

DOLLAR GENERAL CORP

FORM 8-K (Current report filing)

Filed 12/03/15 for the Period Ending 12/02/15

Address	100 MISSION RIDGE GOODLETTSVILLE, TN, 37072
Telephone	6158554000
CIK	0000029534
Symbol	DG
SIC Code	5331 - Retail-Variety Stores
Industry	Discount Stores
Sector	Consumer Cyclical
Fiscal Year	02/02

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 2, 2015**

Dollar General Corporation

(Exact name of registrant as specified in its charter)

Tennessee

(State or other jurisdiction
of incorporation)

001-11421

(Commission File Number)

61-0502302

(I.R.S. Employer
Identification No.)

100 Mission Ridge

Goodlettsville, Tennessee

(Address of principal executive offices)

37072

(Zip Code)

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

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On December 3, 2015, Dollar General Corporation (the “Company”) issued a news release regarding results of operations and financial condition for the fiscal 2015 third quarter (13 weeks) and 39-week periods ended October 30, 2015. The news release is furnished as Exhibit 99.1 hereto.

The information contained within this Item 2.02, including the information in Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

On December 2, 2015, the Company’s Board of Directors promoted John W. Garratt, 47, to Executive Vice President and Chief Financial Officer and named Anita C. Elliott, 51, Senior Vice President and Chief Accounting Officer, in each case effective immediately. Mr. Garratt and Ms. Elliott will function as the Company’s principal financial officer and principal accounting officer, respectively.

Mr. Garratt, who had been serving as the Company’s Interim Chief Financial Officer and functioning as interim principal financial officer and interim principal accounting officer since July 1, 2015, joined the Company in October 2014 as Senior Vice President, Finance and Strategy. Prior to joining the Company, Mr. Garratt held various positions of increasing responsibility with Yum! Brands, Inc., one of the world’s largest restaurant companies, between May 2004 and October 2014, holding leadership positions in corporate strategy and financial planning. He served as Vice President, Finance and Division Controller for the KFC division and earlier for the Pizza Hut division and for Yum Restaurants International between October 2013 and October 2014. He also served as the Senior Director, Yum Corporate Strategy, from March 2010 to October 2013, reporting directly to the corporate Chief Financial Officer and leading corporate strategy as well as driving key cross-divisional initiatives. Mr. Garratt served in various other financial positions at Yum from May 2004 to March 2010. He served as Plant Controller for Alcoa Inc. between April 2002 and May 2004, and held various financial management positions at General Electric from March 1999 to April 2002. He began his career in May 1990 at Alcoa, where he served for approximately nine years.

Ms. Elliott has been employed by the Company as Senior Vice President and Controller for over ten years since joining the Company in August 2005. Prior to joining the Company, she served as Vice President and Controller of Big Lots, Inc., a closeout retailer, from May 2001 to August 2005, where she was responsible for accounting operations, financial reporting and internal audit. Prior to serving at Big Lots, she served as Vice President and Controller for Jitney-Jungle Stores of America, Inc., a grocery retailer, from April 1998 to March 2001. At Jitney-Jungle, Ms. Elliott was responsible for the accounting operations and the internal and external financial reporting functions. Prior to serving at Jitney-Jungle, she practiced public accounting for 12 years, six of which were with Ernst & Young LLP.

In connection with Mr. Garratt’s promotion, the Compensation Committee of the Company’s Board of Directors approved:

- an increase in Mr. Garratt’s annual base salary from \$309,708 to \$500,000, effective December 2, 2015;
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- an increase in Mr. Garratt's targeted annual incentive opportunity, effective December 2, 2015, from 50% to 65% of his base salary (with the annual incentive target and any ultimate incentive payout prorated to reflect the portion of the fiscal year he served in each position), with respect to any annual incentive earned in the current fiscal year based on the achievement of the adjusted EBIT performance target previously established by the Compensation Committee in accordance with the terms of the Company's 2015 Teamshare Bonus Program for Named Executive Officers as previously filed by the Company; and
- an award of a non-qualified stock option (the "Option") to purchase 7,829 shares of the Company's common stock at a per share exercise price equal to the per share closing price of the Company's common stock as reported on the New York Stock Exchange on December 2, 2015, the grant date of the Option. Subject to certain limited vesting acceleration events, the Option is scheduled to vest ratably in installments of 25% on each of the first four anniversaries of the grant date, subject to Mr. Garratt's continued employment with the Company, and will terminate no later than ten years from the grant date. The Option is subject to the terms and conditions of the Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and the related form of Stock Option Award Agreement approved for awards beginning December 2014 to certain newly hired and promoted employees, in each case as previously filed by the Company.

