarter, all four of our product categories delivered same-store sales growth, reflecting increases in both customer traffic and average transaction amount, with moderately higher same-store sales increases in consumables as compared to the non-consumable categories. Same-store sales increases within the consumables category were primarily driven by sales of candy and snacks, tobacco products, and perishables. Strength in non-consumables was attributable to the seasonal and home categories. Store growth also contributed to increased sales, as we opened 209 new stores in the second quarter of 2015, opened 428 new stores during the first half of 2015, and have plans to open 730 stores for the full year. In addition, we continue to expand our remodeling efforts, which optimize shelf space in many of our older, smaller stores and, in many instances, increase the number of coolers for refrigerated and frozen foods and beverages.

Ongoing initiatives to enhance our gross profit margin include effective category management, inventory shrink reduction initiatives, utilization of private brands, efforts to improve distribution and transportation efficiencies, global sourcing, and a strategic focus on pricing and markdowns while remaining committed to our everyday low price strategy. The second quarter of 2015 evidenced the successful execution of these initiatives, as partially demonstrated by the positive comparable sales results discussed above, as well as by an improved shrink rate and lower transportation costs overall. We are committed to improving sales of our non-consumable categories, which generally have higher gross profit rates. Although we expect the growth rate of sales of consumable items to slightly outpace the growth rate of sales of non-consumable items throughout the remainder of the year, we expect the improved balance of sales between consumable items and non-consumable items to continue. For the second quarter, similar to past quarters, commodities cost inflation remained minimal overall and in some instances we have experienced a decrease in such costs.

We remain committed to controlling costs, particularly selling, general and administrative expenses ("SG&A") throughout the company that do not affect the customer experience. At the store level, we remain committed to simplifying or eliminating various tasks so that those time savings can be re-invested by our store managers in other areas such as customer service, improved in-stock levels, and improved store standards. However, concurrently with these work elimination and simplification efforts, we have begun to implement targeted increases in retail labor hours to grow market share in a competitive environment in stores where we believe such increases will generate positive financial returns. The first phase of a three-phase implementation is complete, and the two additional phases are expected to be complete by the end of fiscal 2015. We have a very disciplined approach to this labor investment and are able to quickly evaluate the results of these investments and reallocate resources based on results. In addition, to further support our efforts to improve store standards we have realigned our store operations field management structure which has also increased our retail labor expense. We will continue to balance these initiatives, and will maintain our focus on additional opportunities to reduce costs, including through our centralized procurement initiative.

We have continued our mission of serving others by striving to give our customers clean, well-stocked stores with quality products at everyday low prices, to create for our employees an

environment that attracts and retains talented personnel, to give back to our store communities through our charitable and other efforts, and to meet our shareholders' expectations of an efficiently and profitably run organization that operates with compassion and integrity.

The following include highlights of our second quarter 2015 results of operations compared to the comparable 2014 period in many of our key financial metrics. Basis points amounts referred to below are equal to 0.01% as a percentage of sales.

- Net sales increased 7.9% to \$5.10 billion. Sales in same-stores increased 2.8% driven by increases in customer traffic and average transaction amount. Average sales per square foot for all stores over the 52-week period ended July 31, 2015 were \$225.
- Gross profit, as a percentage of sales, was 31.2% in the 2015 period compared to 30.8% in the 2014 period, an increase of 36 basis points. We experienced higher initial inventory markups, an improved shrink rate, and lower transportation costs.
- SG&A, as a percentage of sales, was 21.8% compared to 21.7% in the 2014 period, an increase of 9 basis points, reflecting increases in certain expenses including store asset impairment charges, incentive compensation, and repairs and maintenance.
- Interest expense decreased by \$1.9 million to \$20.7 million in the 2015 period.
- Net income was \$282.3 million or \$0.95 per diluted share, compared to net income of \$251.3 million, or \$0.83 per diluted share, in the 2014 period. Diluted shares outstanding decreased by 7.4 million shares as a result of share repurchases.

Additional highlights for the first half of 2015 include:

- Cash generated from operating activities was \$557.1 million for the 26-week period ended July 31, 2015, compared to \$486.9 million in the comparable prior year period. At July 31, 2015, we had a cash balance of \$180.5 million.
- Total cash dividends of \$131.2 million, or \$0.44 per share, were paid during the first half of 2015.
- Inventory turnover was 4.8 times on a rolling four-quarter basis. On a per store basis, inventories increased by 2.7% over the balances at August 1, 2014.
- During the first half of 2015, we opened 428 new stores, remodeled or relocated 593 stores and closed 19 stores, resulting in a store count of 12,198 as of July 31, 2015.

The above discussion is a summary only. Readers should refer to the detailed discussion of our operating results below for the full analysis of our financial performance in the current year period as compared with the prior year period.

Results of Operations

Accounting Periods . We utilize a 52-53 week fiscal year convention that ends on the Friday nearest to January 31. The following text contains references to years 2015 and 2014, which represent the 52-week fiscal years ending and ended January 29, 2016 and January 30, 2015, respectively. References to the second quarter accounting periods for 2015 and 2014 contained herein refer to the 13-week accounting periods ended July 31, 2015 and August 1, 2014, respectively.

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

The following table contains results of operations data for the most recent 13-week and 26-week periods of 2015 and 2014, and the dollar and percentage variances among those periods:

(dollars in millions, except per share amounts)	13 Weeks Ended		2015 vs. 2014		26 Weeks Ended		2015 vs. 2014	
	July 31, 2015	August 1, 2014	Amount change	% change	July 31, 2015	August 1, 2014	Amount change	% change
Net sales by category:								
Consumables	\$ 3,867.6	\$ 3,576.2	\$ 291.4	8.1 %	\$ 7,621.6	\$ 7,021.7	\$ 600.0	8.5 %
% of net sales	75.90 %	75.70 %			76.11 %	75.94 %		
Seasonal	642.5	593.6	48.9	8.2	1,228.8	1,135.0	93.8	8.3
% of net sales	12.61 %	12.57 %			12.27 %	12.28 %		
Home products	304.3	285.4	18.9	6.6	607.3	569.0	38.3	6.7
% of net sales	5.97 %	6.04 %			6.06 %	6.15 %		
Apparel	281.4	268.8	12.6	4.7	556.8	520.4	36.4	7.0
% of net sales	5.52 %	5.69 %			5.56 %	5.63 %		
Net sales	\$ 5,095.9	\$ 4,724.0	\$ 371.9	7.9 %	\$ 10,014.6	\$ 9,246.1	\$ 768.5	8.3 %
Cost of goods sold	3,507.7	3,268.5	239.3	7.3	6,927.7	6,432.8	494.9	7.7
% of net sales	68.83 %	69.19 %			69.18 %	69.57 %		
Gross profit	1,588.2	1,455.6	132.6	9.1	3,086.9	2,813.3	273.5	9.7
% of net sales	31.17 %	30.81 %			30.82 %	30.43 %		
Selling, general and administrative expenses	1,112.3	1,027.0	85.3	8.3	2,182.9	2,005.1	177.8	8.9
% of net sales	21.83 %	21.74 %			21.80 %	21.69 %		
Operating profit	475.8	428.5	47.3	11.0	904.0	808.2	95.8	11.8
% of net sales	9.34 %	9.07 %			9.03 %	8.74 %		
Interest expense	20.7	22.6	(1.9)	(8.4)	42.3	44.9	(2.6)	(5.8)
% of net sales	0.41 %	0.48 %			0.42 %	0.49 %		
Income before income taxes	455.1	405.9	49.2	12.1	861.7	763.4	98.4	12.9
% of net sales	8.93 %	8.59 %			8.60 %	8.26 %		
Income tax expense	172.8	154.7	18.1	11.7	326.1	289.7	36.4	12.6
% of net sales	3.39 %	3.27 %			3.26 %	3.13 %		
Net income	\$ 282.3	\$ 251.3	\$ 31.1	12.4 %	\$ 535.6	\$ 473.7	\$ 61.9	13.1 %
% of net sales	5.54 %	5.32 %			5.35 %	5.12 %		
Diluted earnings per share	\$ 0.95	\$ 0.83	\$ 0.12	14.5 %	\$ 1.79	\$ 1.54	\$ 0.25	16.2 %

13 WEEKS ENDED JULY 31, 2015 AND AUGUST 1, 2014

Net Sales . The net sales increase in the 2015 second quarter reflects a same-store sales increase of 2.8% compared to the 2014 second quarter. Same-stores include stores that have been open for at least 13 months and remain open at the end of the reporting period. For the 2015 quarter, there were 11,348 same-stores which accounted for sales of \$4.8 billion. Increases in both customer traffic and average transaction amount contributed to the increase in same-store sales. We experienced same-store sales growth across all four product categories, with moderately higher same-store sales increases in consumables compared to the non-consumable categories. Within consumables, the most significant growth was due to sales of candy and snacks, tobacco products and perishables. Within non-consumables, the most significant growth was due to seasonal items, sundries, hardware and housewares. The net sales increase was also positively affected by new stores, partially offset by sales from closed stores.

Gross Profit. Gross profit increased by 9.1%, and as a percentage of sales, increased by 36 basis points to 31.2% in the 2015 second quarter. Higher initial markups on inventory purchases, an improved rate of inventory shrinkage, and lower transportation costs were the primary factors in the improved performance, partially offset by increased markdowns.

SG&A. Selling, general and administrative expense was 21.8% as a percentage of sales in the 2015 period compared to 21.7% in the 2014 period, an increase of nine basis points. The 2015 results reflect increases in store asset impairment charges, incentive compensation expenses, repairs and maintenance, and fees associated with the increased customer use of debit cards. Partially offsetting these items was a higher volume of cash back transactions resulting in increased convenience fees collected from customers.

Interest Expense . Interest expense decreased by \$1.9 million to \$20.7 million in the 2015 period due primarily to lower average debt balances in the 2015 period. Total outstanding debt (including the current portion of long-term obligations) as of July 31, 2015 was \$2.86 billion.

Income Taxes. The effective income tax rate for the 2015 period was 38.0% compared to 38.1% for the 2014 period which represents a net decrease of 0.1 percentage points. The effective tax rate decrease was primarily due to favorable changes in state income tax laws. Both periods were negatively impacted by the expiration of the federal law authorizing the Work Opportunity Tax Credit or "WOTC." The WOTC credits were retroactively reenacted in the fourth quarter of our 2014 fiscal year for employees hired during the 2014 calendar year. For financial statement purposes, a change in income tax expense is recorded in the period in which the related law is enacted. Accordingly, the fourth quarter of 2014 reflected the full, favorable impact of the 2014 retroactive reenactment of WOTC. It is uncertain as to whether and if so when the WOTC credits will be retroactively renewed for 2015. The Company will receive credits in future periods for employees hired on or before December 31, 2014; however, the future period credit received will be significantly lower than what has been recognized in prior fiscal years without WOTC reenactment.

26 WEEKS ENDED JULY 31, 2015 AND AUGUST 1, 2014

Net Sales . The net sales increase in the 2015 period reflects a same-store sales increase of 3.3% compared to the 2014 period. In the 2015 period, our 11,348 same-stores accounted for sales of \$9.5 billion. Increases in customer traffic and average transaction amount contributed to the increase in same-store sales. The remainder of the net sales increase was attributable to new stores, partially offset by sales from closed stores.

Gross Profit. For the 2015 period, gross profit increased by 9.7%, and as a percentage of sales, increased by 39 basis points to 30.8%. The gross profit rate increase in the 2015 period as compared to the 2014 period reflects higher initial markups on inventory purchases, lower transportation costs and an improved rate of inventory shrinkage.

SG&A. Selling, general and administrative expense was 21.8% as a percentage of sales in the 2015 period compared to 21.7% in the 2014 period, an increase of 11 basis points. The 2015 results reflect increases in incentive compensation expenses, repairs and maintenance, fees associated with the increased customer use of debit cards, and an increase in store asset impairment charges. Partially offsetting these items was a higher volume of cash back transactions resulting in increased convenience fees collected from customers.

Interest Expense . Interest expense decreased by \$2.6 million to \$42.3 million in the 2015 period due primarily to lower average debt balances in the 2015 period.

Income Taxes. The effective income tax rate for the 2015 period was 37.8% compared to 38.0% for the 2014 period which represents a net decrease of 0.2 percentage points. The effective tax rate decrease was primarily due to favorable changes in state income tax laws. Both periods were negatively impacted by the expiration of the federal law authorizing the WOTC. The WOTC credits were retroactively reenacted in the fourth quarter of our 2014 fiscal year for employees hired during the 2014 calendar year. For financial statement purposes, a change in income tax expense is recorded in the period in which the related law is enacted. Accordingly, the fourth quarter of 2014 reflected the full, favorable impact of the 2014 retroactive reenactment of WOTC. It is uncertain as to whether and, if so, when the WOTC credits will be retroactively renewed for 2015. The Company will receive credits in future periods for employees hired on or before December 31, 2014; however, the future period credit received will be significantly lower than what has been recognized in prior fiscal years without WOTC reenactment.

Liquidity and Capital Resources

We believe our cash flow from operations and existing cash balances, combined with availability under our credit facilities discussed below 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.

