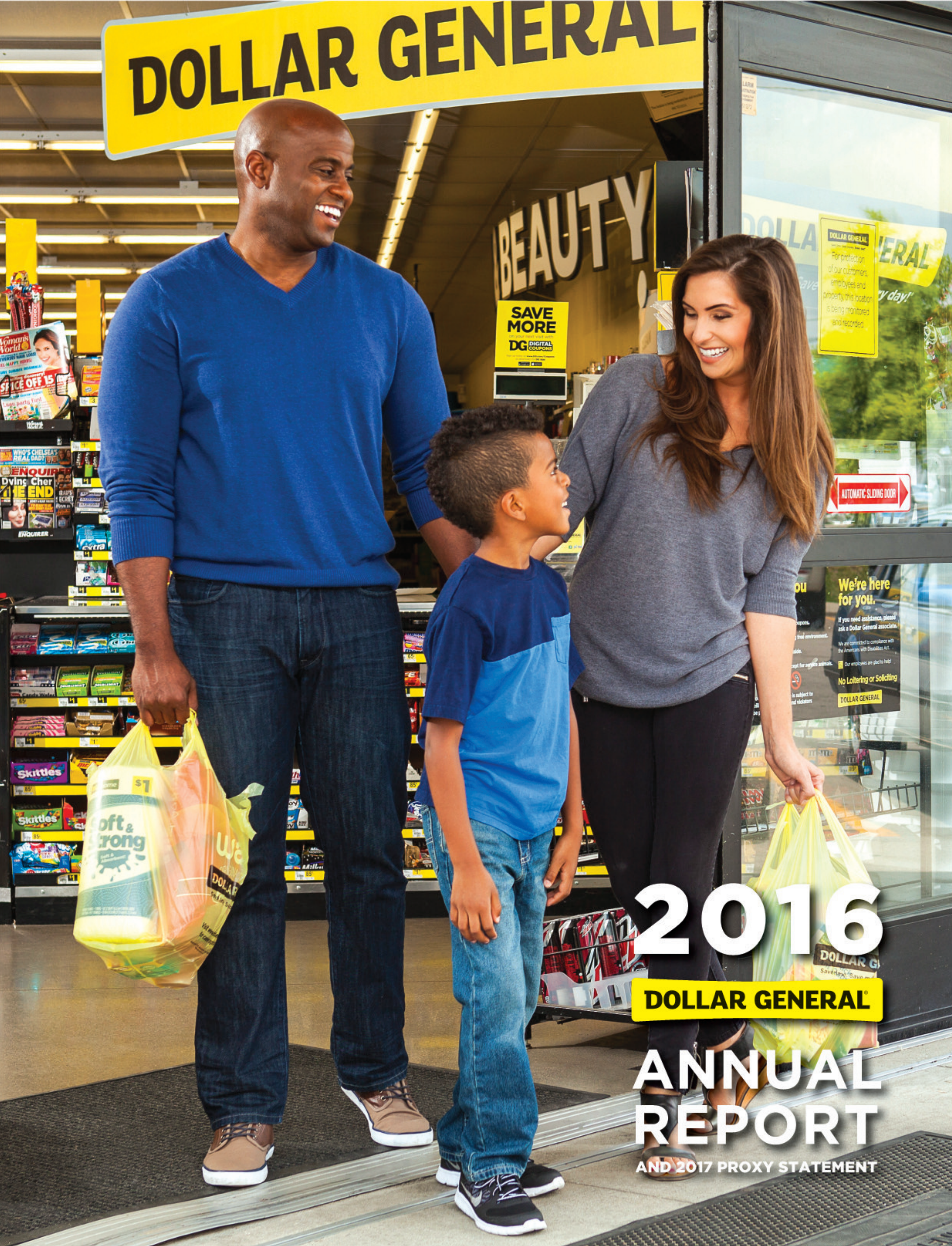
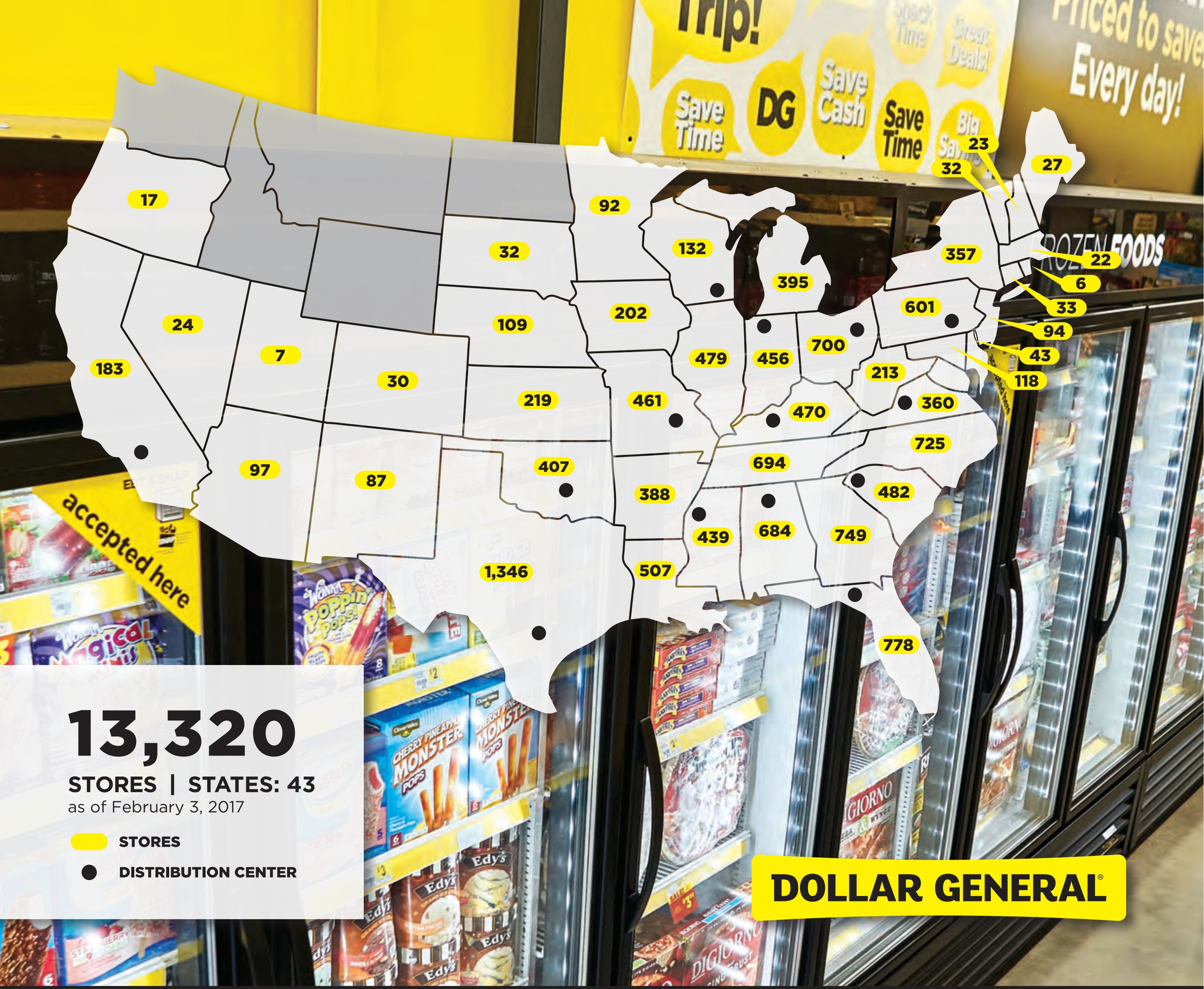


2016
DOLLAR GENERAL
ANNUAL REPORT
AND 2017 PROXY STATEMENT



ABOUT DOLLAR GENERAL

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 13,320 stores in 43 states as of February 3, 2017. In addition to high quality private brands, Dollar General sells products from America's most-trusted brands such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg's, General Mills, Nabisco, Hanes, PepsiCo and Coca-Cola.

Learn more about Dollar General and shop online at:

www.dollargeneral.com

Cautionary Language Regarding Forward-Looking Statements: All forward-looking information in this report should be read with, and is qualified in its entirety by, the Cautionary Disclosure Regarding Forward-Looking Statements and the Risk Factors disclosures set forth in the Introduction and in Item 1A, respectively, of the Form 10-K included elsewhere in this report.

The information contained on or connected to our Internet websites is not incorporated by reference into this report and should not be considered part of this or any other report that we file with or furnish to the SEC.

DOLLAR GENERAL®

Save time. Save money. **Every day!**®

TO OUR FELLOW SHAREHOLDERS, CUSTOMERS & EMPLOYEES

Throughout our 78-year history, Dollar General has successfully adapted to change and grown our business by keeping it simple: focus on our customer, make shopping convenient and provide everyday low prices. 2016 was another year where our focus on simplicity proved to be a source of strength. The retail business is changing rapidly, the competition is fierce and our customer continues to face tough economic challenges. I am very pleased with the way the Dollar General team adapted to change and managed through what proved to be a challenging retail and macroeconomic environment in 2016 and believe that Dollar General continues to be well positioned at the intersection of value and convenience.

Success in retail is about consistently doing a lot of small things well. This includes the everyday basics such as having the right product, at the right price and at the right time in a convenient, friendly shopping environment. With our customers at the center of everything we do, our associates strive to do the small things well every day. Our store teams served millions of customers resulting in approximately 1.9 billion transactions during 2016.

Highlights of 2016 Compared to 2015

- Net sales increased by 7.9% to $22 billion.
- Same-store sales grew 0.9%, marking our 27th consecutive year of same-store sales growth.
- We reported net income of $1.25 billion or $4.43 per diluted share.
- Cash flow from operations was $1.6 billion, an increase of 15 percent.
- We returned nearly $1.3 billion to our shareholders through the combination of share repurchases and dividends.
- We opened 900 new stores and remodeled or relocated an additional 906 locations.

Looking ahead to 2017, we are making significant investments totaling approximately $70 million, primarily in compensation and training for our store managers given the critical role this position plays in our customer experience, as well as strategic initiatives to strengthen our position for the long term. We believe these investments will improve our market share position over time and are positive steps to further support sustainable growth for our shareholders over the long term.

Our vision for the future of Dollar General is clear: to strengthen our business and continue on a path of sustainable, profitable growth. We will continue to focus on our four key operating priorities:

1. **Driving profitable sales growth:** Our merchandising and marketing efforts are concentrated on delivering on our brand promise of everyday low prices. Our goal is to grow transactions and item units, which we believe are key to our market share performance. Over time, we believe we have ongoing opportunities for gross margin expansion through improvements in inventory shrink reduction, global sourcing, private brands penetration, distribution and transportation efficiencies and non-consumable sales.

2. **Capturing growth opportunities:** Our real estate model is the foundation to driving strong returns. We plan to open 1,000 new stores in fiscal 2017, along with 900 remodels or relocations. While the traditional Dollar General store remains our focus, we continue to be a store format innovator.

3. **Leveraging our position as a low-cost operator:** We will remain disciplined with our defined processes to manage expense control.

4. **Investing in our people as a competitive advantage:** We are making significant investments in compensation and training for our store managers, who play a critical role in delivering a positive customer experience and profitability. We believe the return on this investment to be an improved customer experience, higher sales and lower shrink as the result of our enhanced ability to attract, retain and grow the best talent for Dollar General.

Of course, strategy cannot be successful without the appropriate culture. Our culture is rooted in our mission of ***Serving Others*** as we continue to grow and evolve our business. We want to make a real and lasting difference in the lives of the customers we serve and the communities we call home. During 2016, Dollar General and our foundations donated more than $18.8 million to charitable causes with a primary focus on uplifting and empowering individuals of all ages through literacy and basic education. We also invited our customers to join us in helping individuals in need through in-store cause campaigns for St. Jude Children's Research Hospital, Autism Speaks and the American Red Cross.

In 2017, we plan to create approximately 10,000 new jobs as the result of our 1,000 planned new store openings and two new state-of-the-art distribution centers. The creation of these new jobs will be a roughly nine percent overall increase to our workforce and marks the largest one-year employee increase in our history.

We believe our business model remains strong given our proven ability to deliver value, convenience and service to our customers. We are investing in new store growth with excellent returns, as well as the infrastructure to support this growth, while striving to return cash to our shareholders and create long-term shareholder value.

Thank you for your continued support and the confidence you have placed in Dollar General.

Respectfully,

Todd J. Vasos
CHIEF EXECUTIVE OFFICER
April 12, 2017

DOLLAR GENERAL®

Proxy Statement & Meeting Notice

Dollar General Corporation
100 Mission Ridge
Goodlettsville, Tennessee 37072

Dear Fellow Shareholder:

The 2017 Annual Meeting of Shareholders of Dollar General Corporation will be held on Wednesday, May 31, 2017, at 9:00 a.m., Central Time, at Goodlettsville City Hall Auditorium, 105 South Main Street, Goodlettsville, Tennessee. All shareholders of record at the close of business on March 23, 2017 are invited to attend the annual meeting. For security reasons, however, to gain admission to the meeting you may be required to present photo identification and comply with other security measures.

At this year's meeting, you will have an opportunity to vote on the matters described in our accompanying Notice of Annual Meeting of Shareholders and Proxy Statement. Our 2016 Annual Report also accompanies this letter.

Your interest in Dollar General and your vote are very important to us. We encourage you to read the Proxy Statement and vote your proxy as soon as possible so your vote can be represented at the annual meeting. You may vote your proxy via the Internet or telephone, or if you received a paper copy of the proxy materials by mail, you may vote by mail by completing and returning a proxy card.

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

Sincerely,

Michael M. Calbert
Chairman of the Board

April 12, 2017

DOLLAR GENERAL

Dollar General Corporation
100 Mission Ridge
Goodlettsville, Tennessee 37072

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE: Wednesday, May 31, 2017

TIME: 9:00 a.m., Central Time

PLACE: Goodlettsville City Hall Auditorium
105 South Main Street
Goodlettsville, Tennessee

ITEMS OF BUSINESS:

1) To elect as directors the 8 nominees listed in the proxy statement
2) To approve the material terms of the performance goals under our Amended and Restated 2007 Stock Incentive Plan for purposes of compensation deductibility under Internal Revenue Code Section 162(m) and the limit on non-employee director compensation set forth in such Plan
3) To approve the material terms of the performance goals under our Amended and Restated Annual Incentive Plan for purposes of compensation deductibility under Internal Revenue Code Section 162(m)
4) To hold an advisory vote to approve our named executive officer compensation as disclosed in this proxy statement
5) To hold an advisory vote on the frequency of future advisory votes on our named executive officer compensation
6) To ratify the appointment of our independent registered public accounting firm for fiscal 2017
7) To transact any other business that may properly come before the annual meeting and any adjournments of that meeting

WHO MAY VOTE: Shareholders of record at the close of business on March 23, 2017

By Order of the Board of Directors,

Christine L. Connolly

Goodlettsville, Tennessee
April 12, 2017

Christine L. Connolly
Corporate Secretary

Please vote your proxy as soon as possible even if you expect to attend the annual meeting in person. You may vote your proxy via the Internet or by phone by following the instructions on the notice of internet availability or proxy card, or if you received a paper copy of these proxy materials by mail, you may vote by mail by completing and returning the enclosed proxy card in the enclosed reply envelope. No postage is necessary if the proxy is mailed within the United States. You may revoke your proxy by following the instructions listed on page 4 of the proxy statement.

Proxy

DOLLAR GENERAL CORPORATION

Proxy Statement for 2017 Annual Meeting of Shareholders

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IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 31, 2017

This Proxy Statement, our 2016 Annual Report and a form of proxy card are available at www.proxyvote.com. You will need your Notice of Internet Availability or proxy card to access the proxy materials.

As permitted by rules adopted by the Securities and Exchange Commission ("SEC"), we are furnishing our proxy materials over the Internet to some of our shareholders. This means that some shareholders will not receive paper copies of these documents. Instead, these shareholders will receive only a Notice of Internet Availability containing instructions on how to access the proxy materials over the Internet. The Notice of Internet Availability also contains instructions on how each of those shareholders can request a paper copy of our proxy materials, including the Proxy Statement, our 2016 Annual Report and a proxy card. Shareholders who do not receive a Notice of Internet Availability will receive a paper copy of the proxy materials by mail, unless they have previously requested delivery of proxy materials electronically. If you received only the Notice of Internet Availability and would like to receive a paper copy of the proxy materials, the notice contains instructions on how you can request copies of these documents.

GENERAL INFORMATION

What is Dollar General Corporation and where is it located?

Dollar General has been delivering value to shoppers for over 75 years through its mission of *Serving Others*. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, clothing for the family, housewares and seasonal items at low everyday prices in convenient neighborhood locations. Dollar General operates 13,429 stores in 44 states as of March 3, 2017. Our principal executive offices are located at 100 Mission Ridge, Goodlettsville, Tennessee 37072. Our telephone number is 615-855-4000.

Where is Dollar General common stock traded?

Our stock is traded on the New York Stock Exchange ("NYSE") under the symbol "DG."

What is this document?

This document is the proxy statement of Dollar General Corporation for the Annual Meeting of Shareholders to be held on Wednesday, May 31, 2017. We will begin mailing printed copies of this document or the Notice of Internet Availability to shareholders on or about April 12, 2017. We are providing this document to solicit your proxy to vote upon certain matters at the annual meeting.

We refer to our company as "we," "us" or "Dollar General." Unless otherwise noted or required by context, "2017," "2016," "2015," "2014," and "2013" refer to our fiscal years ending or ended February 2, 2018, February 3, 2017, January 29, 2016, January 30, 2015, and January 31, 2014, respectively.

What is a proxy, who is asking for it, and who is paying for the cost to solicit it?

A proxy is your legal designation of another person, called a "proxy," to vote your stock. The document that designates someone as your proxy is also called a proxy or a proxy card.

Dollar General will pay all solicitation expenses. Our directors, officers and employees are soliciting your proxy on behalf of our Board of Directors and will not receive additional remuneration for doing so except reimbursement for any related out-of-pocket expenses they may incur. We also have retained Innisfree M&A Incorporated to assist in the solicitation of proxies and to separately prepare a shareholder vote analysis of certain proposals for an aggregate fee of approximately $20,000, plus customary costs and expenses. We may reimburse custodians and nominees for their expenses in sending proxy materials to beneficial owners. Solicitation of proxies by mail may be supplemented by telephone, email and other electronic means, advertisements and personal solicitation, or otherwise.