There were no compensation adjustments in connection with Ms. Elliott's assumption of the role of Chief Accounting Officer.

In connection with these employment events, each of Mr. Garratt and Ms. Elliott has entered into an employment agreement with the Company, effective as of December 2, 2015 (in each case, the "Employment Agreement"), which supercedes his or her existing employment agreement. Each Employment Agreement provides for a term that shall end on March 31, 2018, subject to automatic month to month extensions for up to six months unless the Company gives written notice 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 certain other conditions specified in the Employment Agreement occur; provides for the terms and conditions of such executive's employment; sets forth the minimum annual base salary of each such executive, as summarized above for Mr. Garratt and, for Ms. Elliott, her current \$362,087 base salary, in each case which may be increased from time to time at the sole discretion of the Compensation Committee; and contains certain business protection provisions, including non-competition and non-solicitation provisions for two years following such executive's service termination date.

Pursuant to each Employment Agreement, and subject to limited conditions set forth therein, if the executive is terminated by the Company without cause (as defined in the Employment Agreement) or if the executive resigns from the Company for good reason (as defined in the Employment Agreement), in each case whether before or after a change in control of the Company, or if the executive resigns within 60 days after the Company's failure to offer to renew, extend or replace the Employment Agreement before, at or within six months after the end of its original term or any term provided for in a written renewal or extension of the original term (with limited exceptions outlined in the Employment Agreement), he or she will receive (1) continued base salary payments for 24 months for Mr. Garratt and 18 months for Ms. Elliott (in each case subject to timing and form of payment provisions set forth in the Employment Agreement) plus a lump sum payment of two times for Mr. Garratt and 1.5 times for Ms. Elliott the amount of the average percentage of target bonus paid or to be paid to employees at the same job grade level of the applicable executive (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; (2) a lump sum payment equal to two times for Mr. Garratt and 1.5 times for Ms. Elliott the annual contribution that would have been made by the Company in respect of the plan year in which the termination occurs for his or her participation in the Company's medical, pharmacy, dental and vision benefits programs; and (3) reasonable outplacement services, as determined and provided by the Company, for one year or until other employment is secured, whichever comes first.

Each such executive's Employment Agreement is attached hereto as Exhibit 99.2 and Exhibit 99.3 and is incorporated by reference as if fully set forth herein. The foregoing description of each Employment Agreement is a summary only, does not purport to be complete, and is qualified in its entirety by reference to Exhibit 99.2 and Exhibit 99.3, respectively. The foregoing descriptions of the Option and Mr. Garratt's participation in the annual incentive plan are summaries only, do not purport to be complete, and are qualified in their entirety by reference to the previously filed form of Stock Option Award Agreement and the previously filed 2015 Teamshare Bonus Program for Named Executive Officers.

There are no arrangements or understandings between Mr. Garratt or Ms. Elliott and any other person pursuant to which either was selected as Executive Vice President and Chief Financial Officer and Senior Vice President and Chief Accounting Officer, respectively, nor are there any family relationships between Mr. Garratt or Ms. Elliott and any of the Company's directors or executive officers. Neither Mr. Garratt nor Ms. Elliott has any material interests in any transactions, relationships or arrangements with the Company that would require disclosure under Item 404(a) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended.

ITEM 7.01 REGULATION FD DISCLOSURE.

The information set forth in Item 2.02 above is incorporated herein by reference. The news release also sets forth statements regarding, among other things, the Company's outlook and the Company's \$1 billion increase in its share repurchase authorization, as well as the Company's planned conference call to discuss the reported financial results, the Company's outlook, and certain other matters.

On December 2, 2015, the Company's Board of Directors declared a quarterly cash dividend of \$0.22 per share on the Company's outstanding common stock. The dividend will be payable on or before January 6, 2016 to shareholders of record at the close of business on December 23, 2015. The payment of future cash dividends is subject to the Board's discretion 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. On December 3, 2015, the Company issued a press release announcing the declaration of this quarterly cash dividend. The press release is furnished as Exhibit 99.4 to this Current Report and is incorporated herein by reference.

The information contained within this Item 7.01, including the information in Exhibit 99.4, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Financial statements of businesses acquired. N/A
- (b) Pro forma financial information. N/A
- (c) Shell company transactions. N/A
- (d) Exhibits. See Exhibit Index immediately following the signature page hereto.

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 hereunto duly authorized.