Facilities

The Facilities consist of a senior unsecured term loan facility (the “Term Facility”) with an initial balance of \$1.0 billion and an \$850.0 million senior unsecured revolving credit facility (the “Revolving Facility”) which provides for the issuance of letters of credit up to \$250.0 million. We may request, subject to agreement by one or more lenders, increased revolving commitments and/or incremental term loan facilities in an aggregate amount of up to \$150.0 million. The Facilities are scheduled to mature on April 11, 2018.

Borrowings under the Facilities bear interest at a rate equal to an applicable margin plus, at our option, either (a) LIBOR or (b) a base rate (which is usually equal to the prime rate). The applicable margin for borrowings as of July 31, 2015 was 1.275% for LIBOR borrowings and 0.275% for base-rate borrowings. We must also pay a facility fee, payable on any used and unused amounts of the Facilities, and fees on letters of credit issued under the Revolving Facility. The applicable margins for borrowings, the facility fees and the letter of credit fees under the Facilities are subject to adjustment each quarter based on our long-term senior unsecured debt ratings.

The Term Facility amortizes in quarterly installments of \$25.0 million. The final payment of the then-remaining balance will be due at maturity on April 11, 2018. As of July 31, 2015, the balance on the Term Facility was \$875.0 million. The Facilities can be prepaid in whole or in part at any time. The Facilities contain certain covenants that place limitations on the incurrence of liens; change of business; mergers or sales of all or substantially all assets; and subsidiary indebtedness, among other limitations. The Facilities also contain financial covenants that require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of July 31, 2015, we were in compliance with all such covenants. The Facilities also contain customary affirmative covenants and events of default.

As of July 31, 2015, we had total outstanding letters of credit of \$42.0 million, \$30.6 million of which were under the Revolving Facility.

We are exposed to risks arising from the adverse change in interest rates on our floating rate debt, primarily relating to outstanding amounts under our Facilities. We mitigate this risk by managing the amount, sources, and duration of our debt and, from time to time, the use of interest rate swaps. We had interest rate swaps with a combined notional value of \$875.0 million designated as cash flow hedges of interest rate risk that expired on May 31, 2015. For more information see Item 3, “Quantitative and Qualitative Disclosures about Market Risk” below.

For the remainder of fiscal 2015, we anticipate potential borrowings under the Revolving Facility up to a maximum of approximately \$500 million outstanding at any one time, including any anticipated borrowings to fund repurchases of common stock.

Senior Notes

We have \$500.0 million aggregate principal amount of 4.125% senior notes due 2017 (the “2017 Senior Notes”) which are scheduled to mature on July 15, 2017, \$400.0 million aggregate principal amount of 1.875% senior notes due 2018 (the “2018 Senior Notes”), net of discount at issuance of \$0.5 million, which are scheduled to mature on April 15, 2018; and \$900.0 million aggregate principal amount of 3.25% senior notes due 2023 (the “2023 Senior Notes”), net of discount at issuance of \$2.4 million, which are scheduled to mature on April 15, 2023. Collectively, the 2017 Senior Notes, the 2018 Senior Notes and the 2023 Senior Notes

comprise the “Senior Notes”, each of which were issued pursuant to an indenture as modified by supplemental indentures relating to each series of Senior Notes (as so supplemented, the “Senior Indenture”). Interest on the 2017 Senior Notes is payable in cash on January 15 and July 15 of each year. Interest on the 2018 Senior Notes and the 2023 Senior Notes is payable in cash on April 15 and October 15 of each year.

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

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

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

Current Financial Condition / Recent Developments

At July 31, 2015, we had total outstanding debt (including the current portion of long-term obligations) of approximately \$2.86 billion. We had \$646.4 million available for borrowing under our Revolving Facility at that date.

Our inventory balance represented approximately 54% of our total assets exclusive of goodwill and other intangible assets as of July 31, 2015. Our ability to effectively manage our inventory balances can have a significant impact on our cash flows from operations during a given fiscal year. Inventory purchases are often somewhat seasonal in nature, such as the purchase of warm-weather or Christmas-related merchandise. Efficient management of our inventory has been and continues to be an area of focus for us.

As described in Note 7 to the unaudited condensed consolidated financial statements, we are involved in a number of legal actions and claims, some of which could potentially result in material cash payments. We also have certain income tax-related contingencies as disclosed in Note 3 to the unaudited condensed consolidated financial statements. Future negative developments pertaining to these legal actions and claims or the tax-related contingencies could have a material adverse effect on our liquidity.

In February 2015, Standard & Poor’s reaffirmed our senior unsecured debt rating of BBB- and our corporate debt rating of BBB-, both with a stable outlook, and Moody’s reaffirmed our senior unsecured debt rating of Baa3 with a stable outlook. Our current credit ratings, as well as future rating agency actions, could (i) impact our ability to finance our operations on satisfactory terms; (ii) affect our financing costs; and (iii) affect our insurance premiums and collateral requirements necessary for our self-insured programs. There can be no assurance that we will maintain or improve our current credit ratings.

Unless otherwise noted, all references to the “2015 period” or the “2014 period” in the discussion of “Cash flows from operating activities,” “Cash flows from investing activities,” and “Cash flows from financing activities” below refer to the 26-week period ended July 31, 2015 or the 26-week period ended August 1, 2014, respectively.

Cash flows from operating activities. Cash flows from operating activities were \$557.1 million in the 2015 period, an increase of \$70.1 million compared to the 2014 period. Significant components of the increase in cash flows from operating activities include increased net income due primarily to increased sales and operating profit in the 2015 period as described in more detail above under “Results of Operations.” In addition, changes in accounts payable resulted in a \$133.6 million increase in the 2015 period compared to a \$104.4 million increase in the 2014 period, due primarily to the timing of receipts and payments. An offsetting factor was changes in accrued expenses and other, which increased \$29.2 million in the 2015 period compared to a \$62.0 million increase in the 2014 period, due primarily to an increase in annual incentive payments in the 2015 period.

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 rose 9% during the first half of both 2015 and 2014. In the 2015 period compared to the respective 2014 period, changes in inventory balances in our four inventory categories were as follows: the consumables category increased by 10% compared to 11%; the seasonal category increased by 11% compared to 4%; the home products category increased by 19% compared to 10%; and apparel declined by 7% compared to a 6% increase.

Cash flows from investing activities . Significant components of property and equipment purchases in the 2015 period included the following approximate amounts: \$95 million for improvements, upgrades, remodels and relocations of existing stores; \$55 million for distribution and transportation-related capital expenditures; \$53 million related to new leased stores, primarily for leasehold improvements, fixtures and equipment; \$24 million for stores built by us; and \$18 million for information systems upgrades and technology-related projects. The timing of new, remodeled and relocated store openings along with other factors may affect the relationship between such openings and the related property and equipment purchases in any given period. During the 2015 period, we opened 428 new stores and remodeled or relocated 593 stores.

Significant components of property and equipment purchases in the 2014 period included the following approximate amounts: \$66 million for improvements, upgrades, remodels and relocations of existing stores; \$58 million related to new leased stores, primarily for leasehold improvements, fixtures and equipment; \$27 million for distribution and transportation-related capital expenditures; \$21 million for information systems upgrades and technology-related projects; and \$16 million for stores built by us. During the 2014 period, we opened 426 new stores and remodeled or relocated 585 stores.

Capital expenditures during 2015 are projected to be in the range of \$500 million to \$550 million. We anticipate funding 2015 capital requirements with existing cash balances, cash flows from operations, and if necessary, our Revolving Facility. As of July 31, 2015, we have significant availability under our Revolving Facility that could be used to fund capital

requirements. We plan to continue to invest in store growth and development of approximately 730 new stores and approximately 875 stores to be remodeled or relocated in 2015. Capital expenditures in 2015 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 the distribution center under construction in Texas; technology initiatives; as well as routine and ongoing capital requirements.

Cash flows from financing activities . Net borrowings under the Revolving Facility during the 2015 period were \$173.0 million, compared to net borrowings of \$190.0 million during the 2014 period. During the 2015 and 2014 periods, we repurchased 9.7 million and 14.1 million outstanding shares of our common stock at a total cost of \$734.3 million and \$800.1 million, respectively. During the 2015 period we paid cash dividends totaling \$131.2 million.

Share Repurchase Program

On March 10, 2015, the Company's Board of Directors authorized a \$1.0 billion increase to our existing common stock repurchase program. Such common stock repurchase program had a total remaining authorization of approximately \$489.1 million at July 31, 2015. Under the authorization, purchases may be made in the open market or in privately negotiated transactions from time to time subject to market and other conditions, and the authorization has no expiration date.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Other than as set forth below, there have been no material changes to the disclosures relating to this item from those set forth in our Annual Report on Form 10-K for the fiscal year ended January 30, 2015.

Interest Rate Risk

We manage our interest rate risk through the strategic use of fixed and variable interest rate debt and, from time to time, derivative financial instruments. Our principal interest rate exposure relates to outstanding amounts under our unsecured debt Facilities. As of July 31, 2015, we had variable rate borrowings of \$875.0 million under our Term Facility and borrowings of \$173.0 million outstanding under our Revolving Facility. In recent years, in order to mitigate a portion of the variable rate interest exposure under the Facilities, we have entered into various interest rate swaps. Certain interest rate swaps with a total notional amount of \$875.0 million to mitigate a portion of the variable rate interest exposure under the Facilities expired in May 2015. Currently, borrowings under the Facilities are unhedged and, as a result, we are exposed to fluctuations in variable interest rates under the Facilities. Based on our variable rate borrowing levels as of July 31, 2015, the annualized effect of a one percentage point increase in variable interest rates would result in a reduction of our earnings and cash flows of approximately \$10.6 million before consideration of the effect of income taxes.

ITEM 4. CONTROLS AND PROCEDURES.

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

(b) *Changes in Internal Control Over Financial Reporting* . There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the quarter ended July 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

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

ITEM 1A. RISK FACTORS.

There have been no material changes to the disclosures relating to this item from those set forth in our Annual Report on Form 10-K for the fiscal year ended January 30, 2015.

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

The following table contains information regarding purchases of our common stock made during the quarter ended July 31, 2015 by or on behalf of Dollar General or any “affiliated purchaser,” as defined by Rule 10b-18(a)(3) of the Exchange Act:

Issuer Purchases of Equity Securities

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) (\$)
05/02/15-05/31/15	—	—	—	688,764,000
06/01/15-06/30/15	2,565,347	77.84	2,565,347	489,083,000
07/01/15-07/31/15	—	—	—	489,083,000
Total	2,565,347	77.84	2,565,347	489,083,000

(a) A \$500 million share repurchase program was publicly announced on September 5, 2012, and increases in the authorization under such program were announced on March 25, 2013 (\$500 million increase), December 5, 2013 (\$1.0 billion increase) and March 12, 2015 (\$1.0 billion increase). Under the authorization, purchases may be made in the open market or in privately negotiated transactions from time to time subject to market and other conditions. This repurchase authorization has no expiration date.

ITEM 6. EXHIBITS.

See the Exhibit Index immediately following the signature page hereto, which Exhibit Index is incorporated by reference as if fully set forth herein.

CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We include “forward-looking statements” within the meaning of the federal securities laws throughout this report, particularly under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Part I, Item 2, and “Note 7. Commitments and Contingencies” included in Part I, Item 1, among others. You can identify these statements because they are not limited to historical fact or they use words such as “may,” “will,” “should,” “expect,” “believe,” “anticipate,” “project,” “plan,” “estimate,” “objective,” “intend,” “could,” “would,” “committed,” “are scheduled to,” “predict,” or “continue,” and similar expressions that concern our strategy, plans, initiatives, intentions or beliefs about future occurrences or results. For example, statements relating to estimated and projected expenditures, cash flows, results of operations, financial condition and liquidity; plans and objectives for, and expectations regarding, future operations, growth or initiatives, including the number of planned store openings, remodels and relocations, progress of labor investment initiatives, trends in sales of consumable and non-consumable products, and the levels of future costs and expenses; anticipated borrowing under certain of our credit facilities; and the expected outcome or effect of pending or threatened litigation or audits are forward-looking statements.