Who may attend the annual meeting?

Only shareholders, their proxy holders and our invited guests may attend the meeting. If your shares are registered in the name of a broker, trust, bank or other nominee, you will need to bring a proxy or a letter from that record holder or your most recent brokerage account statement that confirms your ownership of those shares as of March 23, 2017. For security reasons, we also may require photo identification for admission.

Where can I find directions to the annual meeting?

Directions to Goodlettsville City Hall, where we will hold the annual meeting, are posted on the "Investor Information" section of our website located at www.dollargeneral.com.

Will the annual meeting be webcast?

Yes. You are invited to visit the "News and Events—Events and Presentations" section of the "Investor Information" section of our website located at www.dollargeneral.com at 9:00 a.m., Central Time, on May 31, 2017 to access the live webcast of the annual meeting. An archived copy of the webcast will be available on our website for at least 60 days. The information on our website, however, is not incorporated by reference into, and does not form a part of, this proxy statement.

VOTING MATTERS

How many votes must be present to hold the annual meeting?

A quorum, consisting of the presence in person or by proxy of the holders of a majority of shares of our common stock outstanding on March 23, 2017, must exist to conduct any business at the meeting.

What if a quorum is not present at the annual meeting?

If a quorum is not present at the meeting, any officer entitled to preside at or to act as Secretary of the meeting shall have power to adjourn the meeting from time to time until a quorum is present.

What am I voting on?

You will be asked to vote:

- on the election of 8 directors listed in this proxy statement;
- on the approval of the material terms of the performance goals under our Amended and Restated 2007 Stock Incentive Plan (the "Stock Incentive Plan") for purposes of compensation deductibility under Internal Revenue Code Section 162(m) and the limit on non-employee director compensation set forth in the Stock Incentive Plan;
- on the approval of the material terms of the performance goals under our Amended and Restated Annual Incentive Plan (the "Annual Incentive Plan") for purposes of compensation deductibility under Internal Revenue Code Section 162(m);
- on the approval on an advisory basis of our named executive officer compensation as disclosed in this proxy statement;
- on an advisory basis on the frequency of holding future advisory votes on our named executive officer compensation; and
- on the ratification of the appointment of our independent registered public accounting firm (the "independent auditor") for 2017.

May other matters be raised at the annual meeting?

We are unaware of other matters to be acted upon at the meeting. Under Tennessee law and our governing documents, no other non-procedural business may be raised at the meeting unless proper notice has been given to shareholders. If other business is properly raised, your proxies have authority to vote as they think best, including to adjourn the meeting.

Who is entitled to vote at the annual meeting?

You may vote if you owned shares of Dollar General common stock at the close of business on March 23, 2017. As of that date, there were 274,892,175 shares of Dollar General common stock outstanding and entitled to vote. Each share is entitled to one vote on each matter.

What is the difference between a "shareholder of record" and a "street name" holder?

You are a "shareholder of record" if your shares are registered directly in your name with Wells Fargo Shareowner Services, our transfer agent. You are a "street name" holder if your shares are held in the name of a brokerage firm, bank, trust or other nominee as custodian.

How do I vote?

If you are a shareholder of record, you may vote your proxy over the telephone or Internet or, if you received printed proxy materials, by marking, signing, dating and returning the printed proxy card in the enclosed envelope. Please refer to the instructions on the Notice of Internet Availability or proxy card, as applicable. Alternatively, you may vote in person at the meeting.

If you are a street name holder, your broker, bank, or other nominee will provide materials and instructions for voting your shares. You may vote in person at the meeting if you obtain and bring to the meeting a legal proxy from your broker, banker, trustee or other nominee giving you the right to vote the shares.

What if I receive more than one Notice of Internet Availability or proxy card?

You will receive multiple Notices of Internet Availability or proxy cards if you hold shares in different ways (e.g., joint tenancy, trusts, custodial accounts, etc.) or in multiple accounts. Street name holders will receive the Notice of Internet Availability or proxy card or other voting information, along with voting instructions, from their brokers. Please vote the shares represented by each Notice of Internet Availability or proxy card you receive to ensure that all your shares are voted.

How will my proxy be voted?

The persons named on the proxy card will vote your proxy as you direct or, if you return a signed proxy card or complete the Internet or telephone voting procedures but do not specify how you want to vote your shares: "FOR" all directors nominated in this proxy statement; "FOR" the approval of the matters pertaining to the Stock Incentive Plan; "FOR" the approval of the matters pertaining to the Annual Incentive Plan; "FOR" approval, on an advisory basis, of the compensation of our named executive officers as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules; on an advisory basis, for a frequency of once every "3 YEARS" for future advisory votes on our named executive officer compensation; and "FOR" ratification of Ernst & Young LLP as our independent auditor for 2017.

Can I change my mind and revoke my proxy?

Yes. A shareholder of record may revoke a proxy given pursuant to this solicitation by:

- signing a valid, later-dated proxy card and submitting it so that it is received before the annual meeting in accordance with the instructions included in the proxy card;
- at or before the annual meeting, submitting to our Corporate Secretary a written notice of revocation dated later than the date of the proxy;
- submitting a later-dated vote by telephone or Internet no later than 11:59 p.m., Eastern time, on May 30, 2017; or
- attending the annual meeting and voting in person.

Your attendance at the annual meeting, by itself, will not revoke your proxy.

A street name holder may revoke a proxy given pursuant to this solicitation by following the instructions of the bank, broker, trustee or other nominee who holds his or her shares.

How many votes are needed to elect directors?

To be elected at the annual meeting, a nominee must receive the affirmative vote of a majority of votes cast by holders of shares entitled to vote at the meeting. Under our Amended and Restated Charter, the "affirmative vote of a majority of votes cast" means that the number of votes cast in favor of a nominee's election exceeds the number of votes cast against his or her election. You may vote in favor of or against the election of each nominee, or you may elect to abstain from voting your shares.

What happens if a director fails to receive the required vote for election?

An incumbent director who does not receive the required vote for election at the annual meeting must promptly tender a resignation as a director for the Board's consideration pursuant to our Board-approved director resignation policy outlined in our Corporate Governance Guidelines. Each director standing for re-election at the annual meeting has agreed to resign, effective upon the Board's acceptance of such resignation, if he or she does not receive a majority vote. If the Board rejects the offered resignation, the director will continue to serve until the next annual shareholders' meeting and until his or her successor is duly elected or his or her earlier resignation or removal in accordance with our Bylaws. If the Board accepts the offered resignation, the Board, in its sole discretion, may fill the resulting vacancy or decrease the size of the Board.

How many votes are needed to approve other matters?

The proposals pertaining to the Stock Incentive Plan and to the Annual Incentive Plan, the proposal to approve on an advisory basis the compensation of our named executive officers, and the proposal to ratify the appointment of our independent auditor for 2017 will be approved if the votes cast in favor of the applicable proposal exceed the votes cast against it. The vote on the compensation of our named executive officers is advisory and, therefore, not binding on Dollar General, our Board of Directors, or its Compensation Committee. With respect to these proposals, and any other matter properly brought before the annual meeting, you may vote in favor of or against the proposal, or you may elect to abstain from voting your shares.

For the advisory vote on the frequency of future advisory votes on our named executive officer compensation, the option of 1 year, 2 years or 3 years that receives the highest number of votes cast by shareholders will be the frequency that has been selected by shareholders. However, because this vote is advisory and not binding on Dollar General or our Board of Directors in any way, our Board may decide that it is in the best interests of our shareholders and Dollar General to hold such advisory votes more or less frequently than the option selected by our shareholders. With respect to this proposal, you may vote by choosing the option of 1 year, 2 years, or 3 years, or you may elect to abstain from voting your shares.

What are broker non-votes?

Although your broker is the record holder of any shares that you hold in street name, it must vote those shares pursuant to your instructions. If you do not provide instructions, your broker may exercise discretionary voting power over your shares for "routine" items but not for "non-routine" items. All matters described in this proxy statement, except for the ratification of the appointment of our independent auditor, are considered to be non-routine matters.

"Broker non-votes" occur when shares held of record by a broker are not voted on a matter because the broker has not received voting instructions from the beneficial owner and either lacks or declines to exercise the authority to vote the shares in its discretion.

How will abstentions and broker non-votes be treated?

Abstentions and broker non-votes, if any, will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present but will not be counted as votes cast either in favor of or against a particular proposal and will have no effect on the outcome of a particular proposal.

PROPOSAL 1:
ELECTION OF DIRECTORS

What is the structure of the Board of Directors?

Our Board of Directors must consist of 1 to 15 directors, with the exact number, currently fixed at 8, set by the Board. All directors are elected annually by our shareholders.

Who are the nominees this year?

The nominees for the Board of Directors consist of the 8 current directors. If elected, each nominee would hold office until the 2018 annual meeting of shareholders and until his or her successor is elected and qualified, subject to any earlier resignation or removal. These nominees, their ages at the date of this proxy statement and the calendar year in which they first became a director are listed in the table below.

Name	Age	Director Since
Warren F. Bryant	71	2009
Michael M. Calbert	54	2007
Sandra B. Cochran	58	2012
Patricia D. Fili-Krushel	63	2012
Paula A. Price	55	2014
William C. Rhodes, III	51	2009
David B. Rickard	70	2010
Todd J. Vasos	55	2015

What are the backgrounds of this year's nominees?

Mr. Bryant served as the President and Chief Executive Officer of Longs Drug Stores Corporation, a retail drugstore chain on the West Coast and in Hawaii, from 2002 through 2008 and as its Chairman of the Board from 2003 through his retirement in 2008. Prior to joining Longs Drug Stores, he served as a Senior Vice President of The Kroger Co., a retail grocery chain, from 1999 to 2002. Mr. Bryant has served as a director of Office Depot, Inc. since November 2013 and Loblaw Companies Limited of Canada since May 2013 and served as a director of OfficeMax Incorporated from 2004 to 2013.

Mr. Calbert has served as our Chairman of the Board since January 30, 2016. He joined KKR & Co. L.P. ("KKR") in January 2000 and was directly involved with several KKR portfolio companies until his retirement in January 2014. Mr. Calbert led the Retail industry team within KKR's Private Equity platform prior to his retirement and served as a consultant to KKR from his retirement until June 2015. Mr. Calbert joined Randall's Food Markets beginning in 1994 and served as the Chief Financial Officer from 1997 until it was sold in September 1999. Mr. Calbert also previously worked as a certified public accountant and consultant with Arthur Andersen Worldwide from 1985 to 1994, where his primary focus was the retail and consumer industry. He previously served as our Chairman of the Board from July 2007 until December 2008 and as our lead director from March 2013 until his re-appointment as our Chairman of the Board in January 2016.

Ms. Cochran has served as a director and as President and Chief Executive Officer of Cracker Barrel Old Country Store, Inc. since September 2011. She joined Cracker Barrel in April 2009 as Executive Vice President and Chief Financial Officer, and was named President and Chief Operating Officer in November 2010. She was previously Chief Executive Officer at book retailer Books-A-Million, Inc. from February 2004 to April 2009. She also served as that company's President (August 1999—February 2004), Chief Financial Officer (September 1993—August 1999) and Vice President of Finance (August 1992—September 1993). Ms. Cochran has served as a director of Lowe's Companies, Inc. since January 2016.

Ms. Fili-Krushel is the former Executive Vice President for NBCUniversal where she served as a strategist and key advisor to the CEO of NBCUniversal from April 2015 to November 2015. She served as Chairman of NBCUniversal News Group, a division of NBCUniversal Media, LLC, composed of NBC News, CNBC, MSNBC and the Weather Channel, from July 2012 until April 2015. She previously served as Executive Vice President of NBCUniversal (January 2011—July 2012) with a broad portfolio of functions reporting to her, including operations and technical services, business strategy, human resources and legal. Prior to NBCUniversal, Ms. Fili-Krushel was Executive Vice President of Administration at Time Warner Inc. (July 2001—December 2010) where her responsibilities included oversight of philanthropy, corporate social responsibility, human resources, worldwide recruitment, employee development and growth, compensation and benefits, and security. Before joining Time Warner in July 2001, Ms. Fili-Krushel had been Chief Executive Officer of WebMD Health Corp. since April 2000. From July 1998 to April 2000, Ms. Fili-Krushel was President of the ABC Television Network, and from 1993 to 1998 she served as President of ABC Daytime. Before joining ABC, she had been with Lifetime Television since 1988. Prior to Lifetime, Ms. Fili-Krushel held several positions with Home Box Office. Before joining HBO, Ms. Fili-Krushel worked for ABC Sports in various positions.

Ms. Price has been Senior Lecturer at Harvard Business School in the Accounting and Management Unit since July 2014. She was Executive Vice President and Chief Financial Officer of Ahold USA from May 2009 until January 2014. At Ahold, which operates more than 700 supermarkets under the Stop & Shop, Giant and Martin's names as well as the Peapod online grocery delivery service, Ms. Price was responsible for finance, accounting and shared services, strategic planning, real estate development, store format and construction, and information technology. Before joining Ahold, she was the Senior Vice President, Controller and Chief Accounting Officer at CVS Health Corporation (formerly CVS Caremark Corporation) from July 2006 until August 2008. Earlier in her career, Ms. Price served as the Chief Financial Officer for the Institutional Trust Services division of JPMorgan Chase (from August 2002 until September 2005) and held several other senior management positions in the U.S. and the U.K. in the financial services and consumer packaged goods industries. A certified public accountant, she began her career at Arthur Andersen & Co. Ms. Price also has served as a director of Accenture plc since May 2014 and Western Digital Corporation since July 2014 and served as a director of Charming Shoppes, Inc. (Lane Bryant, Catherine's, Fashion Bug, Cacique and Figi's brands) from March 2011 until it was sold in June 2012.

Mr. Rhodes was elected Chairman of AutoZone, Inc., a specialty retailer and distributor of automotive replacement parts and accessories, in June 2007. He has served as President and Chief Executive Officer and as a director of AutoZone since 2005. Prior to his appointment as President and Chief Executive Officer, Mr. Rhodes was Executive Vice President—Store Operations and Commercial. Prior to 2004, he had been Senior Vice President—Supply Chain and Information Technology since 2002, and prior thereto had been Senior Vice President—Supply Chain since 2001. Prior to that time, he served in various capacities with AutoZone since 1994, including Vice President—Stores in 2000, Senior Vice President—Finance and Vice President—Finance in 1999, and Vice President—Operations Analysis and Support from 1997 to 1999. Prior to 1994, Mr. Rhodes was a manager with Ernst & Young LLP.

Mr. Rickard served as the Executive Vice President, Chief Financial Officer and Chief Administrative Officer of CVS Health Corporation (formerly CVS Caremark Corporation), a retail pharmacy chain and provider of healthcare services and pharmacy benefits management, from September 1999 until his retirement in December 2009. Prior to joining CVS, Mr. Rickard was the Senior Vice President and Chief Financial Officer of RJR Nabisco Holdings Corporation from March 1997 to August 1999. Previously, he was Executive Vice President of International Distillers and Vintners Americas. Mr. Rickard was a director of Jones Lang LaSalle Incorporated from July 2007 to May 2016 and a director of Harris Corporation from October 2001 until October 2016.

Proxy

Mr. Vasos has served as Chief Executive Officer and a member of our Board since June 2015. He joined Dollar General in December 2008 as Executive Vice President, Division President and Chief Merchandising Officer. He was promoted to Chief Operating Officer in November 2013. Prior to joining Dollar General, Mr. Vasos served in executive positions with Longs Drug Stores Corporation for seven years, including Executive Vice President and Chief Operating Officer (February 2008 through November 2008) and Senior Vice President and Chief Merchandising Officer (2001—2008), where he was responsible for all pharmacy and front-end marketing, merchandising, procurement, supply chain, advertising, store development, store layout and space allocation, and the operation of three distribution centers. He also previously served in leadership positions at Phar-Mor Food and Drug Inc. and Eckerd Corporation.

How are directors identified and nominated?

All nominees for election as directors at the annual meeting currently serve on our Board of Directors and were nominated by the Board for re-election upon the recommendation of the Nominating and Governance Committee (the "Nominating Committee"). The Nominating Committee is responsible for identifying, evaluating and recommending director candidates, while our Board is responsible for nominating the director slate for election at the annual meeting.

The Nominating Committee's charter and our Corporate Governance Guidelines require the Nominating Committee to consider candidates recommended by our shareholders, if such recommendations are submitted within the same deadlines and provide the same information that is required for nominating candidates pursuant to the advance notice provisions of our Bylaws (see "Can shareholders nominate or recommend directors?" below), and to apply the same criteria to the evaluation of those candidates as it applies to other director candidates. The Nominating Committee also may use a variety of other methods to identify potential director candidates, such as recommendations by our directors, management, or third-party search firms.

Our employment agreement with Mr. Vasos requires that we nominate him to serve as a member of our Board each year that he is slated for re-election by our shareholders. Our failure to do so could give rise to a claim for breach of contract and may constitute good reason for employment termination by Mr. Vasos under the employment agreement.

How are nominees evaluated; what are the minimum qualifications?

Subject to Mr. Vasos's employment agreement discussed above, the Nominating Committee is charged with recommending to the Board of Directors only those candidates that it believes are qualified to serve as Board members consistent with the criteria for selection of new directors adopted from time to time by the Board and who have not achieved the age of 76, unless the Board has approved an exception to this limit on a case by case basis. If a waiver is granted, it will be reviewed annually.

We have a written policy to endeavor to achieve a mix of Board members that represent a diversity of background and experience in areas that are relevant to our business. To implement this policy, the Committee assesses diversity by evaluating each candidate's individual qualifications in the context of how that candidate would relate to the Board as a whole and also considers more traditional concepts of diversity. The Committee periodically assesses the effectiveness of this policy by considering whether the Board as a whole represents such diverse experience and composition and by recommending to the Board changes to the criteria for selection of new directors as appropriate. The Committee recommends candidates, including those submitted by shareholders, only if it believes the candidate's knowledge, experience and expertise would strengthen the Board and that the candidate is committed to representing the long-term interests of all Dollar General shareholders.

The Nominating Committee assesses a candidate's independence, background and experience, as well as the current Board's skill needs and diversity. With respect to incumbent directors considered for re-election, the Committee also assesses each director's meeting attendance record and suitability for continued service. In addition, the Committee determines that all nominees are in a position to devote an adequate amount of time to the effective performance of director duties and possess the following characteristics: integrity and accountability, informed judgment, financial literacy, a cooperative approach, a record of achievement, loyalty, and the ability to consult with and advise management.