Date: December 3, 2015

DOLLAR GENERAL CORPORATION

By: /s/ Rhonda M. Taylor
Rhonda M. Taylor
Executive Vice President and General Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	News release dated December 3, 2015 regarding financial results for fiscal 2015 third quarter (13 weeks) and 39-weeks ended October 30, 2015 and share repurchase authorization
99.2	Employment Agreement, effective December 2, 2015, by and between Dollar General Corporation and John W. Garratt
99.3	Employment Agreement, effective December 2, 2015, by and between Dollar General Corporation and Anita C. Elliott
99.4	News release dated December 3, 2015 regarding declaration of quarterly cash dividend

DOLLAR GENERAL

100 Mission Ridge / Goodlettsville, Tennessee 37072-2170 / Telephone: (615) 855-4000 / www.dollargeneral.com

NEWS FOR IMMEDIATE RELEASE

DOLLAR GENERAL CORPORATION REPORTS THIRD QUARTER 2015 FINANCIAL RESULTS

- **Net Sales Increased 7.3%; Same-Store Sales Increased 2.3%**
- **Diluted Earnings Per Share Increased 10% to \$0.86; Adjusted Diluted EPS Increased 11% to \$0.88**
- **Incremental \$1 Billion Share Repurchase Authorization Announced**
- **\$1.2 Billion of Capital Returned to Shareholders Year to Date Through Combination of 13.4 Million Shares Repurchased and Dividends Paid**
- **Company Updates 2015 Financial Guidance**

Goodlettsville, Tenn., December 3, 2015 — Dollar General Corporation (NYSE:DG) today reported financial results for its fiscal 2015 third quarter (13 weeks) ended October 30, 2015.

(Editor's Note: Dollar General's fiscal 2015 third quarter ended on Friday, October 30, which excluded Halloween day. Halloween day was included in the Company's fiscal 2014 third quarter. The Company estimates this shift was a 20 to 30 basis point negative impact on same-store sales for Halloween-related categories in the fiscal 2015 third quarter. This compares to some retail fiscal 2015 third quarters, which ended on Saturday, October 31 and included Halloween day.)

“The Dollar General team executed well in a retail environment very similar to the second quarter. Our initiatives are showing success relative to our long-term goals as we continued to deliver profitable sales growth coupled with disciplined cost management. We achieved 7.3 percent sales growth, 2.3 percent same-store sales growth and adjusted diluted earnings per share growth of 11 percent,” said Todd Vasos, Dollar General’s chief executive officer.

“As we plan for 2016, we are adopting a zero-based budgeting process to reinforce our commitment as a low cost operator to better serve our consumers with the everyday low prices they know and trust at Dollar General. Looking forward, we have continued confidence that we are well-positioned for sustainable growth and creation of shareholder value. As evidenced by today’s announcement of the increased share repurchase authorization, we remain committed to our balanced approach to capital allocation for our shareholders.”

Third Quarter Highlights

The Company reported net income of \$253 million, or \$0.86 earnings per diluted share (“EPS”), in the 2015 third quarter, an increase of 7.2% compared to net income of \$236 million, or \$0.78 per diluted share, in the 2014 third quarter. Adjusted net income increased approximately 7.6 percent to \$257 million in the 2015 third quarter compared to \$239 million in the 2014 third quarter, and adjusted earnings per diluted share increased approximately 11 percent to \$0.88 in the 2015 third quarter compared to \$0.79 in the 2014 third quarter. See “Non-GAAP Disclosure” below.

Net sales increased 7.3 percent to \$5.07 billion in the 2015 third quarter compared to \$4.72 billion in the 2014 third quarter. Same-store sales increased 2.3 percent compared to the 2014 third quarter, with increases in both customer traffic and average transaction value. The remainder of the sales increase was attributable to sales from new stores, partially offset by sales from closed stores. All merchandise categories delivered positive same-store sales growth. Sales of consumables increased at a higher rate than sales of non-consumables in the 2015 third quarter, with the more significant growth driven by candy and snacks, tobacco products and perishables. The most significant growth within the non-consumables category was due to sundries, housewares, and hardware, with ladies clothing exhibiting strong growth as well.

Gross profit, as a percentage of net sales, was 30.3 percent in the 2015 third quarter, an increase of 19 basis points from the 2014 third quarter. The gross profit rate increase was primarily attributable to an improved inventory shrink rate and lower transportation costs, partially offset by the Company's sales mix.

Selling, general and administrative expense ("SG&A"), as a percentage of net sales, was 22.0 percent in the 2015 third quarter compared to 21.8 percent in the 2014 third quarter, an increase of 18 basis points. The SG&A increase was primarily attributable to a restructuring charge of \$6.1 million, or 12 basis points, in the 2015 period related to restructuring of certain corporate support functions. The 2015 third quarter also reflects increases in store incentive compensation expenses, repairs and maintenance, occupancy costs and advertising expenses. Partially offsetting these items were lower utilities costs and a reduction in employee benefits costs. The 2014 third quarter SG&A reflects expenses of \$8.2 million, or 17 basis points, related to an acquisition that was not completed, partially offset by unrelated insurance proceeds of \$3.4 million or 7 basis points.