Forward-looking statements are subject to risks and uncertainties that may change at any time, so our actual results may differ materially from those that we expected. We derive many of these statements from our operating budgets and forecasts, which are based on many detailed assumptions that we believe are reasonable. However, it is very difficult to predict the effect of known factors, and we cannot anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from the expectations expressed in our forward-looking statements include, without limitation:

- economic conditions, including their effect on employment levels, consumer demand, disposable income, credit availability and spending patterns, inflation, commodity prices, fuel prices, interest rates, exchange rate fluctuations and the cost of goods;
- failure to successfully execute our strategies and initiatives, including those relating to merchandising, sourcing, inventory shrinkage, private brand, distribution and transportation, store operations, expense reduction and real estate;
- failure to open, relocate and remodel stores profitably and on schedule, as well as failure of our new store base to achieve sales and operating levels consistent with our expectations;
- levels of inventory shrinkage;
- effective response to competitive pressures and changes in the competitive environment and the markets where we operate, including consolidation;
- our level of success in gaining and maintaining broad market acceptance of our private brands;
- disruptions, unanticipated or unusual expenses or operational failures in our supply chain including, without limitation, a decrease in transportation capacity for overseas shipments, increases in transportation costs (including increased fuel costs and carrier rates or driver wages), work stoppages or other labor disruptions that could impede

the receipt of merchandise, or delays in constructing or opening new distribution centers;

- risks and challenges associated with sourcing merchandise from suppliers, including, but not limited to, those related to international trade;
- unfavorable publicity or consumer perception of our products, including, but not limited to, related product liability and food safety claims;
- the impact of changes in or noncompliance with governmental laws and regulations (including, but not limited to, healthcare, product safety, food safety, information security and privacy, and labor and employment laws, as well as tax laws, the interpretation of existing tax laws, or our failure to sustain our reporting positions negatively affecting our tax rate) and developments in or outcomes of private actions, class actions, administrative proceedings, regulatory actions or other litigation;
- natural disasters, unusual weather conditions, pandemic outbreaks, terrorist acts and geo-political events;
- damage or interruption to our information systems or failure of technology initiatives to deliver desired or timely results;
- ability to attract and retain qualified employees, while controlling labor costs (including healthcare costs) and other labor issues;
- our loss of key personnel, our inability to hire additional qualified personnel or disruption of executive management as a result of retirements or transitions;
- failure to successfully manage inventory balances;
- seasonality of our business;
- incurrence of material uninsured losses, excessive insurance costs or accident costs;
- failure to maintain the security of information that we hold, whether as a result of a data security breach or otherwise;
- deterioration in market conditions, including interest rate fluctuations, or a lowering of our credit ratings;
- our debt levels and restrictions in our debt agreements;
- new accounting guidance, or changes in the interpretation or application of existing guidance, such as changes to lease accounting guidance;
- factors disclosed under “Risk Factors” in Part I, Item 1A of our Form 10-K for the fiscal year ended January 30, 2015; and
- factors disclosed elsewhere in this document (including, without limitation, in conjunction with the forward-looking statements themselves) and other factors.

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

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, both on behalf of the Registrant and in his capacity as principal financial and accounting officer of the Registrant.

DOLLAR GENERAL CORPORATION

Date: August 27, 2015

By: /s/ John W. Garratt
John W. Garratt
Interim Chief Financial Officer

EXHIBIT INDEX

10.1	Form of Stock Option Award Agreement by and between Todd J. Vasos and Dollar General Corporation for June 3, 2015 award (incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated May 27, 2015, filed with the SEC on May 28, 2015 (file no. 001-11421))
10.2	Employment Agreement, effective June 3, 2015, by and between Todd J. Vasos and Dollar General Corporation (incorporated by reference to Exhibit 99.3 to Dollar General Corporation's Current Report on Form 8-K dated May 27, 2015, filed with the SEC on May 28, 2015 (file no. 001-11421))
10.3	Employment Agreement, effective April 1, 2015, by and between John W. Garratt and Dollar General Corporation
10.4	Employment Agreement, effective August 10, 2015, by and between Rhonda M. Taylor and Dollar General Corporation
10.5	Employment Agreement, effective August 10, 2015, by and between Robert D. Ravener and Dollar General Corporation
10.6	Employment Agreement, effective August 10, 2015, by and between John W. Flanigan and Dollar General Corporation
15	Letter re unaudited interim financial information
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.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”), effective April 1, 2015 (“Effective Date”), is made and entered into by and between **DOLLAR GENERAL CORPORATION** (the “Company”), and John W. Garratt (“Employee”).

WITNESSETH:

WHEREAS, Company desires to employ Employee upon the terms and subject to the conditions hereinafter set forth, and Employee desires to accept such employment;

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

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ Employee as Senior Vice President, Finance and Strategy of the Company.
 2. **Term.** The term of this Agreement shall end March 31, 2018 (“Term”), unless otherwise terminated pursuant to Sections 8, 9, 10, 11 or 12 hereof. The Term shall be automatically extended from month to month, for up to six (6) months, unless the Company gives written notice to Employee at least one month prior to the expiration of the original or any extended Term that no extension or further extension, as applicable, will occur or unless the Company replaces this Agreement with a new agreement or, in writing, extends or renews the Term of this Agreement for a period that is longer than six months from the expiration of the original Term. Unless otherwise noted, all references to the “Term” shall be deemed to refer to the original Term and any extension or renewal thereof.
 3. **Position, Duties and Administrative Support.**
 - a. **Position.** Employee shall perform the duties of the position noted in Section 1 above and shall perform such other duties and responsibilities as Employee’s supervisor or the Company’s CEO may reasonably direct.
 - b. **Full-Time Efforts.** Employee shall perform and discharge faithfully and diligently such duties and responsibilities and shall devote Employee’s full-time efforts to the business and affairs of Company. Employee agrees to promote the best interests of the Company and to take no action that is likely to damage the public image or reputation of the Company, its subsidiaries or its affiliates.
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c. Administrative Support. Employee shall be provided with office space and administrative support.

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

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

5. Compensation.

a. Base Salary. Subject to the terms and conditions set forth in this Agreement, the Company shall pay Employee, and Employee shall accept, an annual base salary ("Base Salary") of no less than Three Hundred Nine Thousand, Seven Hundred Eight Dollars (\$309,708.00). The Base Salary shall be paid in accordance with Company's normal payroll practices (but no less frequently than monthly) and may be increased from time to time at the sole discretion of the Company.

b. Incentive Bonus. Employee's incentive compensation for the Term of this Agreement shall be determined under the Company's annual bonus program for officers at Employee's grade level, as it may be amended from time to time. The actual bonus paid pursuant to this Section 5(b), if any, shall be based on criteria established by the Board, its Compensation Committee and/or the CEO, as applicable, in accordance with the terms and conditions of the annual bonus program for officers. Any bonus payments due hereunder shall be payable to the Employee no later than 2 1/2 months after the end of the Company's

taxable year or the calendar year, whichever is later, in which Employee is first vested in such bonus payments for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").

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

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

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

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

facsimile (615) 855-5517. The Company agrees to reimburse Employee for any reasonable documented expenses incurred in providing such cooperation.

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

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

- a. Any act involving fraud or dishonesty, or any material act of misconduct relating to Employee's performance of his or her duties;
- b. Any material breach of any SEC or other law or regulation or any Company policy governing trading or dealing with stocks, securities, public debt instruments, bonds, or investments and the like or with inappropriate disclosure or "tipping" relating to any stock, security, public debt instrument, bond or investment;

- c. Any material violation of the Company's Code of Business Conduct and Ethics (or the equivalent code in place at the time);
- d. Other than as required by law, the carrying out of any activity or the making of any public statement which prejudices or reduces the good name and standing of Company or any of its affiliates or would bring any one of these into public contempt or ridicule;
- e. Attendance at work in a state of intoxication or being found with any drug or substance, possession of which would amount to a criminal offense;
- f. Assault or other act of violence;
- g. Conviction of or plea of guilty or *nolo contendere* to any felony whatsoever or any misdemeanor that would preclude employment under the Company's hiring policy; or
- h. Willful or repeated refusal or failure substantially to perform Employee's material obligations and duties hereunder or those reasonably directed by Employee's supervisor, the CEO and/or the Board (except in connection with a Disability).

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

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

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

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

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

11. Employee's Termination of Employment

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

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

paid at the time the amount would otherwise have been paid absent such prohibited acceleration.

c. Good Reason shall mean any of the following actions taken by the Company:

(i) A reduction by the Company in Employee's Base Salary or target bonus level;

(ii) The Company shall fail to continue in effect any significant Company-sponsored compensation plan or benefit (without replacing it with a similar plan or with a compensation equivalent), unless such action is in connection with across-the-board plan changes or terminations similarly affecting at least 95 percent of all officers of the Company or 100 percent of officers at the same grade level;

(iii) The Company's principal executive offices shall be moved to a location outside the middle-Tennessee area, or Employee is required (absent mutual agreement) to be based anywhere other than the Company's principal executive offices;

(iv) Without Employee's written consent, the assignment to Employee by the Company of duties inconsistent with, or the significant reduction of the title, powers and functions associated with, Employee's position, title or office as described in Section 3 above, unless such action is the result of a restructuring or realignment of duties and responsibilities by the Company for business reasons that leaves Employee at the same rate of Base Salary, annual target bonus opportunity, and officer level (i.e., Senior Vice President, etc.) and with a similar level of responsibility, or unless such action is the result of Employee's failure to meet pre-established and objective performance criteria;

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

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

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

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

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

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

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

(ii) Employee terminates for Good Reason;

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

b. In the event of one of the triggers referenced in Sections 12(a)(i) through (iii) above, then, on the sixtieth (60th) day after Employee's termination of employment, but contingent upon the execution and effectiveness of the Release attached hereto and made a part hereof, and subject to Section 23(o) below, Employee shall be entitled to the following:

(i) Continuation of Employee's Base Salary as of the date immediately preceding the termination (or, if the termination of employment is for Good Reason due to the reduction of Employee's Base Salary, then such rate of Base Salary as in effect immediately prior to such reduction) for 18 months, payable in

accordance with the Company's normal payroll cycle and procedures (but not less frequently than monthly) with a lump sum payment on the sixtieth (60th) day after Employee's termination of employment of the amounts Employee would otherwise have received during the sixty (60) days after Employee's termination had the payments begun immediately after Employee's termination of employment. Notwithstanding anything to the contrary in this Agreement, the amount of any payment or entitlement to payment of the aforesaid Base Salary continuation shall be forfeited or, if paid, subject to recovery by the Company in the event and to the extent of any base salary earned by the Employee as a result of subsequent employment during the 18 months after Employee's termination of employment. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of such amounts payable to Employee and, except as provided in the preceding sentence, such amounts shall not be reduced whether or not the Employee obtains other employment.

(ii) A lump sum payment of 1.5 times the amount of the average percentage of target bonus paid or to be paid to employees at the same job grade level of Employee (if any) under the annual bonus programs for officers in respect of the Company's two fiscal years immediately preceding the fiscal year in which the termination date occurs.

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

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

All payments and benefits otherwise provided to Employee pursuant to this Section 12 shall be forfeited if a copy of the Release attached hereto executed by Employee is not provided to the Company within twenty-one (21) days after Employee's termination date (unless otherwise required by law) or if the Release is revoked; and no payment or benefit hereunder

shall be provided to Employee prior to the Company's receipt of the Release and the expiration of the period of revocation provided in the Release.

c. In the event that there is a material breach by Employee of any continuing obligations under this Agreement or the Release after termination of employment, any unpaid amounts under this Section 12 shall be forfeited and Company shall retain any other rights available to it under law or equity. Any payments or reimbursements under this Section 12 shall not be deemed the continuation of Employee's employment for any purpose. Except as specifically enumerated in the Release, the Company's payment obligations under this Section 12 will not negate or reduce (i) any amounts otherwise due but not yet paid to Employee by the Company, or (ii) any other amounts payable to Employee outside this Agreement, or (iii) those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. The Company may, at any time and in its sole discretion, make a lump-sum payment of any or all amounts, or any or all remaining amounts, due to Employee under this Section 12 if, or to the extent, the payment is not subject to Section 409A of the Internal Revenue Code.

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

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

14. Publicity; No Disparaging Statement . Except as otherwise provided in Section 15 hereof, Employee and the Company covenant and agree that they shall not engage in any communications to persons outside the Company which shall disparage one another or interfere with their existing or prospective business relationships.

15. Confidentiality and Legal Process . Employee agrees to keep the proprietary terms of this Agreement confidential and to refrain from disclosing any information concerning this Agreement to anyone other than Employee’s immediate family and personal agents or advisors. Notwithstanding the foregoing, nothing in this Agreement is intended to prohibit Employee or the Company from performing any duty or obligation that shall arise as a matter of law. Specifically, Employee and the Company shall continue to be under a duty to truthfully respond to any legal and valid subpoena or other legal process. This Agreement is not intended in any way to proscribe Employee’s or the Company’s right and ability to provide information to any federal, state or local agency in response or adherence to the lawful exercise of such agency’s authority.

16. Business Protection Provision Definitions .

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

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

(i) “Competitive Position” shall mean any employment, consulting, advisory, directorship, agency, promotional or independent contractor arrangement between Employee and (x) any person or Entity engaged wholly or in material part

in the business in which the Company is engaged (i.e., the discount consumable basics or general merchandise retail business), including but not limited to such other similar businesses as Albertsons/Safeway, ALDI, Big Lots, BJ's Wholesale Club, Casey's General Stores, Circle K, Costco, CVS, Dollar Tree Stores, Family Dollar Stores, Fred's, Kmart, Kroger, 99 Cents Only Stores, The Pantry, Pilot Flying J, Rite-Aid, Sam's Club, 7-Eleven, Target, Walgreen's and Wal-Mart, or (y) any person or Entity then attempting or planning to enter the discount consumable basics retail business, whereby Employee is required to perform services on behalf of or for the benefit of such person or Entity which are substantially similar to the services Employee provided or directed at any time while employed by the Company or any of its affiliates.

(ii) "Confidential Information" shall mean the proprietary or confidential data, information, documents or materials (whether oral, written, electronic or otherwise) belonging to or pertaining to the Company, other than "Trade Secrets" (as defined below), which is of tangible or intangible value to the Company and the details of which are not generally known to the competitors of the Company. Confidential Information shall also include any items marked "CONFIDENTIAL" or some similar designation or which are otherwise identified as being confidential.

(iii) "Entity" or "Entities" shall mean any business, individual, partnership, joint venture, agency, governmental agency, body or subdivision, association, firm, corporation, limited liability company or other entity of any kind.