What particular experience, qualifications, attributes or skills led the Board of Directors to conclude that each nominee should serve as a director of Dollar General?

Our Board of Directors believes that each of the nominees can devote an adequate amount of time to the effective performance of director duties and possesses the minimum qualifications identified above. The Board has determined that the nominees, as a whole, complement each other, meet the Board's skill needs, and represent diverse experience at policy-making levels in areas relevant to our business. The Board also considered the following in determining that the nominees should serve as directors of Dollar General:

Mr. Bryant has over 40 years of retail experience, including experience in marketing, merchandising, operations and finance. His substantial experience in leadership and policy-making roles at other retail companies, together with his current and former experience as a board member for certain other retailers, provides him with an extensive understanding of our industry, as well as with valuable executive management skills and the ability to effectively advise our CEO.

Mr. Calbert has considerable experience in managing private equity portfolio companies and is familiar with corporate finance and strategic business planning activities. As the former head of KKR's Retail industry team, Mr. Calbert has a strong background and extensive experience in advising and managing companies in the retail industry, including evaluating business strategies, financial plans and structures, and management teams. His former service on various private company boards in the retail industry further strengthens his knowledge and experience within our industry. Mr. Calbert also has a significant financial and accounting background evidenced by his prior experience as the chief financial officer of a retail company and his 10 years of practice as a certified public accountant.

Ms. Cochran brings over 20 years of retail experience to Dollar General as a result of her current and former roles at Cracker Barrel Old Country Store and her former roles at Books-A-Million. This experience allows her to provide additional support and perspective to our CEO and our Board. In addition, Ms. Cochran's industry and executive experience provides leadership, consensus-building, strategic planning, risk management and budgeting skills. Ms. Cochran also has significant financial experience, having served as the chief financial officer of two public companies and as vice president, corporate finance of SunTrust Securities, Inc., and our Board has determined that she qualifies as an audit committee financial expert.

Ms. Fili-Krushel's background increases the breadth of experience of our Board as a result of her extensive executive experience overseeing the business strategy, philanthropy, corporate social responsibility, human resources, recruitment, employee growth and development, compensation and benefits, and legal functions at large public companies in the media industry. In addition, her understanding of consumer behavior based on her knowledge of viewership patterns and preferences provides additional perspective to our Board in understanding our customer base.

Proxy

Ms. Price brings broad experience across finance, general management and strategy gained from her service in senior executive and management positions at major corporations across several industries, including as Chief Financial Officer of Ahold USA before her retirement in 2014. Ms. Price's numerous years of experience as a certified public accountant, former chief financial officer and former chief accounting officer provide our Board with valuable experience and insight into accounting and finance matters, and consequently, our Board has determined that Ms. Price is an audit committee financial expert. She also brings to our Board a valuable perspective as a member of the faculty at the Harvard Business School and from her service as a board member of several public companies.

Mr. Rhodes has over 20 years of experience in the retail industry, including extensive experience in operations, supply chain and finance, among other areas. This background serves as a strong foundation for offering invaluable perspective and expertise to our CEO and our Board. In addition, his experience as a board chairman and chief executive officer of a public retail company provides leadership, consensus-building, strategic planning and budgeting skills, as well as extensive understanding of both short- and long-term issues confronting the retail industry. Mr. Rhodes also has a strong financial background.

Mr. Rickard held senior management and executive positions for much of his 38 years in the corporate world. He has significant retail experience and a diverse retail industry background, including previous experience serving on the board of another retail company. He also has an extensive financial and accounting background, having served as the chief financial officer of two public companies, including a large retailer. As a result, our Board has determined that Mr. Rickard is an audit committee financial expert and has elected him to serve as the Chairman of the Audit Committee. Mr. Rickard's financial experience within the retail industry also brings expertise and perspective to our Board's discussions regarding strategic planning and budgeting.

Mr. Vasos has extensive retail experience, including over 8 years with Dollar General. His experience overseeing the merchandising, operations, marketing, advertising, procurement, supply chain, store development, store layout and space allocation functions of other retail companies bolsters Mr. Vasos's thorough understanding of all key areas of our business. In addition, Mr. Vasos's service in leadership and policy-making positions of other retail companies has provided him with the necessary leadership skills to effectively guide and oversee the direction of Dollar General and with the consensus-building skills required to lead our management team.

Acting upon the Nominating Committee's recommendation, and after concluding that these nominees possess the appropriate experience, qualifications, attributes and skills, our Board has unanimously nominated these individuals to be elected by our shareholders at our annual meeting.

Can shareholders nominate or recommend directors?

Yes. Shareholders can nominate directors by following the advance notice procedures outlined in our Bylaws. In addition, shareholders can recommend candidates for consideration by our Nominating Committee by submitting such recommendations within the same deadlines and providing the same information that is required for nominating candidates pursuant to the advance notice provisions in our Bylaws. In short, the shareholder must deliver a written notice to our Corporate Secretary at 100 Mission Ridge, Goodlettsville, Tennessee 37072 for receipt no earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the prior year's annual meeting. However, if the meeting is held more than 30 days before or more than 60 days after such anniversary date, the notice must be received no earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the date of such annual meeting. If the first public announcement of the annual meeting date is less than 100 days prior to the date of such annual meeting, the notice must be received by the 10th day following the public announcement date.

The notice must contain all information required by our Bylaws about the shareholder proposing the nominee and about the nominee, which generally includes:

- the nominee's name, age, business and residence addresses, and principal occupation or employment;
- the class and number of shares of Dollar General common stock beneficially owned by the nominee and by the shareholder proposing the nominee;
- any other information relating to the nominee that is required to be disclosed in proxy solicitations with respect to nominees for election as directors pursuant to Regulation 14A of the Securities Exchange Act of 1934 (including the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director, if elected);
- the name and address of the shareholder proposing the nominee as they appear on our record books, and the name and address of the beneficial holder (if applicable);
- any other interests of the proposing shareholder or the proposing shareholder's immediate family in the securities of Dollar General, including interests the value of which is based on increases or decreases in the value of securities of Dollar General or the payment of dividends by Dollar General;
- a description of all compensatory arrangements or understandings between the proposing shareholder and each nominee; and
- a description of all arrangements or understandings between the proposing shareholder and each nominee and any other person pursuant to which the nomination is to be made by the shareholder.

In addition, we have a "proxy access" provision in our Bylaws that, beginning with our 2018 annual meeting of shareholders, permits eligible shareholders to nominate candidates for election to our Board. Proxy access candidates will be included in our proxy statement and ballot subject to the terms and conditions set forth in Article I, Section 12 of our Bylaws. The proxy access provision in our Bylaws provides that holders of at least 3% of our outstanding shares, held by up to 20 shareholders, holding the shares continuously for at least 3 years, can nominate up to 20% of our Board for election at an annual shareholders' meeting. A shareholder who wishes to formally nominate a proxy access candidate must follow the procedures and comply with the deadlines described in Article I, Section 12 of our Bylaws. For more specific information regarding these deadlines in respect of the 2018 annual meeting of shareholders, see "Shareholder Proposals for 2018 Annual Meeting" below.

You should consult our Bylaws, posted on the "Investor Information—Corporate Governance" section of our website located at www.dollargeneral.com, for more detailed information regarding the processes described above by which shareholders may nominate directors, as the information above is a summary only. No shareholder nominees have been submitted for this year's annual meeting.

What if a nominee is unwilling or unable to serve?

That is not expected to occur. If it does, the persons designated as proxies on the proxy card are authorized to vote your proxy for a substitute designated by our Board of Directors.

Are there any familial relationships between any of the nominees?

There are no familial relationships between any of the nominees or between any of the nominees and any of our executive officers.

What does the Board of Directors recommend?

Our Board unanimously recommends that you vote **FOR** the election of each of the director nominees.

CORPORATE GOVERNANCE

Does the Board of Directors have standing Audit, Compensation and Nominating Committees?

Yes. Our Board of Directors has a standing Audit Committee, Compensation Committee and Nominating Committee. The Board has adopted a written charter for each of these committees, which are available on the "Investor Information—Corporate Governance" section of our website located at www.dollargeneral.com. Current information regarding these committees is set forth below. In addition to the committee functions outlined below, each such committee performs an annual self-evaluation, periodically reviews and reassesses its charter, and evaluates and makes recommendations concerning shareholder proposals that are within the committee's expertise.

Name of Committee & Members	Committee Functions
AUDIT: Mr. Rickard, Chairman Mr. Bryant Ms. Cochran Ms. Price	• Selects independent auditor and discusses qualifications and experience of lead audit partner candidate(s) (committee's Chairman also interviews such candidates(s)) • Pre-approves audit engagement fees and terms and all permitted non-audit services and fees • Reviews annual report on independent auditor's internal quality control procedures and any material issues raised by its most recent review of internal quality controls • Annually evaluates independent auditor's qualifications, performance and independence, as well as lead audit partner, and periodically considers advisability of audit firm rotation • Discusses audit scope and any audit problems or difficulties • Sets policies regarding hiring of current and former employees of independent auditor • Discusses annual audited and quarterly unaudited financial statements with management and independent auditor • Discusses types of information to be disclosed in earnings press releases and provided to analysts and rating agencies • Discusses policies governing process by which risk assessment and risk management are undertaken • Reviews CEO/CFO disclosures regarding any significant deficiencies or material weaknesses in our internal control over financial reporting • Reviews internal audit activities, projects and budget • Establishes procedures for receipt, retention and treatment of complaints regarding accounting or internal controls • Discusses with our general counsel legal matters having an impact on financial statements • Furnishes committee report required in our proxy statement

Name of Committee & Members	Committee Functions
COMPENSATION: Mr. Bryant, Chairman Ms. Fili-Krushel Mr. Rhodes	• Reviews and approves corporate goals and objectives relevant to CEO compensation • Determines executive officer compensation (in case of CEO compensation, with opportunity to ratify by independent directors) and recommends Board compensation for Board approval • Oversees overall compensation philosophy and principles • Establishes short-term and long-term incentive compensation programs for senior officers and approves all equity awards • Oversees share ownership guidelines and holding requirements for Board members and senior officers • Oversees evaluation process for senior officers • Reviews and discusses disclosure regarding executive compensation, including Compensation Discussion and Analysis and compensation tables (in addition to preparing a report on executive compensation for our proxy statement) • Selects and determines fees of its compensation consultant • Oversees and evaluates independence of its compensation consultant and other advisors
NOMINATING AND GOVERNANCE: Mr. Rhodes, Chairman Ms. Cochran Ms. Fili-Krushel	• Develops and recommends criteria for selecting new directors • Screens and recommends to our Board individuals qualified to serve on our Board • Recommends Board committee structure and membership • Recommends persons to fill Board and committee vacancies • Develops and recommends Corporate Governance Guidelines and corporate governance practices • Oversees process governing annual Board, committee and director evaluations

Does Dollar General have an audit committee financial expert serving on its Audit Committee?

Yes. Our Board has determined that each of Mr. Rickard, Ms. Cochran and Ms. Price is an audit committee financial expert who is independent as defined in NYSE listing standards and in our Corporate Governance Guidelines. The SEC has determined that designation as an audit committee financial expert will not cause a person to be deemed to be an "expert" for any purpose.

How often did the Board and its committees meet in 2016?

During 2016, our Board, Audit Committee, Compensation Committee and Nominating Committee met 7, 6, 6 and 3 times, respectively. Each incumbent director attended at least 75% of the total of all meetings of the Board and all committees on which he or she served which were held during the period for which he or she was a director and a member of each applicable committee.

What is Dollar General's policy regarding Board member attendance at the annual meeting?

Our Board of Directors has adopted a policy that all directors should attend annual shareholders' meetings unless attendance is not feasible due to unavoidable circumstances. All persons serving as Board members at the time attended the 2016 annual shareholders' meeting.

Does Dollar General separate the positions of Chairman and CEO?

Yes. Mr. Calbert, an independent director, serves as our Chairman of the Board. This decision affords our CEO the opportunity to focus his time and energy on managing our business and allows our Chairman to devote his time and attention to matters of Board oversight and governance. The Board, however, recognizes that no single leadership model is right for all companies and at all times, and the Board will review its leadership structure as appropriate to ensure it continues to be in the best interests of Dollar General and our shareholders.

To further promote effective independent Board leadership, the Board has adopted a number of additional governance practices, including:

- Ensuring opportunity after each regularly scheduled Board meeting for executive sessions of the independent directors and, if not all non-management directors are independent, of the non-management directors. Mr. Calbert, as Chairman, presides over all such sessions.
- Conducting annual performance evaluations of the CEO.
- Conducting annual Board and committee self-evaluations.

Does the Board of Directors evaluate the performance of Board members?

Yes. As part of its responsibility for overseeing the evaluation of the Board of Directors, the Nominating Committee approves an evaluation process to be followed by the Board and each standing committee and encourages our directors to provide candid feedback on any Board member to the Chairman of the Nominating Committee or the Chairman of the Board. Such chairmen meet at least annually to review any such feedback and any other information related to individual director performance and to discuss what, if any, response or follow-up action is appropriate and in Dollar General's best interests.

What is the Board of Director's role in risk oversight?

Our Board of Directors and its committees have an important role in our risk oversight process. Our Board regularly reviews with management our financial and business strategies, including relevant material risks as appropriate. Our General Counsel also periodically provides information to the Board regarding our insurance coverage and programs as well as litigation risks.

The Audit Committee discusses our risk assessment and risk management procedures, primarily through oversight of our enterprise risk management program. Our Internal Audit department coordinates that program, which entails review and documentation of our comprehensive risk management practices. The program evaluates internal and external risks, identifies mitigation strategies, and assesses any remaining residual risk. The program is updated through interviews with senior management and our Board, review of strategic initiatives, review of upcoming legislative or regulatory changes, review of certain internal metrics and review of other outside information concerning business, financial, legal, reputational, and other risks. The results are presented to the Audit Committee at least annually, and categories with high residual risk, along with their mitigation strategies, are reviewed quarterly. Our Audit Committee also quarterly reviews metrics and information pertaining to information security risks and mitigation.

Our Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation program. As discussed under "Executive Compensation—Compensation Risk Considerations" below, the Compensation Committee also participates in periodic assessments of the risks relating to our overall compensation programs.

While the Audit Committee and the Compensation Committee oversee the risk areas identified above, the entire Board is regularly informed about risks through the committee reporting process. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. Our Board believes this division of risk management responsibilities effectively addresses the material risks facing Dollar General. Our Board further believes that our leadership structure, described above, supports the risk oversight function of the Board as it allows our independent directors, through the three fully independent Board committees and in executive sessions of independent directors led by our independent Chairman of the Board, to exercise effective oversight of the actions of management in identifying risks and implementing effective risk management policies and controls.

Does Dollar General have a management succession plan?

Yes. Our Corporate Governance Guidelines require our Board of Directors to coordinate with our CEO to ensure that a formalized process governs long-term management development and succession. Our Board formally reviews our management succession plan at least annually. Our comprehensive program encompasses not only our CEO and other executive officers but all employees through the front-line supervisory level. The program focuses on key succession elements, including identification of potential successors for positions where it has been determined that internal succession is appropriate, assessment of each potential successor's level of readiness, and preparation of individual growth and development plans. With respect to CEO succession planning, our long-term business strategy is also considered. In addition, we maintain at all times, and review with the Board periodically, a confidential procedure for the timely and efficient transfer of the CEO's responsibilities in the event of an emergency or his sudden incapacitation or departure.

Are there share ownership guidelines and holding requirements for Board members and senior officers?

Yes. Details of our share ownership guidelines and holding requirements for Board members and senior officers are included in our Corporate Governance Guidelines. See "Compensation Discussion and Analysis" and "Director Compensation" for more information on such ownership guidelines and holding requirements for senior officers and Board members, respectively.

How can I communicate with the Board of Directors?

Our Board-approved process for security holders and other interested parties to contact the Board of Directors, a particular director, or the non-management directors or the independent directors as a group is described on www.dollargeneral.com under "Investor Information—Corporate Governance."

Where can I find more information about Dollar General's corporate governance practices?

Our governance-related information is posted on www.dollargeneral.com under "Investor Information—Corporate Governance," including our Corporate Governance Guidelines, Code of Business Conduct and Ethics, the charter of each of the Audit Committee, the Compensation Committee and the Nominating Committee, and the name(s) of the person(s) chosen to lead the executive sessions of the non-management directors and of the independent directors. This information is available in print to any shareholder who sends a written request to: Investor Relations, Dollar General Corporation, 100 Mission Ridge, Goodlettsville, Tennessee 37072.

DIRECTOR COMPENSATION

The following table and text summarize the compensation earned by or paid to each of our non-employee directors for 2016. Mr. Vasos was not separately compensated for his service on the Board; his executive compensation is discussed under "Executive Compensation" below. We have omitted the columns pertaining to non-equity incentive plan compensation and change in pension value and nonqualified deferred compensation earnings because they are inapplicable.

Fiscal 2016 Director Compensation

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	All Other Compensation ($)(4)	Total ($)
Warren F. Bryant	109,500	136,206	—	1,782	247,488
Michael M. Calbert	85,000	351,055	—	1,782	437,837
Sandra B. Cochran	85,000	136,206	—	1,782	222,988
Patricia D. Fili-Krushel	85,000	136,206	—	1,782	222,988
Paula A. Price	85,000	136,206	—	1,776	222,982
William C. Rhodes, III	100,000	136,206	—	1,782	237,988
David B. Rickard	107,500	136,206	—	1,782	245,488

(1) In addition to the annual Board retainer, Mr. Bryant earned $4,500 for three excess meetings, and Messrs. Bryant, Rhodes and Rickard also earned an annual retainer for service as the Chairman of the Compensation Committee, the Nominating Committee and the Audit Committee, respectively.

(2) Represents the grant date fair value of restricted stock units ("RSUs") awarded to Mr. Calbert on February 1, 2016 ($214,849) for his annual Chairman of the Board retainer, as well as to each director (including Mr. Calbert) on May 25, 2016 ($136,206), in each case computed in accordance with FASB ASC Topic 718. Information regarding assumptions made in the valuation of these awards is included in Note 9 of the annual consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 (our "2016 Form 10-K"). As of February 3, 2017, each of the persons listed in the table above had the following total unvested RSUs outstanding (including additional RSUs credited as a result of dividend equivalents earned with respect to the RSUs): each of Messrs. Bryant, Calbert, Rhodes and Rickard and Mss. Cochran and Fili-Krushel (1,939); and Ms. Price (1,936).