The effective income tax rate was 37.0 percent for the 2015 third quarter compared to a rate of 36.5 percent for the 2014 third quarter.

39-Week Period Results

For the 39-week period ended October 30, 2015, net sales increased 8.0 percent over the comparable 2014 period, to \$15.08 billion. Same-store sales increased 2.9 percent compared to the corresponding 2014 period. Increases in customer traffic and average transaction amount contributed to the increase in same-store sales. The remainder of the sales increase was attributable to sales from new stores, partially offset by sales from closed stores.

Gross profit increased by 9.1 percent and, as a percentage of net sales, increased by 33 basis points to 30.7 percent in the 2015 39-week period compared to the comparable 2014 period. The majority of the gross profit rate increase in the 2015 period as compared to the 2014 period was due to lower transportation costs and an improved inventory shrink rate.

SG&A was 21.9 percent of net sales in the 2015 period compared to 21.7 percent in the 2014 period, an increase of 13 basis points. The 2015 period included increased severance costs, the majority of which were related to the restructuring discussed above, as well as increases in incentive compensation expenses and repairs and maintenance. Partially offsetting these items was a higher volume of cash back transactions resulting in increased convenience fees collected from customers. The 2014 results reflect expenses of \$8.2 million related to an acquisition that was not completed.

The effective income tax rate for the 2015 period was 37.6 percent compared to a rate of 37.5 percent for the 2014 period.

For the 2015 39-week period, the Company reported net income of \$789 million, or \$2.65 per diluted share, compared to net income of \$710 million, or \$2.32 per diluted share, for the 2014 39-week period. Excluding the impact of certain items as described in the accompanying reconciliation, adjusted net income for the 2015 39-week period was \$793 million, or \$2.67 per diluted share, and adjusted net income for the 2014 39-week period was \$713 million, or \$2.33 per diluted share.

Merchandise Inventories

As of October 30, 2015, total merchandise inventories, at cost, were \$3.10 billion compared to \$2.79 billion as of October 31, 2014, an increase of 5.1 percent on a per-store basis. Key factors impacting the increase in per store inventory were the Company's on-shelf availability initiative and timing of receipts, coupled with sales performance.

Capital Expenditures

Total additions to property and equipment in the 39-week period ended October 30, 2015 were \$387 million, including: \$142 million for improvements, upgrades, remodels and relocations of existing stores; \$94 million for distribution and transportation-related capital expenditures; \$79 million related to new leased stores, primarily for leasehold improvements, fixtures and equipment; \$41 million for stores built by the Company and \$26 million for information systems upgrades and technology-related projects. During the 2015 39-week period, the Company opened 634 new stores and remodeled or relocated 857 stores.

Share Repurchases

During the 2015 third quarter, the Company repurchased 3.8 million shares of its common stock at a total cost of \$275 million, at an average price of \$73.01 per share. For the 2015 39-week period, the Company repurchased 13.4 million shares of its common stock under the share repurchase program at a total cost of \$1.0 billion, at an average price of \$75.18 per share. Since the inception of the share repurchase program in December 2011, the Company has repurchased 57.9 million shares totaling \$3.3 billion, at an average price of \$56.77 per share.

On December 2, 2015, the Company's Board of Directors authorized an additional \$1.0 billion for share repurchases, increasing the total authorization for future repurchases to \$1.2 billion. The authorization has no expiration date.

Fiscal 2015 Financial Outlook

The Company's revised outlook for the 2015 fiscal year anticipates net sales to increase by approximately eight percent over the 2014 fiscal year, with same-store sales expected to increase 2.5 to 2.8 percent. It is still very early in the Company's fiscal quarter with a core customer that tends to shop closer to events.

On both an unadjusted and adjusted basis, operating profit is expected to increase approximately eight percent over 2014 adjusted operating profit. For the fiscal year, diluted EPS is expected to be approximately \$3.87 to \$3.92, and adjusted diluted EPS is expected to be \$3.88 to \$3.93, as compared to prior diluted EPS guidance of \$3.85 to \$3.95. Fiscal 2015 fourth quarter diluted EPS is expected to be in the range of \$1.23 to \$1.28. The Company's EPS guidance anticipates an income tax benefit of approximately \$0.05 per share in the 2015 fourth quarter from the reinstatement of various federal job

credit programs (primarily the Work Opportunity Tax Credit) for eligible employees hired after December 31, 2014, which have currently expired. There can be no assurance such credit programs will be reinstated.