(iv) "Restricted Period" shall mean two (2) years following Employee's termination date.

(v) "Territory" shall include individually and as a total area those states in the United States in which the Company maintains stores at Employee's termination date or those states in which the Company has specific and demonstrable plans to open stores within six months of Employee's termination date.

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

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

17. Nondisclosure: Ownership of Proprietary Property.

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

b. Employee shall exercise best efforts to ensure the continued confidentiality of all Trade Secrets and Confidential Information and shall immediately notify the Company of any unauthorized disclosure or use of any Trade Secrets or Confidential Information of which

Employee becomes aware. Employee shall assist the Company, to the extent reasonably requested, in the protection or procurement of any intellectual property protection or other rights in any of the Trade Secrets or Confidential Information.

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

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

19. Non-Interference with Business Relationships.

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

Company's competitors. Accordingly, Employee acknowledges and agrees that the protection outlined in (b) below is necessary and reasonable.

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

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

21. Acknowledgements Regarding Sections 16 — 20.

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

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

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

d. The parties agree that if, at any time, a court of competent jurisdiction determines that any of the provisions of Section 16 through 20 are unreasonable under

Tennessee law as to time or area or both, the Company shall be entitled to enforce this Agreement for such period of time or within such area as may be determined reasonable by such court.

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

23. General Provisions.

- a. Amendment. This Agreement may be amended or modified only by a writing signed by both of the parties hereto.
- b. Binding Agreement. This Agreement shall inure to the benefit of and be binding upon Employee, his/her heirs and personal representatives, and the Company and its successors and assigns.
- c. Waiver Of Breach; Specific Performance. The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other breach. Each of the parties to this Agreement will be entitled to enforce this Agreement, specifically, to recover damages by reason of any breach of this Agreement, and to exercise all other rights existing in that party's favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief to enforce or prevent any violations of the provisions of this Agreement.
- d. Unsecured General Creditor. The Company shall neither reserve nor specifically set aside funds for the payment of its obligations under this Agreement, and such obligations shall be paid solely from the general assets of the Company.
- e. No Effect On Other Arrangements. It is expressly understood and agreed that the payments made in accordance with this Agreement are in addition to any other benefits or compensation to which Employee may be entitled or for which Employee may be eligible.

f. Tax Withholding. There shall be deducted from each payment under this Agreement the amount of any tax required by any governmental authority to be withheld and paid over by the Company to such governmental authority for the account of Employee.

g. Notices.

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

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

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

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

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

h. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee (without giving effect to conflict of laws).

i. Arbitration. If any contest or dispute arises between the parties with respect to this Agreement, such contest or dispute shall be submitted to binding arbitration for resolution in Nashville, Tennessee in accordance with the rules and procedures of the Employment Dispute Resolution Rules of the American Arbitration Association then in effect. The Company and Employee shall each bear 50 percent of the costs related to such arbitration. If the arbitrator determines that Employee is the prevailing party in the dispute, then the Company shall reimburse Employee for his/her reasonable legal or other fees and expenses incurred in such arbitration subject to and within ten (10) days after his/her request

for reimbursement accompanied by evidence that the fees and expenses were incurred. Any reimbursement hereunder shall be paid to Employee promptly and in no event later than the end of the year next following the date the expense was incurred. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Notwithstanding the foregoing, Employee acknowledges and agrees that the Company, its subsidiaries and any of their respective affiliates shall be entitled to injunctive or other relief in order to enforce the covenant not to compete, covenant not to solicit and/or confidentiality covenants as set forth in Sections 14, 16 through 20 and 22 of this Agreement.

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

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

l. Severability. If any one or more of the terms, provisions, covenants or restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect, and to that end the provisions hereof shall be deemed severable.

m. Section Headings. The Section headings set forth herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement whatsoever.

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

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

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

(ii) Neither Employee nor the Company shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits in any manner which would not be in compliance with Code Section 409A (including any transition or grandfather rules thereunder).

(iii) If Employee is a specified employee for purposes of Code Section 409A(a)(2)(B)(i), any payment or provision of benefits in connection with a separation from service payment event (as determined for purposes of Code Section 409A) shall not be made until six months after Employee’s separation from service (the “409A Deferral Period”). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may

be provided during the 409A Deferral Period at Employee's expense, with Employee having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled.

(iv) If a Change in Control occurs but the Change in Control does not constitute a change in control event within the meaning of Code Section 409A (a "409A Change in Control"), then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Code Section 409A shall be deferred until another permissible payment event contained in Code Section 409A occurs (e.g., death, disability, separation from service from the Company and its affiliated companies as defined for purposes of Code Section 409A), including any deferral of payment or provision of benefits for the 409A Deferral Period as provided above.

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

(vi) For purposes of determining time of (but not entitlement to) payment or provision of deferred compensation under this Agreement under Code Section 409A in connection with a termination of employment, termination of employment will be read to mean a "separation from service" within the meaning of Code Section 409A where it is reasonably anticipated that no further services would be performed after that date or that the level of bona fide services Employee would perform after that date (whether as an employee or independent contractor) would

permanently decrease to less than 50% of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period.

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

(viii) Notwithstanding any other provision of this Agreement, the Company shall not be liable to Employee if any payment or benefit which is to be provided pursuant to this Agreement and which is considered deferred compensation subject to Code Section 409A otherwise fails to comply with, or be exempt from, the requirements of Code Section 409A.

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

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

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representative to execute this Agreement to be effective as of the Effective Date.

DOLLAR GENERAL CORPORATION

By: /s/ Bob Ravener

Name: Bob Ravener

Its: EVP, Chief People Officer

Date: 5/12/15

“EMPLOYEE”

/s/ John W. Garratt

John W. Garratt

Date: 5/12/15

Witnessed By:

/s/ Julie L. Filson

Name of Witness

Addendum to Employment Agreement with John W. Garratt

RELEASE AGREEMENT

THIS RELEASE (“Release”) is made and entered into by and between John W. Garratt (“Employee”) and **DOLLAR GENERAL CORPORATION**, and its successor or assigns (“Company”).

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

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

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

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

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

1. Claims Released Under This Agreement.

In exchange for receiving the payments and benefits described in Section 12 of the Agreement, Employee hereby voluntarily and irrevocably waives, releases, dismisses with prejudice, and withdraws all claims, complaints, suits or demands of any kind whatsoever (whether known or unknown) which Employee ever had, may have, or now has against Company and other current or former subsidiaries or affiliates of the Company and their past, present and future officers, directors, employees, agents, insurers and attorneys (collectively, the “Releasees”), arising from or relating to (directly or indirectly) Employee’s employment or the termination of employment or other events that have occurred as of the date of execution of this Agreement, including but not limited to:

- a. claims for violations of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, 42 U.S.C. § 1981, the Sarbanes Oxley Act of 2002, the National Labor Relations Act, the Labor Management Relations Act, the Genetic Information Nondiscrimination Act, the Uniformed Services Employment and Reemployment Rights Act, Executive Order 11246, Executive Order 11141, the Rehabilitation Act of 1973, or the Employee Retirement Income Security Act;
- b. claims for violations of any other federal or state statute or regulation or local ordinance;
- c. claims for lost or unpaid wages, compensation, or benefits, defamation, intentional or negligent infliction of emotional distress, assault, battery, wrongful or constructive discharge, negligent hiring, retention or supervision, fraud, misrepresentation, conversion, tortious interference, breach of contract, or breach of fiduciary duty;
- d. claims to benefits under any bonus, severance, workforce reduction, early retirement, outplacement, or any other similar type plan sponsored by the Company (except for those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement); or
- e. any other claims under state law arising in tort or contract.

2. Claims Not Released Under This Agreement.

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

Employee also is not releasing claims to benefits that Employee is already entitled to receive under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. However, Employee understands and acknowledges that nothing herein is intended to or shall be construed to require the Company to institute or continue in effect any particular plan or benefit sponsored by the Company, and the Company hereby reserves the right to amend or terminate any of its benefit programs at any time in accordance with the procedures set forth in such plans. Employee further understands and acknowledges that any continuing obligation

under a Company incentive-based plan, program or arrangement or pursuant to any Company policy or provision regarding recoupment of compensation is not altered by this Release and nothing herein is intended to nor shall be construed otherwise.

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

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

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

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

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

7. **Voluntary Execution**. Employee warrants, represents and agrees that Employee has been encouraged in writing to seek advice regarding this Release from an attorney and tax advisor prior to signing it; that this Release represents written notice to do so; that Employee has been given the opportunity and sufficient time to seek such advice; and that Employee fully understands the meaning and contents of this Release. Employee further represents and warrants that Employee was not coerced, threatened or otherwise forced to sign this Release, and that Employee's signature appearing hereinafter is voluntary and genuine. EMPLOYEE UNDERSTANDS THAT EMPLOYEE MAY TAKE UP TO TWENTY-ONE (21) DAYS (OR, IN THE CASE OF AN EXIT INCENTIVE OR OTHER EMPLOYMENT TERMINATION PROGRAM OFFERED TO A

GROUP OR CLASS OF EMPLOYEES, UP TO FORTY-FIVE (45) DAYS) TO CONSIDER WHETHER TO ENTER INTO THIS RELEASE.

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

Acknowledged and Agreed To:

"COMPANY"

DOLLAR GENERAL CORPORATION

By: _____

Its: _____

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

"EMPLOYEE"

Date _____

WITNESSED BY:

Date _____



EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”), effective August 10, 2015 (“Effective Date”), is made and entered into by and between **DOLLAR GENERAL CORPORATION** (the “Company”), and Rhonda M. Taylor (“Employee”).

WITNESSETH:

WHEREAS, Company desires to employ Employee upon the terms and subject to the conditions hereinafter set forth, and Employee desires to accept such employment;

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

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ Employee as Executive Vice President, General Counsel of the Company.
 2. **Term.** The term of this Agreement shall end March 31, 2018 (“Term”), unless otherwise terminated pursuant to Sections 8, 9, 10, 11 or 12 hereof. The Term shall be automatically extended from month to month, for up to six (6) months, unless the Company gives written notice to Employee at least one month prior to the expiration of the original or any extended Term that no extension or further extension, as applicable, will occur or unless the Company replaces this Agreement with a new agreement or, in writing, extends or renews the Term of this Agreement for a period that is longer than six months from the expiration of the original Term. Unless otherwise noted, all references to the “Term” shall be deemed to refer to the original Term and any extension or renewal thereof.
 3. **Position, Duties and Administrative Support.**
 - a. **Position.** Employee shall perform the duties of the position noted in Section 1 above and shall perform such other duties and responsibilities as Employee’s supervisor or the Company’s CEO may reasonably direct.
 - b. **Full-Time Efforts.** Employee shall perform and discharge faithfully and diligently such duties and responsibilities and shall devote Employee’s full-time efforts to the business and affairs of Company. Employee agrees to promote the best interests of the Company and to take no action that is likely to damage the public image or reputation of the Company, its subsidiaries or its affiliates.
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c. Administrative Support. Employee shall be provided with office space and administrative support.

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

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

5. Compensation.

a. Base Salary. Subject to the terms and conditions set forth in this Agreement, the Company shall pay Employee, and Employee shall accept, an annual base salary ("Base Salary") of no less than Five Hundred Twenty-Five Thousand Dollars (\$525,000.00). The Base Salary shall be paid in accordance with Company's normal payroll practices (but no less frequently than monthly) and may be increased from time to time at the sole discretion of the Company.

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

such bonus payments for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").

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

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

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

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

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

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

- a. Any act involving fraud or dishonesty, or any material act of misconduct relating to Employee's performance of his or her duties;
- b. Any material breach of any SEC or other law or regulation or any Company policy governing trading or dealing with stocks, securities, public debt instruments, bonds, or investments and the like or with inappropriate disclosure or "tipping" relating to any stock, security, public debt instrument, bond or investment;
- c. Any material violation of the Company's Code of Business Conduct and Ethics (or the equivalent code in place at the time);

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

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

f. Assault or other act of violence;

g. Conviction of or plea of guilty or nolo contendere to any felony whatsoever or any misdemeanor that would preclude employment under the Company's hiring policy; or

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

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

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

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

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

b. Employee's inability to perform the duties under this Agreement in accordance with the Company's expectations because of a medically determinable physical

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

11. Employee’s Termination of Employment .

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

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

c. Good Reason shall mean any of the following actions taken by the Company:

- (i) A reduction by the Company in Employee’s Base Salary or target bonus level;

(ii) The Company shall fail to continue in effect any significant Company-sponsored compensation plan or benefit (without replacing it with a similar plan or with a compensation equivalent), unless such action is in connection with across-the-board plan changes or terminations similarly affecting at least 95 percent of all officers of the Company or 100 percent of officers at the same grade level;

(iii) The Company's principal executive offices shall be moved to a location outside the middle-Tennessee area, or Employee is required (absent mutual agreement) to be based anywhere other than the Company's principal executive offices;

(iv) Without Employee's written consent, the assignment to Employee by the Company of duties inconsistent with, or the significant reduction of the title, powers and functions associated with, Employee's position, title or office as described in Section 3 above, unless such action is the result of a restructuring or realignment of duties and responsibilities by the Company, for business reasons, that leaves Employee at the same rate of Base Salary, annual target bonus opportunity, and officer level (i.e., Executive Vice President, etc.) and with a similar level of responsibility, or unless such action is the result of Employee's failure to meet pre-established and objective performance criteria;

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

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

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

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

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

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

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

(ii) Employee terminates for Good Reason;

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

b. In the event of one of the triggers referenced in Sections 12(a)(i) through (iii) above, then, on the sixtieth (60th) day after Employee's termination of employment, but contingent upon the execution and effectiveness of the Release attached hereto and made a part hereof, and subject to Section 23(o) below, Employee shall be entitled to the following:

(i) Continuation of Employee's Base Salary as of the date immediately preceding the termination (or, if the termination of employment is for Good Reason due to the reduction of Employee's Base Salary, then such rate of Base Salary as in effect immediately prior to such reduction) for 24 months, payable in accordance with the Company's normal payroll cycle and procedures (but not less frequently than monthly) with a lump sum payment on the sixtieth (60th) day after Employee's termination of employment of the amounts Employee would otherwise have received during the sixty (60) days after Employee's termination had the payments begun immediately after Employee's termination of employment. Notwithstanding anything to the contrary in this Agreement, the amount of any payment or entitlement to payment of the aforesaid Base Salary continuation shall be forfeited or, if paid, subject to recovery by the Company in the event and to the extent of any base salary earned by the Employee as a result of subsequent employment during the 24 months

after Employee's termination of employment. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of such amounts payable to Employee and, except as provided in the preceding sentence, such amounts shall not be reduced whether or not the Employee obtains other employment.