(3) There were no stock options awarded to any director listed in the table above during fiscal 2016, as the Board chose to eliminate stock option awards as part of director compensation beginning in fiscal 2015. As of February 3, 2017, each of the persons listed in the table above had the following total unexercised stock options outstanding (whether or not then exercisable): each of Messrs. Bryant, Calbert and Rhodes (21,756); Ms. Cochran (13,120); Ms. Fili-Krushel (12,892); Ms. Price (4,795); and Mr. Rickard (21,513).

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

We do not compensate for Board service any director who also serves as our employee. We will reimburse directors for certain fees and expenses incurred in connection with continuing education seminars and for travel and related expenses related to Dollar General business.

Each non-employee director receives payment (prorated as applicable) for a fiscal year in quarterly installments of the following cash compensation, as applicable, along with an annual award of RSUs, payable in shares of our common stock, under our Stock Incentive Plan having the estimated value listed below:

Board Retainer ($)	Audit Committee Chairman Retainer ($)	Compensation Committee Chairman Retainer ($)	Nominating Committee Chairman Retainer ($)	Per Meeting Fee for Meetings Attended in Excess of 16 During FY ($)	Estimated Value of Equity Award ($)
85,000	22,500	20,000	15,000	1,500	135,000

The RSUs are awarded annually to those non-employee directors who are elected or re-elected at the annual shareholders' meeting and to any new director appointed after such meeting but before February 1 of a given year. The RSUs are scheduled to vest on the first anniversary of the grant date subject to certain accelerated vesting conditions. Directors may elect to defer receipt of shares underlying the RSUs.

In addition to the fees outlined above, the Chairman of the Board receives an annual retainer delivered in the form of RSUs, payable in shares of our common stock under our Stock Incentive Plan and scheduled to vest on the first anniversary of the grant date, subject to certain accelerated vesting conditions, having an estimated value of $200,000.

The form and amount of director compensation as outlined above were recommended by the Compensation Committee, and approved by the Board, after taking into account market benchmarking data, recommendations of the Committee's compensation consultant, and, for the additional equity award to the Chairman, the amount of time anticipated to be devoted to services to the Company.

In addition, our Board has recommended that shareholders approve a $750,000 annual limit on total non-employee director compensation as set forth in our Stock Incentive Plan. See "Proposal 2" below.

Up to 100% of cash fees earned for Board services in a fiscal year may be deferred under the Non-Employee Director Deferred Compensation Plan. Benefits are payable upon separation from service in the form, as elected by the director at the time of deferral, of a lump sum distribution or monthly payments for 5, 10 or 15 years. Participating directors can direct the hypothetical investment of deferred fees into funds identical to those offered in our 401(k) Plan and will be credited with the deemed investment gains and losses. The amount of the benefit will vary depending on the fees the director has deferred and the deemed investment gains and losses. Benefits upon death are payable to the director's named beneficiary in a lump sum. In the event of a director's disability (as defined in the Non-Employee Director Deferred Compensation Plan), the unpaid benefit will be paid in a lump sum. Participant deferrals are not contributed to a trust, and all benefits are paid from Dollar General's general assets.

Our non-employee directors are subject to share ownership guidelines, expressed as a multiple of the annual cash retainer payable for service on our Board, and holding requirements. The current ownership guideline is 5 times and should be acquired within 5 years of election to the Board. When the ownership guideline is increased, incumbent non-employee directors are allowed an additional year to acquire the incremental multiple. Each non-employee director is required to retain ownership of 50% of all net after-tax shares granted by Dollar General until the share ownership target is reached. Please see our Corporate Governance Guidelines for additional information. Administrative details pertaining to these matters are established by the Compensation Committee.

DIRECTOR INDEPENDENCE

Is Dollar General subject to the NYSE governance rules regarding director independence?

Yes. A majority of our directors must satisfy the independence requirements set forth in the NYSE listing standards. The Audit Committee, the Compensation Committee and the Nominating Committee also must consist solely of independent directors to comply with NYSE listing standards and, in the case of the Audit Committee, with SEC rules. The NYSE listing standards define specific relationships that disqualify directors from being independent and further require that the Board affirmatively determine that a director has no material relationship with Dollar General in order to be considered "independent." The SEC's rules and NYSE listing standards contain separate definitions of independence for members of audit committees and compensation committees, respectively.

How does the Board of Directors determine director independence?

The Board of Directors determines the independence of each director and director nominee in accordance with guidelines it has adopted, which include all elements of independence set forth in the NYSE listing standards and SEC rules as well as certain Board-adopted categorical independence standards. These guidelines are found in our Corporate Governance Guidelines, which are posted on the "Investor Information—Corporate Governance" section of our website located at www.dollargeneral.com.

The Board first considers whether any director or nominee has a relationship covered by the NYSE listing standards that would prohibit an independence finding for Board or committee purposes. The Board then analyzes any relationship of the remaining eligible directors and nominees with Dollar General or our management that falls outside the parameters of the Board's separately adopted categorical independence standards to determine if that relationship is material. The Board may determine that a person who has a relationship outside such parameters is nonetheless independent because the relationship is not considered to be material. Any director who has a material relationship with Dollar General or its management is not considered to be independent. Absent special circumstances, the Board does not consider or analyze any relationship that falls within the parameters of the Board's separately adopted categorical independence standards.

Are all of the directors and nominees independent?

No. Our Board of Directors consists of Warren F. Bryant, Michael M. Calbert, Sandra B. Cochran, Patricia D. Fili-Krushel, Paula A. Price, William C. Rhodes, David B. Rickard and Todd J. Vasos. Messrs. Rickard and Bryant and Mss. Cochran and Price serve on our Audit Committee, Messrs. Bryant and Rhodes and Ms. Fili-Krushel serve on our Compensation Committee, and Mr. Rhodes and Mss. Cochran and Fili-Krushel serve on our Nominating Committee.

Our Board has affirmatively determined that Messrs. Bryant, Calbert, Rhodes and Rickard and Mss. Cochran, Fili-Krushel and Price, but not Mr. Vasos, are independent from our management under both the NYSE listing standards and our additional standards. Except as described below, any relationship between an independent director and Dollar General or our management fell within the Board-adopted categorical standards and, accordingly, was not reviewed or considered by our Board in making independence decisions. The Board also has determined that the current members of the Audit Committee, the Compensation Committee and the Nominating Committee meet the independence requirements for membership on those committees set forth in the NYSE listing standards, our additional standards and, as to the Audit Committee, SEC rules.

In reaching the determination that Ms. Cochran is independent, the Board considered that Ms. Cochran's brother, Stephen Brophy, has been employed by the Company since 2009 and currently serves in a non-officer position. For 2016, Mr. Brophy earned from Dollar General total cash compensation (comprised of his base salary and bonus compensation) of less than $270,000 and received an annual equity award consisting of 1,958 non-qualified stock options, a target award of 224 performance share units, or "PSUs" (199 PSUs were ultimately earned as a result of our adjusted EBITDA and adjusted ROIC performance), and 224 RSUs. In March 2017, Mr. Brophy received an annual equity award consisting of 1,763 non-qualified stock options and 440 RSUs. All equity awards were granted on terms consistent with the annual equity awards received by all Dollar General employees at the same job grade level as Mr. Brophy and on terms substantially similar to the forms of award agreements on file with the SEC. We expect Mr. Brophy's total cash compensation for 2017 to not exceed $280,000.

Mr. Brophy also is eligible to participate in employee benefits plans and programs available to our other full-time employees. Ms. Cochran does not serve on the Compensation Committee which approves decisions pertaining to Mr. Brophy's compensation and she does not participate in his performance evaluations. Mr. Brophy's cash compensation and equity awards were approved by the Compensation Committee pursuant to our related-party transactions approval policy.

TRANSACTIONS WITH MANAGEMENT AND OTHERS

Does the Board of Directors have a related-party transactions approval policy?

Yes. Our Board of Directors has adopted a written policy for the review, approval or ratification of "related party" transactions. A "related party" for this purpose includes our directors, director nominees, executive officers and greater than 5% shareholders, and any of their immediate family members, and a "transaction" includes one in which (1) the total amount may exceed $120,000, (2) Dollar General is a participant, and (3) a related party will have a direct or indirect material interest (other than as a director or a less than 10% owner of another entity, or both).

The policy requires prior Board approval for known related party transactions, subject to certain exceptions identified below. In addition, at least annually after receiving a list of immediate family members and affiliates from our directors and executive officers, relevant internal departments determine if any transactions were unknowingly entered into with a related party and the Board is presented with a list of any such transactions, subject to the exceptions identified below, for review. The related party may not participate in any discussion or approval of the transaction and must provide to the Board all material information concerning the transaction.

Our Chairman and our CEO each is authorized to approve a related party transaction in which he is not involved if the total anticipated amount is less than $1 million and he informs the Board of the transaction. In addition, the transactions below are deemed pre-approved without Board review or approval:

- Transactions involving a total amount that does not exceed the greater of $1 million or 2% of the entity's annual consolidated revenues (total consolidated assets in the case of a lender) if no related party who is an individual participates in the actual provision of services or goods to, or negotiations with, us on the entity's behalf or receives special compensation or benefit as a result.
- Charitable contributions if the total amount does not exceed 2% of the recipient's total annual receipts and no related party who is an individual participates in the grant decision or receives any special compensation or benefit as a result.
- Transactions where the interest arises solely from share ownership in Dollar General and all of our shareholders receive the same benefit on a pro rata basis.
- Transactions where the rates or charges are determined by competitive bid.
- Transactions for services as a common or contract carrier or public utility at rates or charges fixed in conformity with law or governmental authority.
- Transactions involving services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.
- Compensatory transactions available on a nondiscriminatory basis to all salaried employees generally, ordinary course business travel expenses and reimbursements, or compensatory arrangements to directors, director nominees or officers or any other related party that have been approved by the Board or an authorized committee.

What related-party transactions existed in 2016 or are planned for 2017?

Other than compensation paid or to be paid during 2016 and 2017 to one of our non-officer employees who is a family member of Ms. Cochran, as discussed further under "Director Independence" above, there are no transactions that have occurred since the beginning of 2016, or any currently proposed transactions, that involve Dollar General and exceed $120,000 and in which a related party had or has a direct or indirect material interest.

EXECUTIVE COMPENSATION

This section provides details of the compensation for fiscal 2016 for our named executive officers: Todd J. Vasos, Chief Executive Officer; John W. Garratt, Executive Vice President and Chief Financial Officer; Jeffery C. Owen, Executive Vice President, Store Operations; Rhonda M. Taylor, Executive Vice President and General Counsel; and James W. Thorpe, Executive Vice President and Chief Merchandising Officer.

Compensation Discussion and Analysis

Overview

Our executive compensation program is designed to serve the long-term interests of our shareholders. To deliver superior shareholder returns, we believe it is critical to offer a competitive compensation package that will attract, retain and motivate experienced executives with the requisite expertise. Our program is designed to balance the short-term and long-term components and thus incent achievement of our annual and long-term business strategies, to pay for performance and to maintain our competitive position in the market in which we compete for executive talent.

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

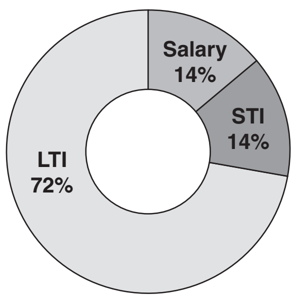
Compensation Practice		Dollar General Policy
Pay for Performance	✔	A significant portion of targeted direct compensation is linked to the financial performance of key metrics. All of our annual bonus compensation and equity incentive compensation is performance based. See "Pay for Performance."
Robust share ownership guidelines and holding requirements	✔	Our share ownership guidelines and holding requirements create further alignment with shareholders' long-term interests. See "Share Ownership Guidelines and Holding Requirements."
Clawback policy	✔	Performance-based incentive compensation paid or awarded to an executive officer may be recouped, or "clawed back," in certain situations. See "Significant Compensation-Related Actions."
No hedging or pledging Dollar General securities or holding Dollar General securities in margin accounts	✔	Our policy prohibits executive officers and Board members from hedging their ownership of our stock, pledging our securities as collateral, and holding our securities in a margin account. See "Policy Against Hedging and Pledging Transactions."
No excise tax gross-ups and minimal income tax gross-ups	✔	We do not provide tax gross-up payments other than on relocation-related items.
Double-trigger provisions	✔	Beginning in March 2016, equity awards include a "double-trigger" vesting provision upon a change in control. See "Significant Compensation-Related Actions."

Proxy

Compensation Practice		Dollar General Policy
No repricing or cash buyout of underwater stock options without shareholder approval	✔	Our equity incentive plan prohibits repricing underwater stock options, reducing the exercise price of stock options or replacing awards with cash or another award type, without shareholder approval.
Annual compensation risk assessment	✔	At least annually, our Compensation Committee assesses the risk of our compensation program.
Independent compensation consultant	✔	Our Compensation Committee retains an independent consultant to provide advice on executive and non-employee director compensation matters.

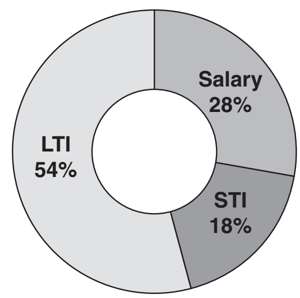
Pay for Performance. Consistent with our philosophy, and as illustrated below, a significant portion of annualized target total direct compensation for our named executive officers in 2016 was performance based and linked to changes in our stock price.

CEO



Variable/At-Risk: 86%

Other NEOs (Average)



Variable/At-Risk: 72%

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

The following payouts were earned as a result of performance versus the financial targets used for our 2016 performance-based compensation:

- **Teamshare Bonus Program:** Each named executive officer earned a payout under our annual Teamshare bonus program of 83.22% of his or her target payout level based on achieving adjusted EBIT (as defined and calculated for purposes of the Teamshare bonus program) of $2.083 billion, or 96.64% of the adjusted EBIT target (see "Short-Term Cash Incentive Plan").
- **Performance Share Units:** The awards granted in March 2016 were earned at 89.0% of target, based on achieving adjusted EBITDA of $2.498 billion, or 96.8% of the adjusted EBITDA target, and adjusted ROIC of 19.10%, or 99.4% of the adjusted ROIC target, in each case as defined and calculated in the PSU award agreements (see "Long-Term Equity Incentive Program").

Significant Compensation-Related Actions. The most significant recent compensation-related actions pertaining to our named executive officers include:

- Beginning in March 2016, all equity awards include a "double-trigger" provision which requires a termination event within a certain period of time following a change in control in order for vesting to accelerate in connection with the change in control.

- Beginning in March 2016, the mix of equity awards granted to named executive officers includes stock options and performance share units to more closely align with market practices and alleviate tax deductibility concerns relating to restricted stock units previously representing 25% of the equity award mix.
- In November 2016, we adopted a policy to allow (beginning with the 2017 annual equity awards and Teamshare bonus program) the clawback of performance-based incentive compensation paid or awarded to an executive officer in the case of a material financial restatement of our consolidated financial statements resulting from fraud or intentional misconduct on the part of the executive officer.
- Beginning with the March 2017 equity grant, a portion of the vesting of performance share units will be based upon the achievement of multi-year financial performance goals.

Shareholder Response. The most recent shareholder advisory vote on our named executive officer compensation was held in 2014, based on the three-year frequency approved by our shareholders in 2011. Excluding abstentions and broker non-votes, 96.0% of total votes were cast in support of the program. Because we viewed this outcome as overwhelmingly supportive of our compensation policies and practices, we did not believe the vote required consideration of changes to the program. Nonetheless, because market practices and our business needs continue to evolve, we continually evaluate our program and make changes when warranted. A shareholder advisory vote on our named executive officer compensation will be held at our 2017 annual meeting of shareholders, and the timing of the next such vote will depend upon the Board's decision after considering the results of the say on pay frequency vote discussed in Proposal 4 below.

Philosophy and Objectives

We strive to attract, retain and motivate persons with superior ability, to reward outstanding performance, and to align the long-term interests of our named executive officers with those of our shareholders. The material compensation principles applicable to the compensation of our named executive officers are outlined below:

- In determining total compensation, we consider the reasonable range of the median of total compensation of comparable positions at companies within our market comparator group, but we make adjustments based on circumstances, such as unique job descriptions as well as our particular niche in the retail sector and the impact that a particular officer may have on our ability to meet business objectives, that are not reflected in the market data. For competitive or other reasons, our levels of total compensation or any component of compensation may exceed or be below the median range of our market comparator group.
- We set base salaries to reflect the responsibilities, experience, performance and contributions of the named executive officers and the salaries for comparable benchmarked positions, while maintaining an appropriate balance between base salary and incentive compensation.
- We reward named executive officers who enhance our performance by linking cash and equity incentives to the achievement of our financial goals.
- We promote share ownership to align the interests of our named executive officers with those of our shareholders.
- In approving compensation arrangements, we consider recent compensation history, including special or unusual compensation payments.

We have employment agreements with the named executive officers to promote executive continuity, aid in retention and secure valuable protections for Dollar General, such as non-compete, non-solicitation and confidentiality obligations.

Oversight and Process

Oversight. The Compensation Committee of our Board of Directors, consisting entirely of independent directors, determines and approves the compensation of our named executive officers. Beginning in 2016, the independent members of our Board are provided the opportunity to ratify the Committee's determinations pertaining to the level of CEO compensation.

Use of Outside Advisors. Pearl Meyer serves as the current independent compensation consultant to the Compensation Committee. Prior to the Committee's selection of Pearl Meyer in May 2016, Meridian Compensation Partners ("Meridian") or its predecessor served as the Committee's compensation consultant since 2007. In each case, the Committee determined that each consultant was independent and that its work did not raise any conflicts of interest. When requested by the Committee, a representative of the Committee's consultant attends Committee meetings and private sessions of Committee members, and Committee members are free to consult directly with the Committee's consultant as desired.

The Committee (or its Chairman) determines the scope of services to be provided by the Committee's consultant and approves a written agreement that details the terms under which such consultant will provide independent advice to the Committee. The approved scope of the consultant's (both Meridian previously, and Pearl Meyer currently) work generally includes the performance of analyses and provision of independent advice related to our executive and non-employee director compensation programs and related matters in support of the Committee's decisions, and more specifically, includes performing preparation work associated with Committee meetings, providing advice in areas such as compensation philosophy, compensation risk assessment, market comparator group, incentive plan design, executive compensation disclosure, emerging best practices and changes in the regulatory environment, and providing competitive market studies. The Committee's consultant, along with management, also prepares benchmarking data for consideration by the Committee in making decisions on items such as base salary, the Teamshare bonus program, and the long-term incentive program.