The Company continues to expect capital expenditures to be in the range of \$500 million to \$550 million. In 2015, the Company plans to open approximately 730 new stores, or 6 percent square footage growth, and to relocate or remodel 875 stores. The Company is on track with its pipeline development to accelerate new store openings to seven percent square footage growth in 2016 and expects its new Texas distribution center to be fully operational in the first quarter of 2016.

Conference Call Information

The Company will hold a conference call on Thursday, December 3, 2015, at 9:00 a.m. CT/10:00 a.m. ET, hosted by Todd Vasos, chief executive officer, and John Garratt, chief financial officer. If you wish to participate, please call (855) 576-2641 at least 10 minutes before the conference call is scheduled to begin. The conference passcode is 47946815. The call will also be broadcast live online at www.dollargeneral.com under "Investor Information, Conference Calls and Investor Events." A replay of the conference call will be available through Thursday, December 17, 2015, and will be accessible online or by calling (855) 859-2056. The passcode for the replay is 47946815.

Non-GAAP Disclosure

Certain financial information relating to the fiscal 2015 and 2014 periods provided in this press release and the accompanying tables has not been derived in accordance with U.S. generally accepted accounting principles ("GAAP"), including adjusted operating profit, adjusted net income and adjusted diluted earnings per share. Adjusted operating profit is defined as operating profit excluding the specifically identified expenses below. Adjusted net income is defined as net income excluding the specifically identified expenses below and related tax effects, and adjusted EPS reflects adjusted net income divided by the weighted average number of diluted shares outstanding. In addition to historical results, guidance for fiscal 2015 adjusted diluted EPS is based on comparable adjustments and does not include any expenses related to the Company's restructuring discussed above.

The Company believes that providing comparisons to operating profit, net income and EPS, adjusted for the items shown in the accompanying reconciliations, provides useful information to the reader in assessing the Company's operating performance as these measures provide an additional relevant comparison of the Company's operating performance across periods. Adjustments to operating profit in the 2015 third quarter and 39-week period include expenses of \$6.1 million incurred in connection with the Company's restructuring. In addition to the operating profit adjustments, adjustments to net income and EPS in the 2015 third quarter and 39-week period include expenses of \$0.3 million of debt refinancing costs and the combined related income tax effect of \$2.5 million. Adjustments to operating profit in the 2014 third quarter and 39-week period include expenses of \$8.2 million incurred in connection with an acquisition that was not completed. In addition to the operating profit adjustments, adjustments to net income and EPS in the 2014 13-week and 39-week period include the related income tax effect of \$0.8 million. In addition, a reversal of income tax reserves of \$4.7 million in the 2014 13-week and 39-week periods have been excluded from adjusted net income.

Reconciliations of these non-GAAP measures to the most directly comparable measures calculated in accordance with GAAP are provided in the accompanying schedules.

The non-GAAP measures discussed above are not measures of financial performance or condition, liquidity or profitability in accordance with GAAP, and should not be considered as alternatives to operating profit, net income, EPS or any other measure derived in accordance with GAAP. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of the Company's financial results as reported under GAAP. Because not all companies use identical calculations these presentations may not be comparable to other similarly titled measures of other companies.

Forward-Looking Statements

This press release contains forward-looking information, such as the information in the section entitled "Fiscal 2015 Financial Outlook" as well as other statements regarding the Company's outlook, plans and intentions, including, but not limited to, statements made within the quotations of Mr. Vasos and statements regarding expected tax benefits. A reader can identify forward-looking statements because they are not limited to historical fact or they use words such as "outlook," "may," "should," "could," "believe," "anticipate," "plan," "expect," "estimate," "forecast," "goal," "prospect," "positioned," "accelerate," "intend," "committed," "continue," "looking forward," "over time," "will likely result," or "will negatively impact" and similar expressions that concern the Company's strategy, plans, intentions or beliefs about future occurrences or results. These matters involve risks, uncertainties and other factors that may cause the actual performance of the Company to differ materially from that which the Company expected. Many of these statements are derived from the Company's operating budgets and forecasts as of the date of this release, which are based on many detailed assumptions that the Company believes are reasonable. However, it is very difficult to predict the effect of known factors on the Company's future results, and the Company cannot anticipate all factors that could affect future results that may be important to an investor. All forward-looking information should be evaluated in the context of these risks, uncertainties and other factors. Important factors that could cause actual results to differ materially from the expectations expressed in or implied by such forward-looking statements include, but are not limited to:

- 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 the Company's strategies and initiatives, including those relating to merchandising, sourcing, shrink, 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 the Company's new store base to achieve sales and operating levels consistent with the Company's expectations;
- levels of inventory shrinkage;
- effective response to competitive pressures and changes in the competitive environment and the markets where the Company operates, including consolidation;
- the Company's level of success in gaining and maintaining broad market acceptance of its private brands;
- disruptions, unanticipated or unusual expenses or operational failures in the Company's 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 the Company's 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 the Company's 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 the Company's 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;
- the Company's loss of key personnel, 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 the Company's business;
- incurrence of material uninsured losses, excessive insurance costs or accident costs;
- failure to maintain the security of information that the Company holds, whether as a result of a data security breach or otherwise;
- deterioration in market conditions, including interest rate fluctuations, or a lowering of the Company's credit ratings;
- the Company's debt levels and restrictions in its debt agreements;
- new accounting guidance, or changes in the interpretation or application of existing guidance, such as changes to lease accounting guidance;
- the factors disclosed under "Risk Factors" in the Company's most recent Annual Report on Form 10-K and any subsequent quarterly filings on Form 10-Q filed with the Securities and Exchange Commission; and
- such other factors as may be discussed or identified in this press release.

All forward-looking statements are qualified in their entirety by these and other cautionary statements that the Company makes from time to time in its SEC filings and public communications. The Company cannot assure the reader that it will realize the results or developments the Company anticipates or, even if substantially realized, that they will result in the consequences or affect the Company or its operations in the way the Company expects. Forward-looking statements speak only as of the date made. The Company undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances arising after the date on which they were made, except as otherwise required by law. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements included herein or that may be made elsewhere from time to time by, or on behalf of, the Company.

About Dollar General Corporation

Dollar General Corporation has been delivering value to shoppers for over 75 years. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are

frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares and seasonal items at low everyday prices in convenient neighborhood locations. Dollar General operates 12,396 stores in 43 states as of October 30, 2015. In addition to high quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and PepsiCo. For more information on Dollar General, please visit www.dollargeneral.com.

Investor Contacts:

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DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands)

	(Unaudited)		January 30 2015
	October 30 2015	October 31 2014	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 182,514	\$ 216,155	\$ 579,823
Merchandise inventories	3,101,908	2,788,996	2,782,521
Income taxes receivable	11,877	—	—
Prepaid expenses and other current assets	192,476	173,981	170,265
Total current assets	3,488,775	3,179,132	3,532,609
Net property and equipment	2,237,068	2,120,572	2,116,075
Goodwill	4,338,589	4,338,589	4,338,589
Other intangible assets, net	1,201,110	1,202,651	1,201,870
Other assets, net	22,751	20,004	19,499
Total assets	\$ 11,288,293	\$ 10,860,948	\$ 11,208,642
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term obligations	\$ 1,358	\$ 101,041	\$ 101,158
Accounts payable	1,470,107	1,394,873	1,388,154
Accrued expenses and other	473,528	442,859	413,760
Income taxes payable	30,462	33,215	59,400
Deferred income taxes	16,128	38,858	25,268
Total current liabilities	1,991,583	2,010,846	1,987,740
Long-term obligations	3,105,332	2,649,598	2,623,965
Deferred income taxes	568,238	569,055	601,590
Other liabilities	279,547	287,812	285,309
Total liabilities	5,944,700	5,517,311	5,498,604
Commitments and contingencies			
Shareholders' equity:			
Preferred stock	—	—	—
Common stock	254,697	265,495	265,514
Additional paid-in capital	3,095,790	3,038,621	3,048,806
Retained earnings	1,999,119	2,047,674	2,403,045
Accumulated other comprehensive loss	(6,013)	(8,153)	(7,327)
Total shareholders' equity	5,343,593	5,343,637	5,710,038
Total liabilities and shareholders' equity	\$ 11,288,293	\$ 10,860,948	\$ 11,208,642

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(In thousands, except per share amounts)
(Unaudited)

	For the Quarter (13 Weeks) Ended			
	October 30 2015	% of Net Sales	October 31 2014	% of Net Sales
Net sales	\$ 5,067,048	100.00%	\$ 4,724,409	100.00%
Cost of goods sold	3,530,086	69.67	3,300,661	69.86
Gross profit	1,536,962	30.33	1,423,748	30.14
Selling, general and administrative expenses	1,113,103	21.97	1,029,605	21.79
Operating profit	423,859	8.37	394,143	8.34
Interest expense	21,394	0.42	21,835	0.46
Other (income) expense	326	0.01	—	0.00
Income before income taxes	402,139	7.94	372,308	7.88
Income tax expense	148,818	2.94	135,992	2.88
Net income	<u>\$ 253,321</u>	<u>5.00%</u>	<u>\$ 236,316</u>	<u>5.00%</u>