(ii) A lump sum payment of two times the amount of the average percentage of target bonus paid or to be paid to employees at the same job grade level of Employee (if any) under the annual bonus programs for officers in respect of the Company's two fiscal years immediately preceding the fiscal year in which the termination date occurs.

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

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

All payments and benefits otherwise provided to Employee pursuant to this Section 12 shall be forfeited if a copy of the Release attached hereto executed by Employee is not provided to the Company within twenty-one (21) days after Employee's termination date (unless otherwise required by law) or if the Release is revoked; and no payment or benefit hereunder shall be provided to Employee prior to the Company's receipt of the Release and the expiration of the period of revocation provided in the Release.

c. In the event that there is a material breach by Employee of any continuing obligations under this Agreement or the Release after termination of employment, any unpaid amounts under this Section 12 shall be forfeited and Company shall retain any other rights available to it under law or equity. Any payments or reimbursements under this Section 12 shall not be deemed the continuation of Employee's employment for any purpose. Except as specifically enumerated in the Release, the Company's payment obligations under this Section 12 will not negate or reduce (i) any amounts otherwise due but not yet paid to Employee by the Company, or (ii) any other amounts payable to Employee outside this Agreement, or (iii) those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. The Company

may, at any time and in its sole discretion, make a lump-sum payment of any or all amounts, or any or all remaining amounts, due to Employee under this Section 12 if, or to the extent, the payment is not subject to Section 409A of the Internal Revenue Code.

13. Effect of 280G. Any payments and benefits due under Section 12 that constitute “parachute payments” within the meaning of Section 280G of the Internal Revenue Code (“Code Section 280G”), plus all other “parachute payments” as defined under Code Section 280G that might otherwise be due to the Employee (collectively, with payments and benefits due under Section 12, “Total Payments”), shall be limited to the Capped Amount. The “Capped Amount” shall be the amount otherwise payable, reduced in such amount and to such extent so that no amount of the Total Payments, would constitute an “excess parachute payment” under Code Section 280G. Notwithstanding the preceding sentence but contingent upon Employee’s timely execution and the effectiveness of the Release attached hereto and made a part hereof as provided in Section 12 hereof, the Employee’s Total Payments shall not be limited to the Capped Amount if it is determined that Employee would receive at least \$50,000 in greater after-tax proceeds if no such reduction is made. The calculation of the Capped Amount and all other determinations relating to the applicability of Code Section 280G (and the rules and regulations promulgated thereunder) to the payments contemplated by this Agreement shall be made by the tax department of an independent public accounting firm, or, at Company’s discretion, by a compensation consulting firm, and such determinations shall be binding upon Employee and the Company. Unless Employee and the Company shall otherwise agree (provided such agreement does not cause any payment or benefit hereunder which is deferred compensation covered by Section 409A of the Internal Revenue Code to be in non-compliance with Section 409A of the Internal Revenue Code), in the event the Payments are to be reduced, the Company shall reduce or eliminate the payments or benefits to Employee by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the date of the “change in ownership or control” (within the meaning of Code Section 280G). Any reduction pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Employee’s rights and entitlements to any benefits or compensation.

14. Publicity; No Disparaging Statement. Except as otherwise provided in Section 15 hereof, Employee and the Company covenant and agree that they shall not engage in any communications to persons outside the Company which shall disparage one another or interfere with their existing or prospective business relationships.

15. Confidentiality and Legal Process. Employee agrees to keep the proprietary terms of this Agreement confidential and to refrain from disclosing any information concerning this Agreement to anyone other than Employee's immediate family and personal agents or advisors. Notwithstanding the foregoing, nothing in this Agreement is intended to prohibit Employee or the Company from performing any duty or obligation that shall arise as a matter of law. Specifically, Employee and the Company shall continue to be under a duty to truthfully respond to any legal and valid subpoena or other legal process. This Agreement is not intended in any way to proscribe Employee's or the Company's right and ability to provide information to any federal, state or local agency in response or adherence to the lawful exercise of such agency's authority.

16. Business Protection Provision Definitions.

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

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

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

(ii) "Confidential Information" shall mean the proprietary or confidential data, information, documents or materials (whether oral, written, electronic or otherwise) belonging to or pertaining to the Company, other than "Trade Secrets" (as

defined below), which is of tangible or intangible value to the Company and the details of which are not generally known to the competitors of the Company. Confidential Information shall also include any items marked "CONFIDENTIAL" or some similar designation or which are otherwise identified as being confidential.

(iii) "Entity" or "Entities" shall mean any business, individual, partnership, joint venture, agency, governmental agency, body or subdivision, association, firm, corporation, limited liability company or other entity of any kind.

(iv) "Restricted Period" shall mean two (2) years following Employee's termination date.

(v) "Territory" shall include individually and as a total area those states in the United States in which the Company maintains stores at Employee's termination date or those states in which the Company has specific and demonstrable plans to open stores within six months of Employee's termination date.

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

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

17. Nondisclosure: Ownership of Proprietary Property.

a. In recognition of the Company's need to protect its legitimate business interests, Employee hereby covenants and agrees that, for the Term and thereafter (as described below), Employee shall regard and treat Trade Secrets and Confidential Information as strictly confidential and wholly-owned by the Company and shall not, for any

reason, in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, misappropriate or otherwise communicate any Trade Secrets or Confidential Information to any person or Entity for any purpose other than in accordance with Employee's duties under this Agreement or as required by applicable law. This provision shall apply to each item constituting a Trade Secret at all times it remains a "trade secret" under applicable law and shall apply to any Confidential Information, during employment and for the Restricted Period thereafter.

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

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

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

19. Non-Interference with Business Relationships .

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

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

20. Agreement Not to Work in Competitive Position . Employee covenants and agrees not to accept, obtain or work in a Competitive Position for a company or entity that operates anywhere within the Territory for the Restricted Period.

21. Acknowledgements Regarding Sections 16 – 20.

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

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

Sections 16 through 20 hereof shall forfeit Employee's right to such compensation and benefits.

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

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

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

23. General Provisions.

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

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

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

d. Unsecured General Creditor. The Company shall neither reserve nor specifically set aside funds for the payment of its obligations under this Agreement, and such obligations shall be paid solely from the general assets of the Company.

e. No Effect On Other Arrangements. It is expressly understood and agreed that the payments made in accordance with this Agreement are in addition to any other benefits or compensation to which Employee may be entitled or for which Employee may be eligible.

f. Tax Withholding. There shall be deducted from each payment under this Agreement the amount of any tax required by any governmental authority to be withheld and paid over by the Company to such governmental authority for the account of Employee.

g. Notices.

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

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

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

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

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

h. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee (without giving effect to conflict of laws).

i. Arbitration. If any contest or dispute arises between the parties with respect to this Agreement, such contest or dispute shall be submitted to binding arbitration for resolution in Nashville, Tennessee in accordance with the rules and procedures of the

Employment Dispute Resolution Rules of the American Arbitration Association then in effect. The Company and Employee shall each bear 50 percent of the costs related to such arbitration. If the arbitrator determines that Employee is the prevailing party in the dispute, then the Company shall reimburse Employee for his/her reasonable legal or other fees and expenses incurred in such arbitration subject to and within ten (10) days after his/her request for reimbursement accompanied by evidence that the fees and expenses were incurred. Any reimbursement hereunder shall be paid to Employee promptly and in no event later than the end of the year next following the date the expense was incurred. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Notwithstanding the foregoing, Employee acknowledges and agrees that the Company, its subsidiaries and any of their respective affiliates shall be entitled to injunctive or other relief in order to enforce the covenant not to compete, covenant not to solicit and/or confidentiality covenants as set forth in Sections 14, 16 through 20 and 22 of this Agreement.

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

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

l. Severability. If any one or more of the terms, provisions, covenants or restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect, and to that end the provisions hereof shall be deemed severable.

m. Section Headings. The Section headings set forth herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement whatsoever.

n. Voluntary Agreement. Employee and Company represent and agree that each has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement. Each party

represents and agrees that such party has had the opportunity to review any and all aspects of this Agreement with legal, tax or other adviser(s) of such party's choice before executing this Agreement.

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

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

(ii) Neither Employee nor the Company shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits in any manner which would not be in compliance with Code Section 409A (including any transition or grandfather rules thereunder).

(iii) If Employee is a specified employee for purposes of Code Section 409A(a)(2)(B)(i), any payment or provision of benefits in connection with a separation from service payment event (as determined for purposes of Code Section 409A) shall not be made until six months after Employee's separation from service (the "409A Deferral Period"). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and

the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Employee's expense, with Employee having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled.

(iv) If a Change in Control occurs but the Change in Control does not constitute a change in control event within the meaning of Code Section 409A (a "409A Change in Control"), then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Code Section 409A shall be deferred until another permissible payment event contained in Code Section 409A occurs (e.g., death, disability, separation from service from the Company and its affiliated companies as defined for purposes of Code Section 409A), including any deferral of payment or provision of benefits for the 409A Deferral Period as provided above.

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

(vi) For purposes of determining time of (but not entitlement to) payment or provision of deferred compensation under this Agreement under Code Section 409A in connection with a termination of employment, termination of employment will be read to mean a "separation from service" within the meaning of Code Section 409A where it is reasonably anticipated that no further services would be performed after that date or that the level of bona fide services Employee would perform after that date (whether as an employee or independent contractor) would permanently decrease

to less than 50% of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period.

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

(viii) Notwithstanding any other provision of this Agreement, the Company shall not be liable to Employee if any payment or benefit which is to be provided pursuant to this Agreement and which is considered deferred compensation subject to Code Section 409A otherwise fails to comply with, or be exempt from, the requirements of Code Section 409A.

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

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

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representative to execute this Agreement to be effective as of the Effective Date.

Date: 08/06/2015

DOLLAR GENERAL CORPORATION

By: /s/ Bob Ravener

Name: Bob Ravener

Title: EVP, Chief People Officer

“EMPLOYEE”

/s/ Rhonda M. Taylor
Rhonda M. Taylor

Date: 8-7-15

Witnessed By:

/s/ Chris Snow
Name of Witness

Addendum to Employment Agreement with Rhonda M. Taylor

RELEASE AGREEMENT

THIS RELEASE ("Release") is made and entered into by and between _____ ("Employee") and **DOLLAR GENERAL CORPORATION**, and its successor or assigns ("Company").

WHEREAS, Employee and Company have agreed that Employee's employment with Dollar General Corporation shall terminate on _____;

WHEREAS, Employee and the Company have previously entered into that certain Employment Agreement, effective _____ ("Agreement"), in which the form of this Release is incorporated by reference;

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

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

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

1. Claims Released Under This Agreement.

In exchange for receiving the payments and benefits described in Section 12 of the Agreement, Employee hereby voluntarily and irrevocably waives, releases, dismisses with prejudice, and withdraws all claims, complaints, suits or demands of any kind whatsoever (whether known or unknown) which Employee ever had, may have, or now has against Company and other current or former subsidiaries or affiliates of the Company and their past, present and future officers, directors, employees, agents, insurers and attorneys (collectively, the "Releasees"), arising from or relating to (directly or indirectly) Employee's employment or the termination of employment or other events that have occurred as of the date of execution of this Agreement, including but not limited to:

a. claims for violations of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, 42 U.S.C. § 1981, the Sarbanes Oxley Act of 2002, the National Labor Relations Act, the Labor Management Relations Act, the Genetic Information Nondiscrimination Act, the Uniformed Services Employment and Reemployment Rights Act, Executive Order 11246, Executive Order 11141, the Rehabilitation Act of 1973, or the Employee Retirement Income Security Act;

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

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

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

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

2. Claims Not Released Under This Agreement.

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

Employee also is not releasing claims to benefits that Employee is already entitled to receive under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. However, Employee understands and acknowledges that nothing herein is intended to or shall be construed to require the Company to institute or continue in effect any particular plan or benefit sponsored by the Company, and the Company hereby reserves the right to amend or terminate any of its benefit programs at any time in accordance with the procedures set forth in such plans. Employee further understands and acknowledges that any continuing obligation under a Company incentive-based plan, program or arrangement or pursuant to any Company policy

or provision regarding recoupment of compensation is not altered by this Release and nothing herein is intended to nor shall be construed otherwise.