Management's Role. Financial performance targets used in our incentive compensation programs typically are derived from our annual financial plan prepared by our executive management team and reviewed and approved by our Board of Directors. Mr. Vasos, Mr. Bob Ravener (Executive Vice President and Chief People Officer), and non-executive members of the human resources group provide assistance to the Compensation Committee and the Committee's consultant regarding executive compensation matters, including conducting research, compiling data and making recommendations regarding amount, mix and program structure alternatives, market comparator group composition and compensation-related governance practices, as well as providing information to and coordinating with the Committee's consultant as requested. Additionally, Ms. Taylor may provide legal advice to the Committee regarding executive compensation and related governance and legal matters and contractual arrangements from time to time. Although these recommendations may impact each of such officers' compensation to the extent they participate in the plans and programs, none of such officers make recommendations to the Committee regarding their specific compensation. For the role of management in named executive officers' performance evaluations, see "Use of Performance Evaluations" below. Although the Committee values and solicits management's input, it retains and exercises sole authority to make decisions regarding named executive officer compensation.

Use of Performance Evaluations. The Compensation Committee, together with the Chairman of the Board, assesses the performance of the CEO, and the CEO evaluates and reports to the

Committee on the performance of each of the other named executive officers, in each case versus previously established goals. These evaluations are subjective; no objective criteria or relative weighting is assigned to any individual goal or factor.

The Committee historically used the overall performance rating as an eligibility threshold for a Teamshare bonus payment. Although an unsatisfactory rating generally would preclude a Teamshare bonus payment, performance ratings were not used to determine the amount of such payment for a named executive officer rated satisfactory. Rather, such amount has been determined solely based upon the level of achievement of the applicable financial measure. However, beginning with the 2016 Teamshare bonus program, performance evaluation results have the potential to affect the amount of Teamshare bonus payout because the Committee is allowed to adjust payments downward within certain limitations depending upon the named executive officer's performance rating. The Committee did not exercise any such negative discretion for the 2016 Teamshare payouts to named executive officers.

Performance ratings historically have served as an eligibility threshold for base salary increases, and beginning with the 2016 base salary adjustments, also directly impacted the amount of a named executive officer's annual base salary increase. The Committee starts with the percentage base salary increase that equals the overall budgeted increase for our U.S.-based employee population and approves differing merit increases to base salary based upon each named executive officer's individual performance rating. The Committee then considers whether additional adjustments are necessary to reflect performance, responsibilities or qualifications; to bring pay within a reasonable range of the market comparator group; due to a change in role or duties; to achieve a better balance between base salary and incentive compensation; or for other reasons the Committee believes justify a variance from the merit increase.

An unsatisfactory performance rating also would reduce the number of, or completely eliminate, stock options awarded to the named executive officer in the following year. None of the named executive officers received an unsatisfactory performance rating for 2015 or 2016. Beginning in 2017, individual performance, along with other factors, may be used as part of a subjective assessment to determine whether each named executive officer's equity award value should be increased or decreased from the baseline target that is derived from benchmarking information.

Use of Market Benchmarking Data. The Compensation Committee approves, periodically reviews, and utilizes a market comparator group when making compensation decisions (see "Philosophy and Objectives"). The market comparator group data typically is considered annually for base salary adjustments, target equity award values, Teamshare target bonus opportunities and total direct compensation, and periodically when considering structural changes to our executive compensation program. The Committee most recently updated our market comparator group in December 2015 to include several retail and distribution companies with a broad range of products and to exclude certain companies focused on apparel. However, consistent with the cycle of purchasing and aging market data discussed below, the Committee continued to use our previous market comparator group for 2016 non-CEO compensation decisions.

Each market comparator group consists of companies selected according to their similarity to our operations, services, revenues, markets, availability of information, and any other information the Committee deems appropriate. Such companies are likely to have executive positions comparable in

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breadth, complexity and scope of responsibility to ours. Thus, our market comparator group for 2016 CEO compensation decisions consisted of:

Aramark	Dollar Tree	Rite Aid	Sysco
AutoZone	Kohl's	Ross Stores	TJX Companies
Bed, Bath & Beyond	L Brands	Staples	Tractor Supply
Best Buy	Office Depot	Starbucks	Yum! Brands
Dicks Sporting Goods			

Our market comparator group for 2016 non-CEO compensation decisions consisted of:

AutoZone	Kohl's	Rite Aid	The Gap
Dollar Tree	L Brands	Ross Stores	TJX Companies
Family Dollar	Macy's	Staples	Yum! Brands
J.C. Penney	Office Depot	Starbucks	

The Committee's consultant annually provides market data for the CEO to ensure that the Committee is aware of any significant movement in CEO compensation levels within the market comparator group. For each named executive officer position below CEO, the Committee biennially considers market comparator group data provided by the Committee's consultant. In alternating years, the Committee uses prior year data after applying an aging factor recommended by the Committee's consultant. For 2016 CEO compensation decisions, the Committee considered proxy data provided by Meridian from the 2016 market comparator group. For the 2016 non-CEO named executive officer compensation decisions, the Committee considered market data provided by Meridian in 2015 using Aon Hewitt data. For non-CEO named executive officers other than Mr. Owen, data reviewed were from the market comparator group. For Mr. Owen, for whom insufficient market comparator group data was available, the data reviewed were from a broader group of retailers comprising a subset of companies included within the Aon Hewitt Total Compensation Measurement™ (TCM) database (see list of companies included as **Appendix A** attached to this proxy statement). For all non-CEO named executive officers, the market data were aged, per Meridian's recommendation, by 3% to keep pace with the market for 2016.

In setting base salary levels for named executive officers positions below the CEO, the Committee considers the market values for individual positions. In determining the short-term cash and long-term equity targets for named executive officer positions below the CEO, the Committee considers blended market values for comparable positions, rather than values for individual positions.

Elements of Named Executive Officer Compensation

We provide compensation in the form of base salary, short-term cash incentives, long-term equity incentives, benefits and limited perquisites. We believe each of these elements is a necessary component of the total compensation package and is consistent with compensation programs at companies with whom we compete both for business and talent.

Mr. Vasos's 2016 Compensation Generally. The Compensation Committee considered the base salary, short-term incentive and long-term incentive components of Mr. Vasos's compensation, as well as his total compensation, in each case in comparison to the market comparator group (see "Use of Market Benchmarking Data") and in light of both his fiscal 2015 performance and experience level, as well as our pay for performance philosophy, considerations relating to equitable pay among the CEO and all other senior officers, and the other relevant compensation principles (see "Philosophy and Objectives"). As a result of such considerations, the Committee approved an increase in Mr. Vasos's base salary and long-term incentive grant value for 2016. The Committee agreed that these changes resulted in a 2016 target total compensation opportunity that was appropriately market aligned, reflective of our pay-for-performance philosophy and equitable with respect to the compensation of our other executive officers.

Base Salary. Base salary promotes our recruiting and retention objectives by reflecting the salaries for comparable positions in the competitive marketplace, rewarding strong performance, and providing a stable and predictable income source for our executives. Our employment agreements with the named executive officers set forth minimum base salary levels, but the Compensation Committee retains sole discretion to increase these levels from time to time. The Committee routinely considers annual base salary adjustments in March.

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(a) *Salary Adjustment for Mr. Vasos.* The Compensation Committee determined that Mr. Vasos should receive a 10.0% base salary increase, effective on April 1, 2016. The primary considerations with respect to Mr. Vasos's base salary increase were his strong performance since becoming CEO in May 2015 while still recognizing his limited experience in the CEO role compared to the experience level of the CEO market comparator group, the sizable base salary increase he had received upon his promotion in May 2015, and equitability as compared to the base salary increases of the other executive officers.

(b) *Salary Adjustments for Named Executive Officers Other than Mr. Vasos.* In light of the market benchmarking data and each named executive officer's 2015 performance rating, Messrs. Garratt, Owen and Thorpe received a 2.78% base salary increase, and Ms. Taylor received a 3.28% base salary increase (see "Use of Performance Evaluations" and "Use of Market Benchmarking Data"). Along with the named executive officers' other 2016 compensation, these salary adjustments maintained each of their total compensation within a reasonable range of the market comparator group median in light of the responsibilities of the position and experience of each named executive officer. In each case, the salary adjustment became effective on April 1, 2016.

Short-Term Cash Incentive Plan. Our short-term cash incentive plan, called Teamshare, is established under our shareholder-approved Annual Incentive Plan. The Teamshare program provides an opportunity to receive a cash bonus payment equal to a certain percentage of base salary based upon Dollar General's achievement of one or more pre-established financial performance targets. Accordingly, Teamshare fulfills an important part of our pay for performance philosophy while aligning the interests of our named executive officers and our shareholders.

(a) *2016 Teamshare Structure.* The Compensation Committee uses adjusted EBIT as the Teamshare financial performance measure because it is a comprehensive measure of our corporate performance that aligns with our shareholders' interests. For purposes of the 2016 Teamshare program, adjusted EBIT is defined as our operating profit as calculated in accordance with U.S. generally accepted accounting principles, but excludes:

- the impact of (a) costs, fees and expenses directly related to consideration, negotiation, preparation, or consummation of any transaction that results in a Change in Control (within the meaning of our Stock Incentive Plan) or to any securities offering; (b) gain or loss recognized as a result of derivative instrument transactions or hedging activities; (c) any gains or losses associated with the early retirement of debt obligations; (d) charges resulting from significant natural disasters; and (e) significant gains or losses associated with our LIFO computation; and
- unless disallowed by the Committee, (a) non-cash asset impairments; (b) any significant loss as a result of an individual litigation, judgment or lawsuit settlement; (c) charges for business restructurings; (d) losses due to new or modified tax legislation or accounting changes enacted after the beginning of the 2016 fiscal year; (e) significant tax settlements; and (f) any significant unplanned items of a non-recurring nature.

The Committee used our 2016 annual financial plan adjusted EBIT performance goal of $2.155 billion as the target for the 2016 Teamshare program and retained the threshold (below which no bonus may be earned) and maximum (above which no further bonus may be earned) performance levels at 90% and 120% of the target level, respectively. These threshold and maximum performance levels were again used, as they continue to reflect the practices of our market comparator group. Payouts for financial performance are based on actual results and are interpolated on a straight-line basis between threshold and target and between target and maximum.

The bonus payable to each named executive officer upon achieving the target level of financial performance is equal to the applicable percentage of base salary shown in the table below, subject to the Committee's exercise of negative discretion based on the individual's performance (see "Use of Performance Evaluations"). These percentages for each non-CEO named executive officer remained unchanged from those in effect at the end of the prior year based on the Committee's review of the market comparator group data in light of the named executive officer's total compensation and the responsibilities of the position and experience level of each non-CEO named executive officer in his or her position. Mr. Vasos's percentage also remained unchanged for the reasons outlined above under "Mr. Vasos's 2016 Compensation Generally."

Name	**Target % of Base Salary***
Mr. Vasos	100
All other named executive officers	65

* For all named executive officers, payout percentages at the threshold and maximum performance levels would be calculated at 50% and 300%, respectively, of the applicable target percentage of base salary.

(b) *2016 Teamshare Results.* The Compensation Committee certified the adjusted EBIT performance result at $2.083 billion (96.64% of target) resulting in 2016 Teamshare payouts to each of the named executive officers of 83.22% of the target percentages set forth in the table above. Such amounts are reflected in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

Long-Term Equity Incentive Program. Long-term equity incentives are an important part of our pay for performance philosophy and are designed to motivate named executive officers to focus on long-term success for shareholders while rewarding them for a long-term commitment to us. The Compensation Committee considers annual equity awards each March at its regular quarterly meeting and considers special equity awards as necessary in connection with one-time events such as a new hire, promotion or special performance. Equity awards are made under our shareholder-approved Stock Incentive Plan.

(a) *2016 Equity Awards for Mr. Vasos.* After considering the market comparator group data pertaining to long-term incentive compensation, the Compensation Committee determined to provide Mr. Vasos with a $5.5 million estimated value for his 2016 equity grants. Specifically, the Committee determined that Mr. Vasos's annual equity grant should reflect a mix of 50% stock options and 50% PSUs to more closely align to market practices and to alleviate tax deductibility concerns relating to RSUs which previously represented 25% of the annual award mix, and approved a $4.0 million equity grant value award to Mr. Vasos in accordance with the terms outlined in "2016 Annual Equity Awards for Named Executive Officers Other than Mr. Vasos" below. In further recognition of his 2015 performance, to incent his continued performance and to aid in his retention, in March 2016, the Committee approved an additional non-qualified stock option award to Mr. Vasos having an approximate value of $1.5 million to purchase 85,759 shares of our common stock. Subject to certain limited vesting acceleration events, such options are scheduled to vest ratably in installments of 33⅓% on each of the third, fourth and fifth anniversaries of the March 16, 2016 grant date, subject to Mr. Vasos's continued employment with us and holding requirements through the fifth anniversary of the grant date. The options will terminate no later than ten years from the grant date. The Committee believed the $5.5 million estimated combined value of these equity awards was within a reasonable range of the market comparator group data in light of Mr. Vasos's time in the CEO role as compared to other CEOs in the market comparator group and in light of his total compensation given his 10.0% base salary increase for 2016.

(b) *2016 Annual Equity Awards for Named Executive Officers Other than Mr. Vasos.* Each year, the Compensation Committee determines a targeted equity award value for each named executive officer derived from benchmarking information and the appropriate mix of vehicles in which to deliver such targeted value (see "Use of Market Benchmarking Data"). In 2016, with the exception of Mr. Garratt, the targeted value for each non-CEO named executive officer was unchanged from the prior year's targeted value for such job level based on the Committee's review of the market comparator group data. Mr. Garratt's targeted value was increased from $335,000 in 2015 to $1.1 million in 2016 as a result of his promotion in December 2015 and a review of the market comparator group data. In addition, the equity mix was delivered 50% in options and 50% in PSUs for the reasons outlined in "2016 Equity Awards for Mr. Vasos" above.

The options are granted with a per share exercise price equal to the fair market value of one share of our common stock on the grant date. The options vest 25% annually on April 1 of each of the four fiscal years following the fiscal year in which the grant is made, subject to the named executive officer's continued employment with us and certain accelerated vesting provisions. The PSUs can be earned if specified performance goals are achieved during the performance period (which was fiscal year 2016) and if certain additional vesting requirements are met.

For PSUs the Committee selects and sets targets for financial performance measures, then establishes threshold and maximum levels of performance derived from those targets. The number of PSUs earned depends on the level of financial performance achieved versus the goals. The Committee selected adjusted EBITDA (weighted 50%) and adjusted ROIC (weighted 50%) as the 2016 financial performance measures for the PSUs, and set target performance levels equal to our 2016 financial plan. These financial measures and weightings have been used for the PSUs since 2013 to appropriately balance the emphasis placed upon earnings performance as well as rigorous capital management over the long-term.

The adjusted EBITDA performance target is computed as income (loss) from continuing operations before cumulative effect of change in accounting principles plus interest and other financing costs, net, provision for income taxes, and depreciation and amortization, but excludes the impact of all items excluded from the 2016 Teamshare program adjusted EBIT calculation outlined above, as well as share-based compensation charges. The adjusted ROIC performance target is calculated as (a) the result of (x) the sum of (i) our operating income, plus (ii) depreciation and amortization, plus (iii) minimum rentals, minus (y) taxes, divided by (b) the result of (x) the sum of the averages of: (i) total assets, plus (ii) accumulated depreciation and amortization, minus (y) (i) cash, minus (ii) goodwill, minus (iii) accounts payable, minus (iv) other payables, minus (v) accrued liabilities, plus (vi) 8x minimum rentals but excludes the impact of all items excluded from the 2016 Teamshare program adjusted EBIT calculation outlined above.

The following table shows how the PSUs would be earned at each of the threshold, target and maximum performance levels. PSUs earned for financial performance between these levels are interpolated in a manner similar to that used for our 2016 Teamshare bonus program, and the number of PSUs earned could vary between 0% and 300% of the target award. The following tables also show the actual results of the 2016 financial performance measures and the actual number of PSUs earned.

Proxy

Level	Adjusted EBITDA Result v. Target (%)	Adjusted EBITDA EBITDA Result ($) (in millions)	Adjusted EBITDA Units Earned (% of Target)	Adjusted ROIC Result v. Target (%)	Adjusted ROIC ROIC Result (%)	Adjusted ROIC Units Earned (% of Target)	Total Units Earned (% of Target)
Below Threshold	<90	<2,323	0	<94.80	<18.22	0	0
Threshold	90	2,323	25	94.80	18.22	25	50
Target	100	2,582	50	100.00	19.22	50	100
Maximum	120	3,098	150	110.41	21.22	150	300
2016 Results	**96.8**	**2,498**	**42.0**	**99.4**	**19.10**	**47.0**	**89.0**

Name	2016 PSUs Earned
Mr. Vasos	24,357
All other named executive officers	6,698

One-third of the earned PSUs vested on the last day of the one-year performance period, and the remaining two-thirds will vest equally on each of April 1, 2018 and April 1, 2019, subject to the named executive officer's continued employment with us and certain accelerated vesting provisions. All vested PSUs will be settled in shares of our common stock.

(c) *Share Ownership Guidelines and Holding Requirements.* As shown below, senior officers are subject to share ownership guidelines and holding requirements. The share ownership guideline is a multiple of annual base salary as in effect from time to time and is to be achieved within a five-year time period.

Officer Level	Multiple of Base Salary
CEO	5X
EVP	3X
SVP	2X

Each senior officer is required to retain ownership of 50% of all net after-tax shares issuable upon vesting or exercise of compensatory awards until he or she reaches the target ownership level. Administrative details pertaining to these matters are established by the Compensation Committee.

(d) *Policy Against Hedging and Pledging Transactions.* Our policy prohibits Board members and executive officers from (1) pledging Dollar General securities as collateral, (2) holding Dollar General securities in a margin account, and (3) hedging their ownership of Dollar General stock, such as entering into or trading prepaid variable forward contracts, equity swaps, collars, puts, calls, options (other than those granted by us) or other derivative instruments related to Dollar General stock.