Earnings per share:

Basic	\$ 0.87	\$ 0.78
Diluted	\$ 0.86	\$ 0.78

Weighted average shares outstanding:

Basic	292,037	303,080
Diluted	292,904	304,108

	For the 39 Weeks Ended			
	October 30 2015	% of Net Sales	October 31 2014	% of Net Sales
Net sales	\$ 15,081,624	100.00%	\$ 13,970,529	100.00%
Cost of goods sold	10,457,802	69.34	9,733,461	69.67
Gross profit	4,623,822	30.66	4,237,068	30.33
Selling, general and administrative expenses	3,295,957	21.85	3,034,691	21.72
Operating profit	1,327,865	8.80	1,202,377	8.61
Interest expense	63,669	0.42	66,700	0.48
Other (income) expense	326	0.00	—	0.00
Income before income taxes	1,263,870	8.38	1,135,677	8.13
Income tax expense	474,965	3.15	425,703	3.05
Net income	<u>\$ 788,905</u>	<u>5.23%</u>	<u>\$ 709,974</u>	<u>5.08%</u>

Earnings per share:

Basic	\$ 2.66	\$ 2.33
Diluted	\$ 2.65	\$ 2.32

Weighted average shares outstanding:

Basic	296,307	305,142
Diluted	297,174	306,097

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	For the 39 Weeks Ended	
	October 30 2015	October 31 2014
Cash flows from operating activities:		
Net income	\$ 788,905	\$ 709,974
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	263,287	255,759
Deferred income taxes	(59,026)	(35,944)
Tax benefit of share-based awards	(28,569)	(11,659)
Loss on debt retirement, net	326	—
Noncash share-based compensation	28,890	27,698
Other noncash (gains) and losses	7,130	7,574
Change in operating assets and liabilities:		
Merchandise inventories	(317,273)	(239,302)
Prepaid expenses and other current assets	(24,242)	(29,479)
Accounts payable	75,880	100,510
Accrued expenses and other liabilities	58,701	71,035
Income taxes	(12,246)	(14,274)
Other	(1,220)	(1,345)
Net cash provided by (used in) operating activities	<u>780,543</u>	<u>840,547</u>
Cash flows from investing activities:		
Purchases of property and equipment	(386,886)	(288,537)
Proceeds from sales of property and equipment	813	1,588
Net cash provided by (used in) investing activities	<u>(386,073)</u>	<u>(286,949)</u>
Cash flows from financing activities:		
Issuance of long-term obligations	499,220	—
Repayments of long-term obligations	(502,120)	(51,914)
Borrowings under revolving credit facilities	1,302,100	1,023,000
Repayments of borrowings under revolving credit facilities	(914,100)	(1,023,000)
Debt issuance costs	(7,011)	—
Repurchases of common stock	(1,009,411)	(800,095)
Payments of cash dividends	(195,169)	—
Other equity and related transactions	6,143	(2,659)
Tax benefit of share-based awards	28,569	11,659
Net cash provided by (used in) financing activities	<u>(791,779)</u>	<u>(843,009)</u>
Net increase (decrease) in cash and cash equivalents	(397,309)	(289,411)
Cash and cash equivalents, beginning of period	579,823	505,566
Cash and cash equivalents, end of period	<u>\$ 182,514</u>	<u>\$ 216,155</u>
Supplemental cash flow information:		
Cash paid for:		
Interest	\$ 63,125	\$ 66,250
Income taxes	\$ 548,445	\$ 486,961
Supplemental schedule of non-cash investing and financing activities:		
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	\$ 37,659	\$ 34,961

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
Selected Additional Information
(Unaudited)

Sales by Category (in thousands)

	For the Quarter (13 Weeks) Ended		% Change
	October 30 2015	October 31 2014	
Consumables	\$ 3,921,663	\$ 3,645,021	7.6%
Seasonal	555,862	524,623	6.0%
Home products	317,963	298,878	6.4%
Apparel	271,560	255,887	6.1%
Net sales	<u>\$ 5,067,048</u>	<u>\$ 4,724,409</u>	<u>7.3%</u>