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

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

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

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

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

7. **Voluntary Execution**. Employee warrants, represents and agrees that Employee has been encouraged in writing to seek advice regarding this Release from an attorney and tax advisor prior to signing it; that this Release represents written notice to do so; that Employee has been given the opportunity and sufficient time to seek such advice; and that Employee fully understands the meaning and contents of this Release. Employee further represents and warrants that Employee was not coerced, threatened or otherwise forced to sign this Release, and that Employee's signature appearing hereinafter is voluntary and genuine. EMPLOYEE UNDERSTANDS THAT EMPLOYEE MAY TAKE UP TO TWENTY-ONE (21) DAYS (OR, IN THE CASE OF AN EXIT INCENTIVE OR OTHER EMPLOYMENT TERMINATION PROGRAM OFFERED TO A GROUP OR CLASS OF EMPLOYEES, UP TO FORTY-FIVE (45) DAYS) TO CONSIDER WHETHER TO ENTER INTO THIS RELEASE.

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

Acknowledged and Agreed To:

"COMPANY"

DOLLAR GENERAL CORPORATION

By: _____

Its: _____

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

"EMPLOYEE"

Date _____

WITNESSED BY:

Date _____

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”), effective August 10, 2015 (“Effective Date”), is made and entered into by and between **DOLLAR GENERAL CORPORATION** (the “Company”), and Robert D. Ravener (“Employee”).

WITNESSETH:

WHEREAS, Company desires to employ Employee upon the terms and subject to the conditions hereinafter set forth, and Employee desires to accept such employment;

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

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ Employee as Executive Vice President, Chief People Officer of the Company.
 2. **Term.** The term of this Agreement shall end March 31, 2018 (“Term”), unless otherwise terminated pursuant to Sections 8, 9, 10, 11 or 12 hereof. The Term shall be automatically extended from month to month, for up to six (6) months, unless the Company gives written notice to Employee at least one month prior to the expiration of the original or any extended Term that no extension or further extension, as applicable, will occur or unless the Company replaces this Agreement with a new agreement or, in writing, extends or renews the Term of this Agreement for a period that is longer than six months from the expiration of the original Term. Unless otherwise noted, all references to the “Term” shall be deemed to refer to the original Term and any extension or renewal thereof.
 3. **Position, Duties and Administrative Support.**
 - a. **Position.** Employee shall perform the duties of the position noted in Section 1 above and shall perform such other duties and responsibilities as Employee’s supervisor or the Company’s CEO may reasonably direct.
 - b. **Full-Time Efforts.** Employee shall perform and discharge faithfully and diligently such duties and responsibilities and shall devote Employee’s full-time efforts to the business and affairs of Company. Employee agrees to promote the best interests of the Company and to take no action that is likely to damage the public image or reputation of the Company, its subsidiaries or its affiliates.
-

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

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

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

5. Compensation.

a. Base Salary. Subject to the terms and conditions set forth in this Agreement, the Company shall pay Employee, and Employee shall accept, an annual base salary ("Base Salary") of no less than Five Hundred Twenty-Four Thousand, Four Hundred Eighty-Four Dollars (\$524,484.00). The Base Salary shall be paid in accordance with Company's normal payroll practices (but no less frequently than monthly) and may be increased from time to time at the sole discretion of the Company.

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

such bonus payments for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").

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

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

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

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

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

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

- a. Any act involving fraud or dishonesty, or any material act of misconduct relating to Employee's performance of his or her duties;
- b. Any material breach of any SEC or other law or regulation or any Company policy governing trading or dealing with stocks, securities, public debt instruments, bonds, or investments and the like or with inappropriate disclosure or "tipping" relating to any stock, security, public debt instrument, bond or investment;
- c. Any material violation of the Company's Code of Business Conduct and Ethics (or the equivalent code in place at the time);

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

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

f. Assault or other act of violence;

g. Conviction of or plea of guilty or nolo contendere to any felony whatsoever or any misdemeanor that would preclude employment under the Company's hiring policy; or

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

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

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

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

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

b. Employee's inability to perform the duties under this Agreement in accordance with the Company's expectations because of a medically determinable physical

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

11. Employee’s Termination of Employment .

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

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

c. Good Reason shall mean any of the following actions taken by the Company:

(i) A reduction by the Company in Employee’s Base Salary or target bonus level;

(ii) The Company shall fail to continue in effect any significant Company-sponsored compensation plan or benefit (without replacing it with a similar plan or with a compensation equivalent), unless such action is in connection with across-the-board plan changes or terminations similarly affecting at least 95 percent of all officers of the Company or 100 percent of officers at the same grade level;

(iii) The Company's principal executive offices shall be moved to a location outside the middle-Tennessee area, or Employee is required (absent mutual agreement) to be based anywhere other than the Company's principal executive offices;

(iv) Without Employee's written consent, the assignment to Employee by the Company of duties inconsistent with, or the significant reduction of the title, powers and functions associated with, Employee's position, title or office as described in Section 3 above, unless such action is the result of a restructuring or realignment of duties and responsibilities by the Company, for business reasons, that leaves Employee at the same rate of Base Salary, annual target bonus opportunity, and officer level (i.e., Executive Vice President, etc.) and with a similar level of responsibility, or unless such action is the result of Employee's failure to meet pre-established and objective performance criteria;

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

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

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

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

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

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

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

(ii) Employee terminates for Good Reason;

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

b. In the event of one of the triggers referenced in Sections 12(a)(i) through (iii) above, then, on the sixtieth (60th) day after Employee's termination of employment, but contingent upon the execution and effectiveness of the Release attached hereto and made a part hereof, and subject to Section 23(o) below, Employee shall be entitled to the following:

(i) Continuation of Employee's Base Salary as of the date immediately preceding the termination (or, if the termination of employment is for Good Reason due to the reduction of Employee's Base Salary, then such rate of Base Salary as in effect immediately prior to such reduction) for 24 months, payable in accordance with the Company's normal payroll cycle and procedures (but not less frequently than monthly) with a lump sum payment on the sixtieth (60th) day after Employee's termination of employment of the amounts Employee would otherwise have received during the sixty (60) days after Employee's termination had the payments begun immediately after Employee's termination of employment. Notwithstanding anything to the contrary in this Agreement, the amount of any payment or entitlement to payment of the aforesaid Base Salary continuation shall be forfeited or, if paid, subject to recovery by the Company in the event and to the extent of any base salary earned by the Employee as a result of subsequent employment during the 24 months

after Employee's termination of employment. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of such amounts payable to Employee and, except as provided in the preceding sentence, such amounts shall not be reduced whether or not the Employee obtains other employment.

(ii) A lump sum payment of two times the amount of the average percentage of target bonus paid or to be paid to employees at the same job grade level of Employee (if any) under the annual bonus programs for officers in respect of the Company's two fiscal years immediately preceding the fiscal year in which the termination date occurs.

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

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

All payments and benefits otherwise provided to Employee pursuant to this Section 12 shall be forfeited if a copy of the Release attached hereto executed by Employee is not provided to the Company within twenty-one (21) days after Employee's termination date (unless otherwise required by law) or if the Release is revoked; and no payment or benefit hereunder shall be provided to Employee prior to the Company's receipt of the Release and the expiration of the period of revocation provided in the Release.

c. In the event that there is a material breach by Employee of any continuing obligations under this Agreement or the Release after termination of employment, any unpaid amounts under this Section 12 shall be forfeited and Company shall retain any other rights available to it under law or equity. Any payments or reimbursements under this Section 12 shall not be deemed the continuation of Employee's employment for any purpose. Except as specifically enumerated in the Release, the Company's payment obligations under this Section 12 will not negate or reduce (i) any amounts otherwise due but not yet paid to Employee by the Company, or (ii) any other amounts payable to Employee outside this Agreement, or (iii) those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. The Company

may, at any time and in its sole discretion, make a lump-sum payment of any or all amounts, or any or all remaining amounts, due to Employee under this Section 12 if, or to the extent, the payment is not subject to Section 409A of the Internal Revenue Code.

13. Effect of 280G. Any payments and benefits due under Section 12 that constitute “parachute payments” within the meaning of Section 280G of the Internal Revenue Code (“Code Section 280G”), plus all other “parachute payments” as defined under Code Section 280G that might otherwise be due to the Employee (collectively, with payments and benefits due under Section 12, “Total Payments”), shall be limited to the Capped Amount. The “Capped Amount” shall be the amount otherwise payable, reduced in such amount and to such extent so that no amount of the Total Payments, would constitute an “excess parachute payment” under Code Section 280G. Notwithstanding the preceding sentence but contingent upon Employee’s timely execution and the effectiveness of the Release attached hereto and made a part hereof as provided in Section 12 hereof, the Employee’s Total Payments shall not be limited to the Capped Amount if it is determined that Employee would receive at least \$50,000 in greater after-tax proceeds if no such reduction is made. The calculation of the Capped Amount and all other determinations relating to the applicability of Code Section 280G (and the rules and regulations promulgated thereunder) to the payments contemplated by this Agreement shall be made by the tax department of an independent public accounting firm, or, at Company’s discretion, by a compensation consulting firm, and such determinations shall be binding upon Employee and the Company. Unless Employee and the Company shall otherwise agree (provided such agreement does not cause any payment or benefit hereunder which is deferred compensation covered by Section 409A of the Internal Revenue Code to be in non-compliance with Section 409A of the Internal Revenue Code), in the event the Payments are to be reduced, the Company shall reduce or eliminate the payments or benefits to Employee by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the date of the “change in ownership or control” (within the meaning of Code Section 280G). Any reduction pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Employee’s rights and entitlements to any benefits or compensation.

14. Publicity; No Disparaging Statement. Except as otherwise provided in Section 15 hereof, Employee and the Company covenant and agree that they shall not engage in any communications to persons outside the Company which shall disparage one another or interfere with their existing or prospective business relationships.

15. Confidentiality and Legal Process. Employee agrees to keep the proprietary terms of this Agreement confidential and to refrain from disclosing any information concerning this Agreement to anyone other than Employee's immediate family and personal agents or advisors. Notwithstanding the foregoing, nothing in this Agreement is intended to prohibit Employee or the Company from performing any duty or obligation that shall arise as a matter of law. Specifically, Employee and the Company shall continue to be under a duty to truthfully respond to any legal and valid subpoena or other legal process. This Agreement is not intended in any way to proscribe Employee's or the Company's right and ability to provide information to any federal, state or local agency in response or adherence to the lawful exercise of such agency's authority.

16. Business Protection Provision Definitions.

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

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

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

(ii) "Confidential Information" shall mean the proprietary or confidential data, information, documents or materials (whether oral, written, electronic or otherwise) belonging to or pertaining to the Company, other than "Trade Secrets" (as

defined below), which is of tangible or intangible value to the Company and the details of which are not generally known to the competitors of the Company. Confidential Information shall also include any items marked "CONFIDENTIAL" or some similar designation or which are otherwise identified as being confidential.

(iii) "Entity" or "Entities" shall mean any business, individual, partnership, joint venture, agency, governmental agency, body or subdivision, association, firm, corporation, limited liability company or other entity of any kind.

(iv) "Restricted Period" shall mean two (2) years following Employee's termination date.

(v) "Territory" shall include individually and as a total area those states in the United States in which the Company maintains stores at Employee's termination date or those states in which the Company has specific and demonstrable plans to open stores within six months of Employee's termination date.

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

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

17. Nondisclosure: Ownership of Proprietary Property.

a. In recognition of the Company's need to protect its legitimate business interests, Employee hereby covenants and agrees that, for the Term and thereafter (as described below), Employee shall regard and treat Trade Secrets and Confidential Information as strictly confidential and wholly-owned by the Company and shall not, for any

reason, in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, misappropriate or otherwise communicate any Trade Secrets or Confidential Information to any person or Entity for any purpose other than in accordance with Employee's duties under this Agreement or as required by applicable law. This provision shall apply to each item constituting a Trade Secret at all times it remains a "trade secret" under applicable law and shall apply to any Confidential Information, during employment and for the Restricted Period thereafter.

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

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

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

19. Non-Interference with Business Relationships .

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

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

20. Agreement Not to Work in Competitive Position . Employee covenants and agrees not to accept, obtain or work in a Competitive Position for a company or entity that operates anywhere within the Territory for the Restricted Period.

21. Acknowledgements Regarding Sections 16 – 20.

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

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

Sections 16 through 20 hereof shall forfeit Employee's right to such compensation and benefits.

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

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

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

23. General Provisions.

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

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

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

d. Unsecured General Creditor. The Company shall neither reserve nor specifically set aside funds for the payment of its obligations under this Agreement, and such obligations shall be paid solely from the general assets of the Company.

e. No Effect On Other Arrangements. It is expressly understood and agreed that the payments made in accordance with this Agreement are in addition to any other benefits or compensation to which Employee may be entitled or for which Employee may be eligible.

f. Tax Withholding. There shall be deducted from each payment under this Agreement the amount of any tax required by any governmental authority to be withheld and paid over by the Company to such governmental authority for the account of Employee.

g. Notices.