Benefits and Perquisites. Our named executive officers participate in certain benefits on the same terms that are offered to all of our salaried employees. We also provide them with limited additional benefits and perquisites for retention and recruiting purposes, to replace benefit opportunities lost due to regulatory limits, and to enhance their ability to focus on our business. We do not provide tax gross-up payments on any benefits and perquisites other than relocation-related items. The primary additional benefits and perquisites include the following:

- We provide a Compensation Deferral Plan (the "CDP") and, for named executive officers hired or promoted prior to May 28, 2008, a defined contribution Supplemental Executive Retirement Plan (the "SERP," and together with the CDP, the "CDP/SERP Plan").
- We pay the premiums for a life insurance benefit equal to 2.5 times base salary up to a maximum of $3 million.
- We pay administrative fees for short-term disability coverage, which provides income replacement for up to 26 weeks at 100% of base salary for the first three weeks and

70% of base salary thereafter. We also pay the premiums under a group long-term disability plan, which provides 60% of base salary up to a maximum monthly benefit of $20,000.

- We provide a relocation assistance program under a policy applicable to officer-level employees.
- We provide personal financial and estate planning and tax preparation services through a third party.

Severance Arrangements

As noted above, we have an employment agreement with each of our named executive officers that, among other things, provides for such executive's rights upon a termination of employment in exchange for valuable business protection provisions for us. We believe that reasonable severance benefits are appropriate to protect the named executive officer against circumstances over which he or she does not have control and as consideration for the promises of non-disclosure, non-competition, non-solicitation and non-interference that we require in our employment agreements. A change in control, by itself ("single trigger"), does not trigger any severance provision applicable to our named executive officers, except for the provisions related to outstanding long-term equity awards granted prior to 2016. The 2016 annual equity awards do not provide for single trigger vesting acceleration but rather require a termination event within a certain period of time following a change in control to accelerate vesting of such equity awards.

Considerations Associated with Regulatory Requirements

Under Section 162(m) of the Internal Revenue Code, we generally may not take a tax deduction for individual compensation over $1 million paid in any taxable year to each of the persons who were, at the end of the fiscal year, our CEO or one of the other named executive officers (other than our Chief Financial Officer). As a result, we may not deduct any salary, signing bonus or other annual compensation paid or imputed to such covered officers that causes non-performance-based compensation to exceed the $1 million limit. Certain performance-based compensation is exempt from the deduction limit.

We believe that our Stock Incentive Plan and our Annual Incentive Plan currently satisfy, and if Proposals 2 and 3 are approved, will continue to satisfy the requirements of Section 162(m) such that we may deduct compensation expense realized in connection with any (1) payments made under our Teamshare program, (2) stock options and stock appreciation rights, and (3) performance-based restricted stock and RSU awards. However, restricted stock or RSUs that solely vest over time are not "performance-based compensation" under Section 162(m), and we will be unable to deduct compensation expense realized in connection with those time-vested awards to persons covered by Section 162(m) to the extent their non-performance-based compensation exceeds $1 million. Our policies do not restrict the Compensation Committee from exercising discretion to approve compensation packages that may result in certain non-deductible compensation expenses but that the Committee nonetheless determines to be in our shareholders' best interests.

The Committee administers our executive compensation program with the good faith intention of complying with Section 409A of the Internal Revenue Code, which relates to the taxation of nonqualified deferred compensation arrangements.

Compensation Committee Report

The Compensation Committee of our Board of Directors reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this document.

This report has been furnished by the members of the Compensation Committee:

- Warren F. Bryant, Chairman
- Patricia D. Fili-Krushel
- William C. Rhodes, III

The above Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Dollar General filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Dollar General specifically incorporates this report by reference therein.

Summary Compensation Table

The following table summarizes compensation paid to or earned by our named executive officers in each of the 2016, 2015 and 2014 fiscal years. We have omitted from this table the columns for "Bonus" and "Change in Pension Value and Nonqualified Deferred Compensation Earnings" because they are inapplicable.

Name and Principal Position[(1)]	Year	Salary ($)[(2)]	Stock Awards ($)[(3)]	Option Awards ($)[(4)]	Non-Equity Incentive Plan Compensation ($)[(5)]	All Other Compensation ($)	Total ($)
Todd J. Vasos,	2016	1,083,375	2,317,164	4,194,777	915,411	82,561[(6)]	8,593,288
Chief Executive Officer	2015	926,605	808,022	5,932,285	956,548	99,541	8,723,001
	2014	765,342	821,048	653,913	521,486	67,422	2,829,211
John W. Garratt,	2016	511,603	637,226	655,955	277,981	47,247[(7)]	2,130,012
Executive Vice President &	2015	339,405	180,374	303,694	199,223	66,150	1,088,846
Chief Financial Officer							
Jeffery C. Owen,	2016	613,924	637,226	655,955	333,578	55,863[(8)]	2,296,546
Executive Vice President,							
Store Operations							
Rhonda M. Taylor,	2016	539,371	637,226	655,955	293,300	95,609[(9)]	2,221,461
Executive Vice President &	2015	515,645	592,530	599,657	362,026	66,702	2,136,560
General Counsel							
James W. Thorpe,	2016	649,736	637,226	655,955	353,036	55,073[(10)]	2,351,026
Executive Vice President &							
Chief Merchandising Officer							

(1) Mr. Vasos served as Chief Operating Officer from November 2013 until his promotion to CEO in June 2015. Mr. Garratt joined Dollar General in October 2014 as Senior Vice President, Finance and Strategy, assumed the role of interim Chief Financial Officer in July 2015, and was promoted to Executive Vice President and Chief Financial Officer in December 2015. Mr. Garratt was not a named executive officer for 2014. Messrs. Owen and Thorpe joined Dollar General in June 2015 and August 2015, respectively, but were not named executive officers for 2014 or for 2015. Ms. Taylor joined Dollar General in March 2000 but was not a named executive officer for 2014.

(2) Each named executive officer deferred under the CDP and contributed to our 401(k) Plan a portion of salary earned in each of the fiscal years for which salaries are reported above for the applicable named executive officer. The amounts of the fiscal 2016 salary deferrals under the CDP are included in the Nonqualified Deferred Compensation Table.

(3) The amounts reported represent the aggregate grant date fair value of PSUs and, for years prior to 2016, RSUs awarded in each fiscal year for which compensation is required to be reported in the table for each named executive officer, in each case computed in accordance with FASB ASC Topic 718. The PSUs are subject to performance conditions, and the reported value at the grant date is based upon the probable outcome of such conditions on such date. The values of the PSUs at the grant date assuming that the highest level of performance conditions will be achieved are as follows for each fiscal year required to be reported for each applicable named executive officer:

Fiscal Year	Mr. Vasos ($)	Mr. Garratt ($)	Mr. Owen ($)	Ms. Taylor ($)	Mr. Thorpe ($)
2016	6,951,492	1,911,679	1,911,679	1,911,679	1,911,679
2015	1,212,033	270,561	N/A	888,794	N/A
2014	1,234,699	N/A	N/A	N/A	N/A

Information regarding the assumptions made in the valuation of these awards is set forth in Note 9 of the annual consolidated financial statements in our 2016 Form 10-K.

Proxy

(4) The amounts reported represent the aggregate grant date fair value of stock options awarded to the applicable named executive officer in the fiscal year indicated, computed in accordance with FASB ASC Topic 718. Information regarding assumptions made in the valuation of these awards is set forth in Note 9 of the annual consolidated financial statements in our 2016 Form 10-K.

(5) Represents amounts earned pursuant to our Teamshare bonus program for each fiscal year reported. See the discussion of the "Short-Term Cash Incentive Plan" in "Compensation Discussion and Analysis" above. Messrs. Vasos and Garratt each deferred 5%, and Mr. Thorpe deferred 100%, of his fiscal 2016 Teamshare bonus payment reported above under the CDP. Mr. Vasos deferred 5% of his fiscal 2015 Teamshare bonus payment reported above under the CDP. No named executive officer deferred any portion of his or her fiscal 2014 Teamshare bonus payment reported above.

(6) Includes $40,502 and $13,646, respectively, for our match contributions to the CDP and the 401(k) Plan; $2,303 for premiums paid under our life insurance program; and $26,110 which represents the aggregate incremental cost of providing certain perquisites, including $19,800 for financial and estate planning services and other amounts for perquisites which individually did not equal or exceed the greater of $25,000 or 10% of total perquisites, including costs associated with attendance by him and his guests at entertainment events, premiums paid under our group long-term disability program, miscellaneous gifts, an executive physical medical examination, nominal incremental costs incurred for a guest to accompany him on business, and an administrative fee for coverage under our short-term disability program, as well as participation in a group umbrella liability insurance program offered at no incremental cost to Dollar General through a third party vendor at a group rate paid by the executive and coverage under our business travel accident insurance for which Dollar General incurs no incremental cost for participation by the named executive officers in addition to certain other employees.

(7) Includes $12,272 and $13,305, respectively, for our match contributions to the CDP and the 401(k) Plan; $1,087 for premiums paid under our life insurance program; and $20,583 which represents the aggregate incremental cost of providing certain perquisites, including $15,569 for costs associated with financial and estate planning services and other amounts for perquisites which individually did not equal or exceed the greater of $25,000 or 10% of total perquisites, including costs associated with attendance by him and his guests at entertainment events, premiums paid under our group long-term disability program, miscellaneous gifts, an executive physical medical examination, and an administrative fee for coverage under our short-term disability program, as well as participation in a group umbrella liability insurance program which is offered at no incremental cost to Dollar General through a third party vendor at a group rate paid by the executive and coverage under our business travel accident insurance for which Dollar General incurs no incremental cost for participation by the named executive officers in addition to certain other employees.

(8) Includes $17,377 and $13,294, respectively, for our match contributions to the CDP and the 401(k) Plan; $1,305 for premiums paid under our life insurance program; and $23,887 which represents the aggregate incremental cost of providing certain perquisites, including $17,625 for costs associated with financial and estate planning services and other amounts for perquisites which individually did not equal or exceed the greater of $25,000 or 10% of total perquisites, including costs associated with attendance by him and his guests at entertainment events, premiums paid under our group long-term disability program, miscellaneous gifts and an administrative fee for coverage under our short-term disability program, as well as participation in a group umbrella liability insurance program which is offered at no incremental cost to Dollar General through a third party vendor at a group rate paid by the executive and coverage under our business travel accident insurance for which Dollar General incurs no incremental cost for participation by the named executive officers in addition to certain other employees.

(9) Includes $67,497 for our contribution to the SERP and $13,647 and $13,318, respectively, for our match contributions to the CDP and the 401(k) Plan; and $1,147 for premiums paid under our life insurance program. Perquisites and personal benefits totaled less than $10,000 and accordingly are not included in the table.

(10) Includes $19,163 and $11,370, respectively, for our match contributions to the CDP and the 401(k) Plan; $1,381 for premiums paid under our life insurance program; and $23,159 which represents the aggregate incremental cost of providing certain perquisites, including $19,800 for financial and estate planning services and other amounts for perquisites which individually did not equal or exceed the greater of $25,000 or 10% of total perquisites, including costs associated with attendance by him and his guests at entertainment events, premiums paid under our group long-term disability program, miscellaneous gifts, nominal incremental costs incurred for his spouse to accompany him on business and an administrative fee for coverage under our short-term disability program, as well as participation in a group umbrella liability insurance program offered at no incremental cost to Dollar General through a third party vendor at a group rate paid by the executive and coverage under our business travel accident insurance for which Dollar General incurs no incremental cost for participation by the named executive officers in addition to certain other employees.

Proxy

Grants of Plan-Based Awards in Fiscal 2016

The table below shows each named executive officer's fiscal 2016 Teamshare bonus opportunity under "Estimated Possible Payouts Under Non-Equity Incentive Plan Awards." Actual amounts earned under the fiscal 2016 Teamshare program are shown in the Summary Compensation Table and, for those who received such payments, represent prorated payment on a graduated scale for financial performance between the threshold and target performance levels. See "Short-Term Cash Incentive Plan" in "Compensation Discussion and Analysis" for discussion of such Teamshare program.

The table below also shows information regarding equity awards made to our named executive officers for fiscal 2016, all of which were granted pursuant to our Stock Incentive Plan. The awards listed under "Estimated Possible Payouts Under Equity Incentive Plan Awards" include the threshold, target and maximum number of PSUs which could be earned by each named executive officer based upon the level of achievement of fiscal 2016 financial performance measures. The awards listed under "All Other Option Awards" include non-qualified stock options that vest over time based upon the applicable named executive officer's continued employment by Dollar General. See "Long-Term Equity Incentive Program" in "Compensation Discussion and Analysis" above for further discussion of these awards. We have omitted from this table the column for All Other Stock Awards because it is inapplicable.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Possible Payouts Under Equity Incentive Plan Awards					
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($/Sh)[1]**	**Grant Date Fair Value of Stock and Option Awards ($)[2]**
Mr. Vasos	—	550,000	1,100,000	3,300,000	—	—	—	—	—	—
	3/16/16	—	—	—	—	—	—	119,599	84.67	2,385,270
	3/16/16	—	—	—	—	—	—	85,759	84.67	1,809,506
	3/16/16	—	—	—	13,684	27,367	82,101	—	—	2,317,164
Mr. Garratt	—	167,018	334,035	1,002,105	—	—	—	—	—	—
	3/16/16	—	—	—	—	—	—	32,890	84.67	655,955
	3/16/16	—	—	—	3,763	7,526	22,578	—	—	637,226
Mr. Owen	—	200,421	400,842	1,202,526	—	—	—	—	—	—
	3/16/16	—	—	—	—	—	—	32,890	84.67	655,955
	3/16/16	—	—	—	3,763	7,526	22,578	—	—	637,226
Ms. Taylor	—	176,222	352,443	1,057,329	—	—	—	—	—	—
	3/16/16	—	—	—	—	—	—	32,890	84.67	655,955
	3/16/16	—	—	—	3,763	7,526	22,578	—	—	637,226
Mr. Thorpe	—	212,112	424,224	1,272,673	—	—	—	—	—	—
	3/16/16	—	—	—	—	—	—	32,890	84.67	655,955
	3/16/16	—	—	—	3,763	7,526	22,578	—	—	637,226

(1) The per share exercise price was calculated based on the closing market price of one share of our common stock on the date of grant as reported by the NYSE.

(2) Represents the aggregate grant date fair value of each equity award, computed in accordance with FASB ASC Topic 718. For equity awards that are subject to performance conditions, the value at the grant date is based upon the probable outcome of such conditions. For information regarding the assumptions made in the valuation of these awards, see Note 9 of the annual consolidated financial statements included in our 2016 Form 10-K.

Proxy

Outstanding Equity Awards at 2016 Fiscal Year-End

The table below sets forth information regarding awards granted under our Stock Incentive Plan and held by our named executive officers as of the end of fiscal 2016. We have omitted from this table all columns for "Equity Incentive Plan Awards" because they are inapplicable. All awards included in the table, to the extent they have not vested, are subject to certain accelerated vesting provisions as described in "Potential Payments upon Termination or Change in Control." PSUs and RSUs reported in the table are payable in shares of our common stock on a one-for-one basis.

		Option Awards				Stock Awards	
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)(10)**
Mr. Vasos	03/20/12	37,440(1)	—	45.25	03/20/2022	—	—
	03/18/13	20,619(1)	6,873(1)	48.11	03/18/2023	—	—
	12/03/13	2,160(1)	720(1)	56.48	12/03/2023	—	—
	03/18/14	18,964(1)	18,962(1)	57.91	03/18/2024	—	—
	03/17/15	11,198(2)	33,588(2)	74.72	03/17/2025	—	—
	06/03/15	—	256,682(3)	76.00	06/03/2025	—	—
	03/16/16	—	119,599(2)	84.67	03/16/2026	—	—
	03/16/16	—	85,759(3)	84.67	03/16/2026	—	—
	03/18/14	—	—	—	—	2,253(4)	164,784
	03/17/15	—	—	—	—	3,766(5)	275,445
	03/16/16	—	—	—	—	16,238(6)	1,187,647
	03/18/14	—	—	—	—	2,357(7)	172,391
	03/17/15	—	—	—	—	3,604(8)	263,597
Mr. Garratt	12/03/14	2,517(1)	2,514(1)	66.69	12/03/2024	—	—
	03/17/15	2,502(2)	7,500(2)	74.72	03/17/2025	—	—
	12/02/15	1,958(1)	5,871(1)	65.35	12/02/2025	—	—
	03/16/16	—	32,890(2)	84.67	03/16/2026	—	—
	03/17/15	—	—	—	—	840(5)	61,438
	03/16/16	—	—	—	—	4,464(6)	326,497
	03/17/15	—	—	—	—	804(8)	58,805
Mr. Owen	08/25/15	8,928(1)	26,775(1)	73.73	08/25/2025	—	—
	03/16/16	—	32,890(2)	84.67	03/16/2026	—	—
	03/16/16	—	—	—	—	4,464(6)	326,497
Ms. Taylor	03/24/10	7,926(9)	—	25.25	03/24/2020	—	—
	03/20/12	4,729(1)	—	45.25	03/20/2022	—	—
	03/18/13	2,250(1)	749(1)	48.11	03/18/2023	—	—
	05/28/13	5,181(1)	1,727(1)	54.48	05/28/2023	—	—
	03/18/14	4,236(1)	4,234(1)	57.91	03/18/2024	—	—
	03/17/15	8,213(2)	24,630(2)	74.72	03/17/2025	—	—
	03/16/16	—	32,890(2)	84.67	03/16/2026	—	—
	03/18/14	—	—	—	—	503(4)	36,789
	03/17/15	—	—	—	—	2,762(5)	202,013
	03/16/16	—	—	—	—	4,464(6)	326,497
	03/18/14	—	—	—	—	526(7)	38,472
	03/17/15	—	—	—	—	2,642(8)	193,236
Mr. Thorpe	08/25/15	14,189(1)	42,561(1)	73.73	08/25/2025	—	—
	03/16/16	—	32,890(2)	84.67	03/16/2026	—	—
	03/16/16	—	—	—	—	4,464(6)	326,497

(1) Part of a time-based options grant with a vesting schedule of 25% per year on each of the first four anniversaries of the grant date.

(2) Part of a time-based options grant with a vesting schedule of 25% per year on each of the first four anniversaries of the April 1 following the grant date.

(3) Part of a time-based options grant with a vesting schedule of 33⅓% per year on each of the third, fourth and fifth anniversaries of the grant date.