	For the 39 Weeks Ended		% Change
	October 30 2015	October 31 2014	
Consumables	\$ 11,543,276	\$ 10,666,675	8.2%
Seasonal	1,784,680	1,659,651	7.5%
Home products	925,292	867,903	6.6%
Apparel	828,376	776,300	6.7%
Net sales	<u>\$ 15,081,624</u>	<u>\$ 13,970,529</u>	<u>8.0%</u>

Store Activity

	For the 39 Weeks Ended	
	October 30 2015	October 31 2014
Beginning store count	11,789	11,132
New store openings	634	617
Store closings	(27)	(34)
Net new stores	607	583
Ending store count	<u>12,396</u>	<u>11,715</u>
Total selling square footage (000's)	<u>91,818</u>	<u>86,608</u>
Growth rate (square footage)	<u>6.0%</u>	<u>6.4%</u>

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

**Reconciliation of Non-GAAP Financial Measures
Adjusted Operating Profit, Adjusted Net Income, and
Adjusted Diluted Earnings Per Share**

(in millions, except per share amounts)

	For the Quarter (13 Weeks) Ended	
	October 30 2015	October 31 2014
Operating profit	\$ 423.9	\$ 394.1
Attempted acquisition-related expenses	—	8.2
Restructuring expenses	6.1	—
Adjusted operating profit	\$ 430.0	\$ 402.3
Net income	\$ 253.3	\$ 236.3
Attempted acquisition-related expenses	—	8.2
Restructuring expenses	6.1	—
Debt refinancing costs	0.3	—
Income tax effect of adjustments	(2.5)	(0.8)
Reversal of tax reserves created in 2009	—	(4.7)
Net adjustments	3.9	2.7
Adjusted net income	\$ 257.2	\$ 239.0
Diluted earnings per share:		
As reported	\$ 0.86	\$ 0.78
Adjusted	\$ 0.88	\$ 0.79
Weighted average diluted shares outstanding:	292.9	304.1

	For the 39 Weeks Ended	
	October 30 2015	October 31 2014
Operating profit	\$ 1,327.9	\$ 1,202.4
Attempted acquisition-related expenses	—	8.2
Restructuring expenses	6.1	—
Adjusted operating profit	\$ 1,334.0	\$ 1,210.6
Net income	\$ 788.9	\$ 710.0
Attempted acquisition-related expenses	—	8.2
Restructuring expenses	6.1	—
Debt refinancing costs	0.3	—
Income tax effect of adjustments	(2.5)	(0.8)
Reversal of tax reserves created in 2009	—	(4.7)
Net adjustments	3.9	2.7
Adjusted net income	\$ 792.8	\$ 712.7
Diluted earnings per share:		
As reported	\$ 2.65	\$ 2.32
Adjusted	\$ 2.67	\$ 2.33
Weighted average diluted shares outstanding:	297.2	306.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”), effective December 2, 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 Executive Vice President, Chief Financial 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 Thousand Dollars (\$500,000.00). 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: 12/2/15

DOLLAR GENERAL CORPORATION

By: /s/ Bob Ravener

Name: Bob Ravener

Title: EVP, Chief People Officer

“EMPLOYEE”

/s/ John W. Garratt

John W. Garratt

Date: 12/2/15

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 _____ ("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 December 2, 2015 (“Effective Date”), is made and entered into by and between **DOLLAR GENERAL CORPORATION** (the “Company”), and Anita C. Elliott (“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, Chief Accounting 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 Three Hundred Sixty-Two Thousand Eighty-Seven Dollars (\$362,087.00). 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: 12/2/15

“EMPLOYEE”

/s/ Anita C. Elliott

Anita C. Elliott

Date: 12/2/15

Witnessed By:

/s/ Julie L. Filson

Name of Witness

Addendum to Employment Agreement with Anita C. Elliott

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 _____

DOLLAR GENERAL

100 Mission Ridge / Goodlettsville, Tennessee 37072-2170 / Telephone: (615) 855-4000 / <http://www.dollargeneral.com>

NEWS FOR IMMEDIATE RELEASE**Dollar General Corporation Declares Quarterly Dividend**

GOODLETTSVILLE, Tenn. — December 3, 2015 — Dollar General Corporation (NYSE: DG) announced today that the Company's Board of Directors has declared a quarterly cash dividend of \$0.22 per share on the Company's common stock. The dividend will be payable on January 6, 2016 to shareholders of record at the close of business on December 23, 2015.

About Dollar General Corporation

Dollar General Corporation has been delivering value to shoppers for over 75 years. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, clothing for the family, housewares and seasonal items at low everyday prices in convenient neighborhood locations. Dollar General operates 12,396 stores in 43 states as of October 30, 2015. In addition to high quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and PepsiCo. For more information on Dollar General, please visit www.dollargeneral.com.

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