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

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

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

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

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

h. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee (without giving effect to conflict of laws).

i. Arbitration. If any contest or dispute arises between the parties with respect to this Agreement, such contest or dispute shall be submitted to binding arbitration for resolution in Nashville, Tennessee in accordance with the rules and procedures of the

Employment Dispute Resolution Rules of the American Arbitration Association then in effect. The Company and Employee shall each bear 50 percent of the costs related to such arbitration. If the arbitrator determines that Employee is the prevailing party in the dispute, then the Company shall reimburse Employee for his/her reasonable legal or other fees and expenses incurred in such arbitration subject to and within ten (10) days after his/her request for reimbursement accompanied by evidence that the fees and expenses were incurred. Any reimbursement hereunder shall be paid to Employee promptly and in no event later than the end of the year next following the date the expense was incurred. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Notwithstanding the foregoing, Employee acknowledges and agrees that the Company, its subsidiaries and any of their respective affiliates shall be entitled to injunctive or other relief in order to enforce the covenant not to compete, covenant not to solicit and/or confidentiality covenants as set forth in Sections 14, 16 through 20 and 22 of this Agreement.

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

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

l. Severability. If any one or more of the terms, provisions, covenants or restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect, and to that end the provisions hereof shall be deemed severable.

m. Section Headings. The Section headings set forth herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement whatsoever.

n. Voluntary Agreement. Employee and Company represent and agree that each has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement. Each party

represents and agrees that such party has had the opportunity to review any and all aspects of this Agreement with legal, tax or other adviser(s) of such party's choice before executing this Agreement.

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

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

(ii) Neither Employee nor the Company shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits in any manner which would not be in compliance with Code Section 409A (including any transition or grandfather rules thereunder).

(iii) If Employee is a specified employee for purposes of Code Section 409A(a)(2)(B)(i), any payment or provision of benefits in connection with a separation from service payment event (as determined for purposes of Code Section 409A) shall not be made until six months after Employee's separation from service (the "409A Deferral Period"). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and

the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Employee's expense, with Employee having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled.

(iv) If a Change in Control occurs but the Change in Control does not constitute a change in control event within the meaning of Code Section 409A (a "409A Change in Control"), then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Code Section 409A shall be deferred until another permissible payment event contained in Code Section 409A occurs (e.g., death, disability, separation from service from the Company and its affiliated companies as defined for purposes of Code Section 409A), including any deferral of payment or provision of benefits for the 409A Deferral Period as provided above.

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

(vi) For purposes of determining time of (but not entitlement to) payment or provision of deferred compensation under this Agreement under Code Section 409A in connection with a termination of employment, termination of employment will be read to mean a "separation from service" within the meaning of Code Section 409A where it is reasonably anticipated that no further services would be performed after that date or that the level of bona fide services Employee would perform after that date (whether as an employee or independent contractor) would permanently decrease

to less than 50% of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period.

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

(viii) Notwithstanding any other provision of this Agreement, the Company shall not be liable to Employee if any payment or benefit which is to be provided pursuant to this Agreement and which is considered deferred compensation subject to Code Section 409A otherwise fails to comply with, or be exempt from, the requirements of Code Section 409A.

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

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

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representative to execute this Agreement to be effective as of the Effective Date.

Date: 8-7-15

DOLLAR GENERAL CORPORATION

By: Rhonda M. Taylor

Name: /s/ Rhonda M. Taylor

Title: EVP, GC

“EMPLOYEE”

/s/ Robert D. Ravener
Robert D. Ravener

Date: 08/07/2015

Witnessed By:

/s/ Chris Snow
Name of Witness

Addendum to Employment Agreement with Robert D. Ravener

RELEASE AGREEMENT

THIS RELEASE ("Release") is made and entered into by and between _____ ("Employee") and **DOLLAR GENERAL CORPORATION**, and its successor or assigns ("Company").

WHEREAS, Employee and Company have agreed that Employee's employment with Dollar General Corporation shall terminate on _____;

WHEREAS, Employee and the Company have previously entered into that certain Employment Agreement, effective _____ ("Agreement"), in which the form of this Release is incorporated by reference;

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

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

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

1. Claims Released Under This Agreement.

In exchange for receiving the payments and benefits described in Section 12 of the Agreement, Employee hereby voluntarily and irrevocably waives, releases, dismisses with prejudice, and withdraws all claims, complaints, suits or demands of any kind whatsoever (whether known or unknown) which Employee ever had, may have, or now has against Company and other current or former subsidiaries or affiliates of the Company and their past, present and future officers, directors, employees, agents, insurers and attorneys (collectively, the "Releasees"), arising from or relating to (directly or indirectly) Employee's employment or the termination of employment or other events that have occurred as of the date of execution of this Agreement, including but not limited to:

a. claims for violations of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, 42 U.S.C. § 1981, the Sarbanes Oxley Act of 2002, the National Labor Relations Act, the Labor Management Relations Act, the Genetic Information Nondiscrimination Act, the Uniformed Services Employment and Reemployment Rights Act, Executive Order 11246, Executive Order 11141, the Rehabilitation Act of 1973, or the Employee Retirement Income Security Act;

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

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

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

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

2. Claims Not Released Under This Agreement.

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

Employee also is not releasing claims to benefits that Employee is already entitled to receive under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. However, Employee understands and acknowledges that nothing herein is intended to or shall be construed to require the Company to institute or continue in effect any particular plan or benefit sponsored by the Company, and the Company hereby reserves the right to amend or terminate any of its benefit programs at any time in accordance with the procedures set forth in such plans. Employee further understands and acknowledges that any continuing obligation under a Company incentive-based plan, program or arrangement or pursuant to any Company policy

or provision regarding recoupment of compensation is not altered by this Release and nothing herein is intended to nor shall be construed otherwise.

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

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

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

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

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

7. **Voluntary Execution**. Employee warrants, represents and agrees that Employee has been encouraged in writing to seek advice regarding this Release from an attorney and tax advisor prior to signing it; that this Release represents written notice to do so; that Employee has been given the opportunity and sufficient time to seek such advice; and that Employee fully understands the meaning and contents of this Release. Employee further represents and warrants that Employee was not coerced, threatened or otherwise forced to sign this Release, and that Employee's signature appearing hereinafter is voluntary and genuine. EMPLOYEE UNDERSTANDS THAT EMPLOYEE MAY TAKE UP TO TWENTY-ONE (21) DAYS (OR, IN THE CASE OF AN EXIT INCENTIVE OR OTHER EMPLOYMENT TERMINATION PROGRAM OFFERED TO A GROUP OR CLASS OF EMPLOYEES, UP TO FORTY-FIVE (45) DAYS) TO CONSIDER WHETHER TO ENTER INTO THIS RELEASE.

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

Acknowledged and Agreed To:

"COMPANY"

DOLLAR GENERAL CORPORATION

By: _____

Its: _____

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

"EMPLOYEE"

Date _____

WITNESSED BY:

Date _____

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”), effective August 10, 2015 (“Effective Date”), is made and entered into by and between **DOLLAR GENERAL CORPORATION** (the “Company”), and John W. Flanigan (“Employee”).

WITNESSETH:

WHEREAS, Company desires to employ Employee upon the terms and subject to the conditions hereinafter set forth, and Employee desires to accept such employment;

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

- 1. Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ Employee as Executive Vice President, Global Supply Chain of the Company.
 - 2. Term.** The term of this Agreement shall end March 31, 2018 (“Term”), unless otherwise terminated pursuant to Sections 8, 9, 10, 11 or 12 hereof. The Term shall be automatically extended from month to month, for up to six (6) months, unless the Company gives written notice to Employee at least one month prior to the expiration of the original or any extended Term that no extension or further extension, as applicable, will occur or unless the Company replaces this Agreement with a new agreement or, in writing, extends or renews the Term of this Agreement for a period that is longer than six months from the expiration of the original Term. Unless otherwise noted, all references to the “Term” shall be deemed to refer to the original Term and any extension or renewal thereof.
 - 3. Position, Duties and Administrative Support.**
 - a. Position. Employee shall perform the duties of the position noted in Section 1 above and shall perform such other duties and responsibilities as Employee’s supervisor or the Company’s CEO may reasonably direct.
 - b. Full-Time Efforts. Employee shall perform and discharge faithfully and diligently such duties and responsibilities and shall devote Employee’s full-time efforts to the business and affairs of Company. Employee agrees to promote the best interests of the Company and to take no action that is likely to damage the public image or reputation of the Company, its subsidiaries or its affiliates.
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c. Administrative Support. Employee shall be provided with office space and administrative support.

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

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

5. Compensation.

a. Base Salary. Subject to the terms and conditions set forth in this Agreement, the Company shall pay Employee, and Employee shall accept, an annual base salary ("Base Salary") of no less than Four Hundred Seventy-Nine Thousand, Six Hundred Eleven Dollars (\$479,611.00). The Base Salary shall be paid in accordance with Company's normal payroll practices (but no less frequently than monthly) and may be increased from time to time at the sole discretion of the Company.

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

such bonus payments for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").

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

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

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

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

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

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

- a. Any act involving fraud or dishonesty, or any material act of misconduct relating to Employee's performance of his or her duties;
- b. Any material breach of any SEC or other law or regulation or any Company policy governing trading or dealing with stocks, securities, public debt instruments, bonds, or investments and the like or with inappropriate disclosure or "tipping" relating to any stock, security, public debt instrument, bond or investment;
- c. Any material violation of the Company's Code of Business Conduct and Ethics (or the equivalent code in place at the time);

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

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

f. Assault or other act of violence;

g. Conviction of or plea of guilty or nolo contendere to any felony whatsoever or any misdemeanor that would preclude employment under the Company's hiring policy; or

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

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

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

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

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

b. Employee's inability to perform the duties under this Agreement in accordance with the Company's expectations because of a medically determinable physical

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

11. Employee’s Termination of Employment .

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

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

c. Good Reason shall mean any of the following actions taken by the Company:

- (i) A reduction by the Company in Employee’s Base Salary or target bonus level;

(ii) The Company shall fail to continue in effect any significant Company-sponsored compensation plan or benefit (without replacing it with a similar plan or with a compensation equivalent), unless such action is in connection with across-the-board plan changes or terminations similarly affecting at least 95 percent of all officers of the Company or 100 percent of officers at the same grade level;

(iii) The Company's principal executive offices shall be moved to a location outside the middle-Tennessee area, or Employee is required (absent mutual agreement) to be based anywhere other than the Company's principal executive offices;

(iv) Without Employee's written consent, the assignment to Employee by the Company of duties inconsistent with, or the significant reduction of the title, powers and functions associated with, Employee's position, title or office as described in Section 3 above, unless such action is the result of a restructuring or realignment of duties and responsibilities by the Company, for business reasons, that leaves Employee at the same rate of Base Salary, annual target bonus opportunity, and officer level (i.e., Executive Vice President, etc.) and with a similar level of responsibility, or unless such action is the result of Employee's failure to meet pre-established and objective performance criteria;

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

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

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

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

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

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

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

(ii) Employee terminates for Good Reason;

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

b. In the event of one of the triggers referenced in Sections 12(a)(i) through (iii) above, then, on the sixtieth (60th) day after Employee's termination of employment, but contingent upon the execution and effectiveness of the Release attached hereto and made a part hereof, and subject to Section 23(o) below, Employee shall be entitled to the following:

(i) Continuation of Employee's Base Salary as of the date immediately preceding the termination (or, if the termination of employment is for Good Reason due to the reduction of Employee's Base Salary, then such rate of Base Salary as in effect immediately prior to such reduction) for 24 months, payable in accordance with the Company's normal payroll cycle and procedures (but not less frequently than monthly) with a lump sum payment on the sixtieth (60th) day after Employee's termination of employment of the amounts Employee would otherwise have received during the sixty (60) days after Employee's termination had the payments begun immediately after Employee's termination of employment. Notwithstanding anything to the contrary in this Agreement, the amount of any payment or entitlement to payment of the aforesaid Base Salary continuation shall be forfeited or, if paid, subject to recovery by the Company in the event and to the extent of any base salary earned by the Employee as a result of subsequent employment during the 24 months

after Employee's termination of employment. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of such amounts payable to Employee and, except as provided in the preceding sentence, such amounts shall not be reduced whether or not the Employee obtains other employment.

(ii) A lump sum payment of two times the amount of the average percentage of target bonus paid or to be paid to employees at the same job grade level of Employee (if any) under the annual bonus programs for officers in respect of the Company's two fiscal years immediately preceding the fiscal year in which the termination date occurs.

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

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

All payments and benefits otherwise provided to Employee pursuant to this Section 12 shall be forfeited if a copy of the Release attached hereto executed by Employee is not provided to the Company within twenty-one (21) days after Employee's termination date (unless otherwise required by law) or if the Release is revoked; and no payment or benefit hereunder shall be provided to Employee prior to the Company's receipt of the Release and the expiration of the period of revocation provided in the Release.

c. In the event that there is a material breach by Employee of any continuing obligations under this Agreement or the Release after termination of employment, any unpaid amounts under this Section 12 shall be forfeited and Company shall retain any other rights available to it under law or equity. Any payments or reimbursements under this Section 12 shall not be deemed the continuation of Employee's employment for any purpose. Except as specifically enumerated in the Release, the Company's payment obligations under this Section 12 will not negate or reduce (i) any amounts otherwise due but not yet paid to Employee by the Company, or (ii) any other amounts payable to Employee outside this Agreement, or (iii) those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. The Company

may, at any time and in its sole discretion, make a lump-sum payment of any or all amounts, or any or all remaining amounts, due to Employee under this Section 12 if, or to the extent, the payment is not subject to Section 409A of the Internal Revenue Code.