(4) Part of PSUs earned for our fiscal 2014 adjusted EBITDA and adjusted ROIC performance; scheduled to vest on March 18, 2017.

(5) Part of PSUs earned for our fiscal 2015 adjusted EBITDA and adjusted ROIC performance; scheduled to vest 50% per year on April 1, 2017 and April 1, 2018.

(6) Part of PSUs earned for our fiscal 2016 adjusted EBITDA and adjusted ROIC performance; scheduled to vest 50% per year on April 1, 2018 and April 1, 2019.

(7) Part of an RSU grant with a vesting schedule of 33⅓% per year on each of the first three anniversaries of the grant date.

(8) Part of an RSU grant with a vesting schedule of 33⅓% per year on each of the first three anniversaries of the April 1 following the grant date.

(9) These options vested in increments of 1,286 shares on each of February 3, 2012 and March 24, 2012; 1,285 shares on each of February 1, 2013, March 24, 2013, January 31, 2014 and March 24, 2014; and 214 shares on January 30, 2015.

(10) Computed by multiplying the number of units by the closing market price of one share of our common stock on February 3, 2017 as reported by the NYSE.

Option Exercises and Stock Vested During Fiscal 2016

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)(1)	Value Realized on Exercise ($)(2)	Number of Shares Acquired on Vesting (#)(3)	Value Realized on Vesting ($)(4)
Mr. Vasos	—	—	17,558	1,392,973
Mr. Garratt	—	—	2,637	198,581
Mr. Owen	—	—	2,234	163,395
Ms. Taylor	2,358	140,985	4,916	393,116
Mr. Thorpe	—	—	2,234	163,395

(1) Represents the gross number of option shares exercised, without deduction for shares that may have been surrendered or withheld to satisfy the exercise price or applicable tax withholding obligations.

(2) Value realized is calculated by multiplying the gross number of options exercised by the difference between the market price of our common stock on the date of exercise and the exercise price.

(3) Represents the gross number of shares acquired upon vesting of PSUs and RSUs, without deduction for shares that may have been withheld to satisfy applicable tax withholding obligations.

(4) Value realized is calculated by multiplying the gross number of shares vested by the closing market price of our common stock on the vesting date as reported by the NYSE.

Pension Benefits Fiscal 2016

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

Proxy

Nonqualified Deferred Compensation
Fiscal 2016

Information regarding each named executive officer's participation in our CDP/SERP Plan is included in the following table. The material terms of the CDP/SERP Plan are described after the table. Please also see "Benefits and Perquisites" in "Compensation Discussion and Analysis" above. We have omitted from this table the column pertaining to "Aggregate Withdrawals/Distributions" during the fiscal year because it is inapplicable.

Name	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)(2)	Aggregate Earnings in Last FY ($)(3)	Aggregate Balance at Last FYE ($)(4)
Mr. Vasos	101,996	40,502	102,514	778,627
Mr. Garratt	25,580	12,272	2,505	42,466
Mr. Owen	30,696	17,377	3,191	53,797
Ms. Taylor	26,969	81,144	29,216	345,506
Mr. Thorpe	422,328	19,163	29,917	506,176

(1) Of the reported amounts, the following amounts are reported in the Summary Compensation Table as "Salary" for 2016: Mr. Vasos ($54,169); Mr. Garratt ($25,580); Mr. Owen ($30,696); Ms. Taylor ($26,969); and Mr. Thorpe ($422,328).

(2) Reported as "All Other Compensation" in the Summary Compensation Table.

(3) The amounts shown are not reported in the Summary Compensation Table because they do not represent above-market or preferential earnings.

(4) Of the amounts reported, the following were previously reported as compensation to the named executive officer for years prior to 2016 in a Summary Compensation Table: Mr. Vasos ($501,023); Mr. Garratt ($2,083); Mr. Owen ($0); Ms. Taylor ($54,709); and Mr. Thorpe ($0).

Pursuant to the CDP, each named executive officer may annually elect to defer up to 65% of his base salary if his compensation exceeds the limit set forth in Section 401(a)(17) of the Internal Revenue Code, and up to 100% of his bonus pay if his compensation equals or exceeds the highly compensated limit under Section 414(q)(1)(B) of the Internal Revenue Code. We currently match base pay deferrals at a rate of 100%, up to 5% of annual salary, with annual salary offset by the amount of match-eligible salary under the 401(k) Plan. All named executive officers are 100% vested in all compensation and matching deferrals and earnings on those deferrals.

Pursuant to the SERP, we make an annual contribution equal to a certain percentage of a participant's annual salary and bonus to eligible participants who are actively employed in an eligible job grade on January 1 and continue to be employed as of December 31 of a given year. The contribution percentage is based on age, years of service and job grade. Persons hired after May 27, 2008 are not eligible to participate in the SERP. The fiscal 2016 contribution percentage was 7.5% for Ms. Taylor, and she is 100% vested in her SERP account. No other named executive officer was eligible to participate in the SERP in 2016.

The amounts deferred or contributed to the CDP/SERP Plan are credited to a liability account, which is then invested at the participant's option in an account that mirrors the performance of a fund or funds selected by the Compensation Committee or its delegate. Beginning on August 2, 2008, these funds are identical to the funds offered in our 401(k) Plan.

For a participant who ceases employment with at least 10 years of service or after reaching age 50 and whose CDP account balance or SERP account balance exceeds certain dollar thresholds, the account balance will be paid by (a) lump sum, (b) monthly installments over a 5, 10 or 15-year period or (c) a combination of lump sum and installments, pursuant to the participant's election. Otherwise, payment is made in a lump sum. The vested amount will be payable at the time designated by the CDP/SERP Plan upon the participant's termination of employment. A participant's CDP/SERP benefit normally is payable in the following February if employment ceases during the first 6 months of a calendar year or is payable in the following August if employment ceases during the last 6 months of a calendar year. However, participants may elect to receive an in-service lump sum distribution of vested amounts credited to the CDP account, provided that the date of distribution is no sooner than 5 years after the end of the year in which the amounts were deferred. In addition, a participant who is actively employed may request an "unforeseeable emergency hardship" in-service lump sum distribution of vested amounts credited to the participant's CDP account. Account balances are payable in cash.

Proxy

As a result of our change in control which occurred in 2007, the CDP/SERP Plan liabilities through July 6, 2007 were fully funded into an irrevocable rabbi trust. We also funded into the rabbi trust deferrals into the CDP/SERP Plan between July 6, 2007 and October 15, 2007. All CDP/SERP Plan liabilities incurred on or after October 15, 2007 are unfunded.

Potential Payments upon Termination or Change in Control

Our agreements with our named executive officers and certain plans and programs in which our named executive officers participate, in each case as in effect at the end of our 2016 fiscal year, provide for benefits or payments upon certain employment termination or change in control events. These benefits and payments are discussed below except to the extent a benefit or payment is available generally to all salaried employees and does not discriminate in favor of our executive officers or to the extent already discussed under "Nonqualified Deferred Compensation Fiscal 2016" above.

Payments Upon Termination Due to Death or Disability

Pre-2012 Equity Awards. Ms. Taylor has options outstanding that were granted prior to 2012. All such options are fully vested and generally may be exercised for a period of one year from termination of employment due to death or disability (as defined in the applicable award agreement) unless such options have expired earlier.

Post-2011 Equity Awards. If a named executive officer's employment with us terminates due to death or disability (as defined in the applicable award agreement):

- Stock Options. Any outstanding unvested stock option shall become immediately vested and exercisable with respect to 100% of the shares subject to the option immediately prior to such event, and such vested options may be exercised until the first anniversary of the employment termination date but no later than the 10th anniversary of the grant date.
- Performance Share Units. PSUs were awarded in fiscal 2014 ("2014 PSUs"), fiscal 2015 ("2015 PSUs") and fiscal 2016 ("2016 PSUs") to each named executive who was employed by us at the time of the applicable award.
  - ✓ If such termination had occurred before February 3, 2017 for the 2016 PSUs, a pro-rated portion (based on months employed during the one year performance period) of one-third of the 2016 PSUs earned based on performance during the entire performance period would have become vested and nonforfeitable (unless previously vested or forfeited) as of February 3, 2017 and would have been paid on April 1, 2017. If such termination had occurred on or after February 3, 2017 for the 2016 PSUs and before April 1, 2017, the participant would have received the one-third of the 2016 PSUs earned that are described above, without proration.
  - ✓ If such termination occurs after March 18, 2015 for the 2014 PSUs, April 1, 2016 for the 2015 PSUs or April 1, 2017 for the 2016 PSUs, any remaining earned but unvested PSUs from such awards shall become vested and nonforfeitable as of the

date of such event and shall be paid within 30 days thereafter. Otherwise, any earned but unvested PSUs from such awards shall be forfeited and cancelled on the date of the termination of employment.

- Restricted Stock Units. Any outstanding RSUs will become fully vested and nonforfeitable upon such death or disability and will be paid within 30 days (for RSUs granted prior to 2015) or 90 days (for RSUs granted in 2015) following the date of death or disability. No RSUs were granted to named executive officers in 2016.

Other Payments. In the event of death, a named executive officer's beneficiary will receive payments under our group life insurance program in an amount, up to a maximum of $3 million, equal to 2.5 times such officer's annual base salary. In addition, in the event of disability (as defined in the governing document), a named executive officer would receive 60% of covered monthly earnings up to $20,000 per month under our long-term disability insurance program. In the event of death or disability (as defined in the CDP/SERP Plan), a named executive officer's CDP/SERP Plan benefit will be payable in a lump sum within 60 days after the end of the calendar quarter in which such termination event occurs, provided that we may delay payment in the event of disability until as soon as reasonably practicable after receipt of the disability determination by the Social Security Administration. Additionally, in the event of death on or after the last day of a fiscal year, a named executive officer will receive payment for his or her incentive bonus earned for that fiscal year under the terms of our Teamshare program (which otherwise generally requires that a participant remain employed on the payment date to be entitled to any incentive bonus earned for that fiscal year).

Payments Upon Termination Due to Retirement

Except as provided immediately below with respect to stock options, PSUs and RSUs awarded after 2011, retirement (as defined in the applicable governing document) is not treated differently from any other voluntary termination without good reason (as defined in the relevant agreements, and as discussed below under "Payments Upon Voluntary Termination") under any of our plans or agreements for named executive officers.

In the event a named executive officer retires:

- Stock Options. The portion of the stock options that would have become vested and exercisable within the one year period following the retirement date if such officer had remained employed with us shall remain outstanding for a period of one year following the retirement date and shall become vested and exercisable on the anniversary of the grant date that falls within the one year period following the retirement date (but only to the extent such portion has not otherwise terminated or become exercisable). However, if during such one year period the officer dies or incurs a disability or, for options granted prior to 2016, a change in control occurs, such portion shall instead become immediately vested and exercisable (but only to the extent such portion has not otherwise terminated) upon such death, disability or change in control. Otherwise, any option which is unvested and unexercisable on the termination date shall immediately expire without payment. The officer may exercise the option to the extent vested and exercisable any time prior to the fifth anniversary of the retirement date, but no later than the 10th anniversary of the grant date.

- Performance Share Units.

  ✓ For the 2016 PSUs, if such retirement had occurred before February 3, 2017, or on or after February 3, 2017 and before April 1, 2017, the vesting and payment of PSUs from such award would have been identical to the vesting and payment of

PSUs in the death and disability scenarios discussed above for the 2016 PSUs during these respective time periods.

✓ If such retirement had occurred after April 2, 2016 but before April 1, 2017 for the 2015 PSUs or occurs after April 2, 2017 but before April 1, 2018 for the 2016 PSUs, an additional one-third of earned PSUs from such awards would become vested and nonforfeitable and would be paid on the retirement date. If such retirement occurs after March 19, 2016 but before March 18, 2017 for the 2014 PSUs, after April 2, 2017 but before April 1, 2018 for the 2015 PSUs, or after April 2, 2018 but before April 1, 2019 for the 2016 PSUs, an additional one-third of earned PSUs from such awards would become vested and nonforfeitable and would be paid on the retirement date. Otherwise, any earned but unvested PSUs from such awards shall be forfeited and cancelled on the retirement date.

- Restricted Stock Units. The one-third of the outstanding RSUs that would have become vested and nonforfeitable on the next immediately following vesting date if such officer had remained employed through such date will become vested and nonforfeitable upon such retirement (provided that if the retirement occurs on a vesting date no accelerated vesting will occur, but rather the officer shall be entitled only to the portion of the RSUs that were scheduled to vest on such vesting date) and will be paid six months and one day following the retirement date.

Payments Upon Voluntary Termination

The payments to be made to a named executive officer upon voluntary termination vary depending upon whether the resignation occurs with or without “good reason” (as defined in each named executive officer’s employment agreement or equity award agreement, as applicable) or after our failure to offer to renew, extend or replace the applicable employment agreement under certain circumstances.

Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement. If a named executive officer resigns with good reason (as defined in the applicable equity award agreement), he or she will forfeit all then unvested equity awards and generally may exercise any vested options up to 90 days following the resignation date, but no later than the 10th anniversary of the grant date. Solely with respect to the special stock option awards granted to Mr. Vasos on June 3, 2015 and March 16, 2016, Mr. Vasos will be required to hold any net shares acquired upon exercise for a period of time ending on the fifth anniversary of the applicable grant date. If a named executive officer resigns under the circumstances described in (2) below, his or her equity will be treated as described under “Voluntary Termination without Good Reason” below. See “Payments After a Change in Control” for a discussion of treatment of equity awards if a named executive officer resigns with good reason within two years following a change in control.

If a named executive officer resigns (1) with good reason (as defined in the applicable employment agreement) after giving 30 days (90 days in the case of Mr. Vasos) written notice within 30 days after the event purported to give rise to the claim for good reason and opportunity for us to cure any such claimed event within 30 days after receiving such notice, or (2) within 60 days (90 days in the case of Mr. Vasos) of our failure to offer to renew, extend or replace his or her employment agreement before, at or within 6 months (one year in the case of Mr. Vasos) after the end of the agreement’s term (unless we enter into a mutually acceptable severance arrangement or the resignation is a result of the named executive officer’s retirement or termination other than for good reason), then in each case the named executive officer will receive the following benefits generally on or beginning on the 60th day after termination of employment but contingent upon the execution and effectiveness of a release of certain claims against us and our affiliates in the form attached to the employment agreement:

- Continuation of base salary, generally as in effect immediately before the termination, for 24 months payable in accordance with our normal payroll cycle and procedures. With the exception of Mr. Vasos, the amount of any payment or entitlement to payment of the base salary continuation shall be forfeited or, if paid, subject to recovery if and to the extent any base salary is earned as a result of subsequent employment during the 24 months after the termination date.
- A lump sum payment of two times the average percentage of the named executive officer's target bonus paid or to be paid to employees at the same job grade level as the named executive officer (if any) under the annual bonus program for officers for the two fiscal years immediately preceding the fiscal year in which the termination date occurs (for Mr. Vasos, such lump sum payment instead will equal two times his annual target bonus in respect of the fiscal year in which his termination occurs). Mr. Vasos also will receive a lump sum payment, payable when annual bonuses are paid to our other senior executives, of a pro-rata portion of the annual bonus, if any, that he would have been entitled to receive for the fiscal year of termination, if such termination had not occurred, based on our performance for the fiscal year in which his employment terminates, multiplied by a fraction, the numerator of which is the number of days during which he was employed by us in the fiscal year and the denominator of which is 365.
- A lump sum payment of two times our annual contribution that would have been made in respect of the plan year in which such termination occurs for the named executive officer's participation in our pharmacy, medical, dental and vision benefits programs.
- Reasonable outplacement services for one year or, if earlier, until subsequent employment.

Note that any amounts owed to a named executive officer in the form of salary continuation that would otherwise have been paid during the 60 day period after employment termination will instead be payable in a single lump sum on the 60th day after such termination date and the remainder will be paid in the form of salary continuation payments over the remaining 24 month period as set forth above.

However, in certain cases, some or all of the payments and benefits provided on termination of employment may be delayed for six months following termination to comply with the requirements of Section 409A of the Internal Revenue Code. Any payment required to be delayed would be paid at the end of the six-month period in a lump sum, and any payments due after the six-month period would be paid at the normal payment date provided for under the applicable employment agreement.

The named executive officer will forfeit any unpaid severance amounts, and we retain any other rights we have available under law or equity, upon a material breach of any continuing obligation under the applicable employment agreement or the release, which include the following business protection provisions:

- The named executive officer must maintain the confidentiality of, and refrain from disclosing or using, our (a) trade secrets for any period of time as the information remains a trade secret under applicable law and (b) confidential information for a period of two years following the employment termination date.
- For a period of two years after the employment termination date, the named executive officer may not accept or work in a "competitive position" within any state in which we maintain stores at the time of his or her termination date or any state in which we have specific plans to open stores within six months of that date. For this purpose, "competitive

position" means any employment, consulting, advisory, directorship, agency, promotional or independent contractor arrangement between the named executive officer and any person engaged wholly or in material part in the business in which we are engaged (including, but not limited to, those entities identified in the applicable employment agreement), or any person then planning to enter the discount consumable basics retail business, if the named executive officer is required to perform services which are substantially similar to those he or she provided or directed at any time while employed by us.

- For a period of two years after the employment termination date, the named executive officer may not actively recruit or induce any of our exempt employees to cease employment with us.
- For a period of two years after the employment termination date, the named executive officer may not solicit or communicate with any person or entity who has a business relationship with us and with whom the named executive officer had contact while employed by us, if it would likely interfere with our business relationships or result in an unfair competitive advantage over us.

Voluntary Termination without Good Reason. If a named executive officer resigns without good reason, he or she will forfeit all then unvested equity awards as well as all vested but unexercised options that were granted prior to 2012. The named executive officer generally may exercise any vested options that were granted after 2011 up to 90 days following the resignation date, but no later than the 10^{th} anniversary of the grant date. Solely with respect to the special stock option awards granted to Mr. Vasos on June 3, 2015 and March 16, 2016, Mr. Vasos will be required to hold any net shares acquired upon exercise for a period of time ending on the fifth anniversary of the applicable grant date.

Payments Upon Involuntary Termination

The payments to be made to a named executive officer upon involuntary termination vary depending upon whether termination is with or without "cause" (as defined in each named executive officer's employment agreement or equity award agreement, as applicable).

Involuntary Termination with Cause. Upon an involuntary termination with cause, a named executive officer will forfeit all unvested equity grants, all vested but unpaid PSUs and all vested but unexercised options.