13. Effect of 280G. Any payments and benefits due under Section 12 that constitute “parachute payments” within the meaning of Section 280G of the Internal Revenue Code (“Code Section 280G”), plus all other “parachute payments” as defined under Code Section 280G that might otherwise be due to the Employee (collectively, with payments and benefits due under Section 12, “Total Payments”), shall be limited to the Capped Amount. The “Capped Amount” shall be the amount otherwise payable, reduced in such amount and to such extent so that no amount of the Total Payments, would constitute an “excess parachute payment” under Code Section 280G. Notwithstanding the preceding sentence but contingent upon Employee’s timely execution and the effectiveness of the Release attached hereto and made a part hereof as provided in Section 12 hereof, the Employee’s Total Payments shall not be limited to the Capped Amount if it is determined that Employee would receive at least \$50,000 in greater after-tax proceeds if no such reduction is made. The calculation of the Capped Amount and all other determinations relating to the applicability of Code Section 280G (and the rules and regulations promulgated thereunder) to the payments contemplated by this Agreement shall be made by the tax department of an independent public accounting firm, or, at Company’s discretion, by a compensation consulting firm, and such determinations shall be binding upon Employee and the Company. Unless Employee and the Company shall otherwise agree (provided such agreement does not cause any payment or benefit hereunder which is deferred compensation covered by Section 409A of the Internal Revenue Code to be in non-compliance with Section 409A of the Internal Revenue Code), in the event the Payments are to be reduced, the Company shall reduce or eliminate the payments or benefits to Employee by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the date of the “change in ownership or control” (within the meaning of Code Section 280G). Any reduction pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Employee’s rights and entitlements to any benefits or compensation.

14. Publicity; No Disparaging Statement. Except as otherwise provided in Section 15 hereof, Employee and the Company covenant and agree that they shall not engage in any communications to persons outside the Company which shall disparage one another or interfere with their existing or prospective business relationships.

15. Confidentiality and Legal Process. Employee agrees to keep the proprietary terms of this Agreement confidential and to refrain from disclosing any information concerning this Agreement to anyone other than Employee's immediate family and personal agents or advisors. Notwithstanding the foregoing, nothing in this Agreement is intended to prohibit Employee or the Company from performing any duty or obligation that shall arise as a matter of law. Specifically, Employee and the Company shall continue to be under a duty to truthfully respond to any legal and valid subpoena or other legal process. This Agreement is not intended in any way to proscribe Employee's or the Company's right and ability to provide information to any federal, state or local agency in response or adherence to the lawful exercise of such agency's authority.

16. Business Protection Provision Definitions.

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

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

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

(ii) "Confidential Information" shall mean the proprietary or confidential data, information, documents or materials (whether oral, written, electronic or otherwise) belonging to or pertaining to the Company, other than "Trade Secrets" (as

defined below), which is of tangible or intangible value to the Company and the details of which are not generally known to the competitors of the Company. Confidential Information shall also include any items marked "CONFIDENTIAL" or some similar designation or which are otherwise identified as being confidential.

(iii) "Entity" or "Entities" shall mean any business, individual, partnership, joint venture, agency, governmental agency, body or subdivision, association, firm, corporation, limited liability company or other entity of any kind.

(iv) "Restricted Period" shall mean two (2) years following Employee's termination date.

(v) "Territory" shall include individually and as a total area those states in the United States in which the Company maintains stores at Employee's termination date or those states in which the Company has specific and demonstrable plans to open stores within six months of Employee's termination date.

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

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

17. Nondisclosure: Ownership of Proprietary Property.

a. In recognition of the Company's need to protect its legitimate business interests, Employee hereby covenants and agrees that, for the Term and thereafter (as described below), Employee shall regard and treat Trade Secrets and Confidential Information as strictly confidential and wholly-owned by the Company and shall not, for any

reason, in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, misappropriate or otherwise communicate any Trade Secrets or Confidential Information to any person or Entity for any purpose other than in accordance with Employee's duties under this Agreement or as required by applicable law. This provision shall apply to each item constituting a Trade Secret at all times it remains a "trade secret" under applicable law and shall apply to any Confidential Information, during employment and for the Restricted Period thereafter.

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

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

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

19. Non-Interference with Business Relationships .

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

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

20. Agreement Not to Work in Competitive Position . Employee covenants and agrees not to accept, obtain or work in a Competitive Position for a company or entity that operates anywhere within the Territory for the Restricted Period.

21. Acknowledgements Regarding Sections 16 — 20.

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

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

Sections 16 through 20 hereof shall forfeit Employee's right to such compensation and benefits.

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

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

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

23. General Provisions.

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

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

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

d. Unsecured General Creditor. The Company shall neither reserve nor specifically set aside funds for the payment of its obligations under this Agreement, and such obligations shall be paid solely from the general assets of the Company.

e. No Effect On Other Arrangements. It is expressly understood and agreed that the payments made in accordance with this Agreement are in addition to any other benefits or compensation to which Employee may be entitled or for which Employee may be eligible.

f. Tax Withholding. There shall be deducted from each payment under this Agreement the amount of any tax required by any governmental authority to be withheld and paid over by the Company to such governmental authority for the account of Employee.

g. Notices.

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

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

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

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

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

h. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee (without giving effect to conflict of laws).

i. Arbitration. If any contest or dispute arises between the parties with respect to this Agreement, such contest or dispute shall be submitted to binding arbitration for resolution in Nashville, Tennessee in accordance with the rules and procedures of the

Employment Dispute Resolution Rules of the American Arbitration Association then in effect. The Company and Employee shall each bear 50 percent of the costs related to such arbitration. If the arbitrator determines that Employee is the prevailing party in the dispute, then the Company shall reimburse Employee for his/her reasonable legal or other fees and expenses incurred in such arbitration subject to and within ten (10) days after his/her request for reimbursement accompanied by evidence that the fees and expenses were incurred. Any reimbursement hereunder shall be paid to Employee promptly and in no event later than the end of the year next following the date the expense was incurred. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Notwithstanding the foregoing, Employee acknowledges and agrees that the Company, its subsidiaries and any of their respective affiliates shall be entitled to injunctive or other relief in order to enforce the covenant not to compete, covenant not to solicit and/or confidentiality covenants as set forth in Sections 14, 16 through 20 and 22 of this Agreement.

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

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

l. Severability. If any one or more of the terms, provisions, covenants or restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect, and to that end the provisions hereof shall be deemed severable.

m. Section Headings. The Section headings set forth herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement whatsoever.

n. Voluntary Agreement. Employee and Company represent and agree that each has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement. Each party

represents and agrees that such party has had the opportunity to review any and all aspects of this Agreement with legal, tax or other adviser(s) of such party's choice before executing this Agreement.

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

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

(ii) Neither Employee nor the Company shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits in any manner which would not be in compliance with Code Section 409A (including any transition or grandfather rules thereunder).

(iii) If Employee is a specified employee for purposes of Code Section 409A(a)(2)(B)(i), any payment or provision of benefits in connection with a separation from service payment event (as determined for purposes of Code Section 409A) shall not be made until six months after Employee's separation from service (the "409A Deferral Period"). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and

the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Employee's expense, with Employee having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled.

(iv) If a Change in Control occurs but the Change in Control does not constitute a change in control event within the meaning of Code Section 409A (a "409A Change in Control"), then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Code Section 409A shall be deferred until another permissible payment event contained in Code Section 409A occurs (e.g., death, disability, separation from service from the Company and its affiliated companies as defined for purposes of Code Section 409A), including any deferral of payment or provision of benefits for the 409A Deferral Period as provided above.

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

(vi) For purposes of determining time of (but not entitlement to) payment or provision of deferred compensation under this Agreement under Code Section 409A in connection with a termination of employment, termination of employment will be read to mean a "separation from service" within the meaning of Code Section 409A where it is reasonably anticipated that no further services would be performed after that date or that the level of bona fide services Employee would perform after that date (whether as an employee or independent contractor) would permanently decrease

to less than 50% of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period.

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

(viii) Notwithstanding any other provision of this Agreement, the Company shall not be liable to Employee if any payment or benefit which is to be provided pursuant to this Agreement and which is considered deferred compensation subject to Code Section 409A otherwise fails to comply with, or be exempt from, the requirements of Code Section 409A.

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

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

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representative to execute this Agreement to be effective as of the Effective Date.

Date: August 18, 2015

DOLLAR GENERAL CORPORATION

By: /s/ Rhonda M. Taylor

Name: Rhonda M. Taylor

Title: EVP, GC

“EMPLOYEE”

/s/ John W. Flanigan

John W. Flanigan

Date: Aug. 18, 2015

Witnessed By:

/s/ Ivan Reeves

Name of Witness

Addendum to Employment Agreement with John W. Flanigan

RELEASE AGREEMENT

THIS RELEASE (“Release”) is made and entered into by and between _____ (“Employee”) and **DOLLAR GENERAL CORPORATION**, and its successor or assigns (“Company”).

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

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

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

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

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

1. Claims Released Under This Agreement.

In exchange for receiving the payments and benefits described in Section 12 of the Agreement, Employee hereby voluntarily and irrevocably waives, releases, dismisses with prejudice, and withdraws all claims, complaints, suits or demands of any kind whatsoever (whether known or unknown) which Employee ever had, may have, or now has against Company and other current or former subsidiaries or affiliates of the Company and their past, present and future officers, directors, employees, agents, insurers and attorneys (collectively, the “Releasees”), arising from or relating to (directly or indirectly) Employee’s employment or the termination of employment or other events that have occurred as of the date of execution of this Agreement, including but not limited to:

a. claims for violations of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, 42 U.S.C. § 1981, the Sarbanes Oxley Act of 2002, the National Labor Relations Act, the Labor Management Relations Act, the Genetic Information Nondiscrimination Act, the Uniformed Services Employment and Reemployment Rights Act, Executive Order 11246, Executive Order 11141, the Rehabilitation Act of 1973, or the Employee Retirement Income Security Act;

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

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

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

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

2. Claims Not Released Under This Agreement.

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

Employee also is not releasing claims to benefits that Employee is already entitled to receive under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. However, Employee understands and acknowledges that nothing herein is intended to or shall be construed to require the Company to institute or continue in effect any particular plan or benefit sponsored by the Company, and the Company hereby reserves the right to amend or terminate any of its benefit programs at any time in accordance with the procedures set forth in such plans. Employee further understands and acknowledges that any continuing obligation under a Company incentive-based plan, program or arrangement or pursuant to any Company policy

or provision regarding recoupment of compensation is not altered by this Release and nothing herein is intended to nor shall be construed otherwise.

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

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

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

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

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

7. **Voluntary Execution**. Employee warrants, represents and agrees that Employee has been encouraged in writing to seek advice regarding this Release from an attorney and tax advisor prior to signing it; that this Release represents written notice to do so; that Employee has been given the opportunity and sufficient time to seek such advice; and that Employee fully understands the meaning and contents of this Release. Employee further represents and warrants that Employee was not coerced, threatened or otherwise forced to sign this Release, and that Employee's signature appearing hereinafter is voluntary and genuine. EMPLOYEE UNDERSTANDS THAT EMPLOYEE MAY TAKE UP TO TWENTY-ONE (21) DAYS (OR, IN THE CASE OF AN EXIT INCENTIVE OR OTHER EMPLOYMENT TERMINATION PROGRAM OFFERED TO A GROUP OR CLASS OF EMPLOYEES, UP TO FORTY-FIVE (45) DAYS) TO CONSIDER WHETHER TO ENTER INTO THIS RELEASE.

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

Acknowledged and Agreed To:

"COMPANY"

DOLLAR GENERAL CORPORATION

By: _____

Its: _____

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

"EMPLOYEE"

Date _____

WITNESSED BY:

Date _____

August 27, 2015
The Board of Directors and Shareholders
Dollar General Corporation

We are aware of the incorporation by reference in the Registration Statements (Nos. 333-151047, 333-151049, 333-151655, and 333-163200 on Form S-8 and 333-187493 on Form S-3) of Dollar General Corporation of our report dated August 27, 2015 relating to the unaudited condensed consolidated interim financial statements of Dollar General Corporation that are included in its Form 10-Q for the quarter ended July 31, 2015.

/s/ Ernst & Young LLP
Nashville, Tennessee

CERTIFICATIONS

I, Todd J. Vasos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar General Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 27, 2015

/s/ Todd J. Vasos

Todd J. Vasos
Chief Executive Officer

I, John W. Garratt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar General Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 27, 2015

/s/ John W. Garratt

John W. Garratt

Interim Chief Financial Officer

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

Each of the undersigned hereby certifies that to his knowledge the Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2015 of Dollar General Corporation (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Todd J. Vasos

Name: Todd J. Vasos

Title: Chief Executive Officer

Date: August 27, 2015

/s/ John W. Garratt

Name: John W. Garratt

Title: Interim Chief Financial Officer

Date: August 27, 2015