Involuntary Termination without Cause. Upon an involuntary termination without cause, a named executive officer:

- Will forfeit all then unvested equity awards.
- Generally may exercise any vested options up to 90 days following the termination date, but no later than the 10^{th} anniversary of the grant date. Solely with respect to the special stock option awards granted to Mr. Vasos on June 3, 2015 and March 16, 2016, Mr. Vasos will be required to hold any net shares acquired upon exercise for a period of time ending on the fifth anniversary of the applicable grant date.
- Will receive the same severance payments and benefits on the same terms and conditions (except for the notice and cure provisions) as described under "Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement" above.

See "Payments After a Change in Control" for a discussion of treatment of equity awards if a named executive officer is involuntarily terminated without cause within two years following a change in control.

Payments After a Change in Control

Upon a change in control (as defined under the applicable governing document), regardless of whether the named executive officer's employment terminates:

- All options awarded prior to 2016 will vest and become immediately exercisable as to 100% of the shares subject to such options immediately prior to the change in control.
- If the change in control occurs on or before the completion of the applicable performance period, and the named executive officer has remained continuously employed until the change in control, all unvested PSUs that have not previously been forfeited will immediately be deemed earned at the target level and, for PSUs awarded prior to 2016, shall vest, become nonforfeitable and be paid upon the change in control.
- If the change in control occurs after completion of the applicable performance period, and the named executive officer has remained continuously employed until the change in control, all previously earned but unvested PSUs awarded prior to 2016 that have not previously been forfeited will immediately vest, become nonforfeitable and be paid upon the change in control.
- All outstanding RSUs will become vested and nonforfeitable and will be paid upon the change in control.

Upon the named executive officer's "qualifying termination," which includes involuntary termination without cause or resignation with good reason (unless cause to terminate exists), in each case within two years following a change in control (provided that the officer was continuously employed by us until the change in control) and as each is defined in the applicable equity award agreement, (1) all of his or her options awarded after 2015 will immediately vest and become exercisable as to 100% of the shares subject to such options on the termination date (but only to the extent such options have not otherwise terminated) and the officer may exercise any vested options up to three years following the termination date, but no later than the 10th anniversary of the grant date; and (2) all of his or her previously earned, or deemed earned, but unvested PSUs awarded after 2015 that have not been previously forfeited will immediately vest, become nonforfeitable and be paid on the termination date. To qualify as a resignation with good reason for this purpose, the officer must have provided written notice of the existence of the circumstances providing grounds for resignation with good reason within 30 days of the initial existence of such grounds and must have given Dollar General at least 30 days from receipt of such notice to cure such condition. In addition, the resignation must have become effective no later than one year after the initial existence of the condition constituting good reason.

Except as described above with respect to equity awards granted after 2015, upon an involuntary termination without cause or a resignation with good reason following the change in control, a named executive officer will receive the same severance payments and benefits as described above under "Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement." However, a named executive officer will have one year from the termination date (but no later than the 10th anniversary of the grant date) in which to exercise vested options that were granted after 2011 but prior to 2016 if he or she resigns or is involuntarily terminated within two years following the change in control under any scenario other than retirement or involuntary termination with cause (in which respective cases, he or she will have five years from the retirement date (but no later than the 10th anniversary of the grant date) to exercise vested options and will forfeit any vested but unexercised options held at the time of the termination with cause).

In the event of a change in control as defined in Section 280G of the Internal Revenue Code, each named executive officer's employment agreement provides for capped payments (taking into consideration all payments and benefits covered by Section 280G of the Internal Revenue Code) of

$1 less than the amount that would trigger the "golden parachute" excise tax under federal income tax rules (the "excise tax") unless he or she signs a release and the after-tax benefit would be at least $50,000 more than it would be without the payments being capped. In such case, such officer's payments and benefits would not be capped and such officer would be responsible for the payment of the excise tax. We would not pay any additional amount to cover the excise tax. The table below reflects the uncapped amounts, subject to reduction in the circumstances described in this paragraph.

The following table reflects potential payments to each named executive officer in various termination and change in control scenarios based on compensation, benefit, and equity levels in effect on, and assuming the scenario was effective as of, February 3, 2017. For stock valuations, we have used the closing price of our stock on the NYSE on February 3, 2017 ($73.14). The table below reports only amounts that are increased, accelerated or otherwise paid or owed as a result of the applicable scenario and, as a result, exclude earned but unpaid base salary through the employment termination date and equity awards and CDP/SERP Plan benefits that had vested prior to the event. For more information regarding the CDP/SERP Plan benefits, see "Nonqualified Deferred Compensation Fiscal 2016" above. The table also excludes any amounts that are available generally to all salaried employees and do not discriminate in favor of our executive officers. The amounts shown are merely estimates. We cannot determine actual amounts to be paid until a termination or change in control scenario occurs.

Proxy

Potential Payments to Named Executive Officers Upon Occurrence of Various Termination Events or Change in Control as of February 3, 2017

Name/Item	Death ($)	Disability ($)	Retirement ($)(1)	Voluntary Without Good Reason ($)	Involuntary Without Cause or Voluntary With Good Reason ($)	Involuntary With Cause ($)	Change in Control Without Qualifying Termination ($)	Change in Control With Qualifying Termination ($)
Mr. Vasos								
Equity Vesting Due to Event	1,942,859	1,942,859	n/a	n/a	n/a	n/a	1,349,035	2,536,682
Cash Severance	915,411	n/a	n/a	n/a	5,315,411	n/a	—	5,315,411
Health Payment	n/a	n/a	n/a	n/a	10,632	n/a	—	10,632
Outplacement(2)	n/a	n/a	n/a	n/a	8,500	n/a	—	8,500
Life Insurance Proceeds	2,750,000	n/a	n/a	n/a	n/a	n/a	—	n/a
Total	**5,608,270**	**1,942,859**	**n/a**	**n/a**	**5,334,543**	**n/a**	**1,349,035**	**7,871,225**
Mr. Garratt								
Equity Vesting Due to Event	345,587	345,587	n/a	n/a	n/a	n/a	182,193	508,690
Cash Severance	277,981	n/a	n/a	n/a	1,675,960	n/a	—	1,675,960
Health Payment	n/a	n/a	n/a	n/a	21,060	n/a	—	21,060
Outplacement(2)	n/a	n/a	n/a	n/a	8,500	n/a	—	8,500
Life Insurance Proceeds	1,285,000	n/a	n/a	n/a	n/a	n/a	—	n/a
Total	**1,908,568**	**345,587**	**n/a**	**n/a**	**1,705,520**	**n/a**	**182,193**	**2,214,210**
Mr. Owen								
Equity Vesting Due to Event	163,395	163,395	n/a	n/a	n/a	n/a	—	326,497
Cash Severance	333,578	n/a	n/a	n/a	1,671,094	n/a	—	1,671,094
Health Payment	n/a	n/a	n/a	n/a	21,060	n/a	—	21,060
Outplacement(2)	n/a	n/a	n/a	n/a	8,500	n/a	—	8,500
Life Insurance Proceeds	1,542,000	n/a	n/a	n/a	n/a	n/a	—	n/a
Total	**2,038,973**	**163,395**	**n/a**	**n/a**	**1,700,655**	**n/a**	**—**	**2,027,152**
Ms. Taylor								
Equity Vesting Due to Event	749,361	749,361	n/a	n/a	n/a	n/a	585,967	912,464
Cash Severance	293,300	n/a	n/a	n/a	1,768,319	n/a	—	1,768,319
Health Payment	n/a	n/a	n/a	n/a	19,829	n/a	—	19,829
Outplacement(2)	n/a	n/a	n/a	n/a	8,500	n/a	—	8,500
Life Insurance Proceeds	1,356,000	n/a	n/a	n/a	n/a	n/a	—	n/a
Total	**2,398,661**	**749,361**	**n/a**	**n/a**	**1,796,648**	**n/a**	**585,967**	**2,709,111**
Mr. Thorpe								
Equity Vesting Due to Event	163,395	163,395	n/a	n/a	n/a	n/a	—	326,497
Cash Severance	353,036	n/a	n/a	n/a	1,768,575	n/a	—	1,768,575
Health Payment	n/a	n/a	n/a	n/a	19,109	n/a	—	19,109
Outplacement(2)	n/a	n/a	n/a	n/a	8,500	n/a	—	8,500
Life Insurance Proceeds	1,632,000	n/a	n/a	n/a	n/a	n/a	—	n/a
Total	**2,148,431**	**163,395**	**n/a**	**n/a**	**1,796,184**	**n/a**	**—**	**2,122,681**

(1) None of the named executive officers were eligible for retirement on February 3, 2017.

(2) Estimated based on information provided by our outplacement services provider.

Compensation Committee Interlocks and Insider Participation

Each of Messrs. Bryant and Rhodes and Ms. Fili-Krushel was a member of our Compensation Committee during 2016. None of these persons (1) was at any time during 2016 an officer or employee of Dollar General or any of our subsidiaries; (2) was at any time prior to 2016 an officer of Dollar General or any of our subsidiaries; or (3) had any relationship requiring disclosure under the section of this document entitled "Transactions with Management and Others." Also, none of our executive officers serves, or in the past fiscal year has served, as a director of, or as a member of the compensation committee (or other board committee performing equivalent functions) of, any entity that has one or more of its executive officers serving as a director of Dollar General or as a member of our Compensation Committee.

Compensation Risk Considerations

In November 2016, our Compensation Committee, with input from its compensation consultant and management, reviewed our compensation policies and practices for all employees, including executive officers, to assess the risks that may arise from our compensation programs. The assessment included a review of our compensation programs for certain design features which could potentially encourage excessive risk-taking or otherwise generate risk to Dollar General. As a result of that assessment, the Compensation Committee concluded, after considering the degree to which identified risk-aggravating factors were offset by risk-mitigating factors, that the net risks created by our overall compensation program were not reasonably likely to have a material adverse effect on Dollar General. The Compensation Committee rolled forward this assessment in March 2017 to consider any changes to the compensation program since November 2016 and reached the same conclusion as it reached in November 2016.

SECURITY OWNERSHIP

For purposes of the tables below, a person is a "beneficial owner" of a security over which that person has or shares voting or investment power or which that person has the right to acquire beneficial ownership within 60 days. Unless otherwise noted, to our knowledge these persons have sole voting and investment power over the shares listed. Percentage computations are based on 274,892,175 shares of our common stock outstanding as of March 23, 2017.

Security Ownership of Certain Beneficial Owners

The following table shows the amount of our common stock beneficially owned as of March 23, 2017 by those known by us to beneficially own more than 5% of our common stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
T. Rowe Price Associates, Inc.(1)	30,616,623	11.1%
GIC Private Limited(2)	24,086,726	8.8%
BlackRock, Inc.(3)	21,672,311	7.9%
The Vanguard Group(4)	16,869,920	6.1%

(1) T. Rowe Price Associates, Inc. ("Price Associates") is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940. Price Associates has sole power to vote or direct the vote of 10,357,852 shares and sole power to dispose or direct the disposition of 30,616,623 shares. Price Associates does not serve as custodian of the assets of any of its clients; accordingly, in each instance only the client or the client's custodian or trustee bank has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities. The ultimate power to direct the receipt of dividends paid with respect to, and the proceeds from the sale of, such securities is vested in the individual and institutional clients which Price Associates serves as investment adviser. Any and all discretionary authority which has been delegated to Price Associates may be revoked in whole or in part at any time. The address of Price Associates is 100 E. Pratt Street, Baltimore, Maryland 21202. All information is based solely on Amendment No. 1 to Statement on Schedule 13G filed on February 10, 2017.

(2) GIC Private Limited ("GIC") is a fund manager with two clients—the Government of Singapore ("GoS") and the Monetary Authority of Singapore ("MAS"). Under the investment management agreement with GoS, GIC has been given the sole discretion to exercise the voting rights attached to, and the disposition of, any shares managed on behalf of GoS. As such, GIC has the sole power to vote and dispose of the 14,982,566 securities beneficially owned by it. GIC shares power to vote and dispose of 9,104,160 securities beneficially owned by it with MAS. GIC disclaims membership in a group. The address of GIC is 168, Robinson Road, #37-01, Capital Tower, Singapore 068912. All information is based solely on Amendment No. 2 to Statement on Schedule 13G filed on January 25, 2017.

(3) BlackRock, Inc., through various subsidiaries, has sole power to vote or direct the vote of 19,218,405 shares and sole power to dispose or direct the disposition of 21,672,311 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055. All information is based solely on Amendment No. 2 to Statement on Schedule 13G filed on January 23, 2017.

(4) The Vanguard Group has sole power to vote or direct the vote over 411,258 shares, shared power to vote or direct the vote over 55,730 shares, sole power to dispose or direct the disposition of 16,404,020 shares, and shared power to dispose or direct the disposition of 465,900 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 331,970 shares as a result of its serving as investment manager of collective trust accounts, and Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 213,218 shares as a result of its serving as investment manager of Australian investment offerings. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355. All information is based solely on Amendment No. 3 to Statement on Schedule 13G filed on February 9, 2017.

Security Ownership of Officers and Directors

The following table shows the amount of our common stock beneficially owned as of March 23, 2017 by our current directors and our named executive officers individually and by our current directors and all of our current executive officers as a group. Unless otherwise noted, these persons may be contacted at our executive offices.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Warren F. Bryant(1)(2)	30,895	*
Michael M. Calbert(1)(2)(3)	90,793	*
Sandra B. Cochran(1)(2)	17,650	*
Patricia D. Fili-Krushel(1)(2)(4)	16,217	*
Paula A. Price(1)(2)(5)	6,598	*
William C. Rhodes, III(1)(2)(6)	51,859	*
David B. Rickard(1)(2)	31,142	*
Todd J. Vasos(1)	214,286	*
John W. Garratt(1)	21,354	*
Jeffery C. Owen(1)	20,386	*
Rhonda M. Taylor(1)	62,240	*
James W. Thorpe(1)	24,947	*
All current directors and executive officers as a group (15 persons)(1)(2)(3)(4)(5)(6)	869,847	*

* Denotes less than 1% of class.

(1) Includes the following number of shares underlying RSUs (including additional RSUs credited as a result of dividend equivalents earned with respect to the RSUs) that are or could be settleable within 60 days of March 23, 2017 over which the person will not have voting or investment power until the RSUs are settled: Mr. Bryant (3,285); Mr. Calbert (6,500); Mss. Cochran and Fili-Krushel and Mr. Rhodes (1,634); Ms. Price (3,337); Mr. Rickard (5,821); Mr. Vasos (1,802); Mr. Garratt (402); Ms. Taylor (1,321); and all current directors and executive officers as a group (30,002). Also includes the following number of shares subject to options either currently exercisable or exercisable within 60 days of March 23, 2017 over which the person will not have voting or investment power until the options are exercised: each of Messrs. Bryant, Calbert and Rhodes (18,340); Ms. Cochran (9,704); Ms. Fili-Krushel (9,476); Ms. Price (2,399); Mr. Rickard (18,097); Mr. Vasos (147,833); Mr. Garratt (17,701); Mr. Owen (17,152); Ms. Taylor (51,835); Mr. Thorpe (22,413); and all current directors and executive officers as a group (597,318). Further includes the following number of shares underlying earned PSUs that are or could be settleable within 60 days of March 23, 2017 over which the person will not have voting or investment power until the PSUs are settled: Mr. Vasos (10,002); Mr. Garratt (2,654); Mr. Owen (2,234); Ms. Taylor (3,615); Mr. Thorpe (2,234); and all current directors and executive officers as a group (25,604). The shares described in this note are considered outstanding for the purpose of computing the percentage of outstanding stock owned by each named person and by the group but not for the purpose of computing the percentage ownership of any other person.

(2) Share totals have been rounded to the nearest whole share to simplify reporting.

(3) Mr. Calbert shares voting and investment power over 51,000 shares with his spouse, Barbara Calbert, as co-trustee of The Michael and Barbara Calbert 2007 Joint Revocable Trust.

(4) Ms. Fili-Krushel shares voting and investment power over 2,500 shares with her spouse, Kenneth Krushel.

(5) Ms. Price shares voting and investment power over 267 shares with her spouse, Michael Price.

(6) Mr. Rhodes shares voting and investment power over 23,597 shares with his spouse, Amy Rhodes, as power of attorney of The Amy Plunkett Rhodes Revocable Living Trust, dated July 30, 2014.

PROPOSAL 2:
VOTE REGARDING THE AMENDED AND RESTATED 2007 STOCK INCENTIVE PLAN

What are shareholders being asked to approve?

Our Board of Directors is asking you to approve the material terms of the performance goals under our Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (the "Stock Incentive Plan") for purposes of compensation deductibility under Internal Revenue Code Section 162(m) and an annual limit on non-employee director compensation set forth in the Stock Incentive Plan. **For the avoidance of doubt, approval of this Proposal 2 will not in any way impact or increase the number of shares available for awards under the Stock Incentive Plan, will not expand the types of awards available under or the types of individuals eligible to participate in the plan, and will not extend the term of the plan.**

On November 30, 2016, upon the recommendation of our Compensation Committee, our Board of Directors approved a revision to the performance goals and the addition of an annual limit on non-employee director compensation (subject to exception approved by the Board in extraordinary circumstances), in each case as set forth in the Stock Incentive Plan and described in this proposal, subject to shareholder approval at the annual meeting, neither of which shall be effective unless and until such shareholder approval is obtained. A copy of the Stock Incentive Plan, including the changes being submitted to shareholders at the annual meeting, is attached as **Appendix B** to this proxy statement.

Why are shareholders being asked to approve the material terms of the performance goals under the Stock Incentive Plan?

Section 162(m) of the Internal Revenue Code limits our ability to deduct from our U.S. federal corporate income taxes compensation in excess of $1 million per year paid to "covered employees" (generally consisting of each of the persons who were, at the end of each fiscal year, our Chief Executive Officer or one of the other named executive officers other than our Chief Financial Officer) unless the compensation qualifies as "performance-based." Compensation cannot qualify as "performance-based" unless the material terms of the performance goals are disclosed to and approved by shareholders every five years. For purposes of Section 162(m), material terms include (i) the employees eligible to receive compensation, (ii) a description of the business criteria on which the performance goals may be based and (iii) the maximum amount of compensation that can be paid to an employee under the plan if the performance goals are achieved. Each of these material terms as they relate to the Stock Incentive Plan is discussed below, and shareholder approval of this Proposal 2 will be deemed to constitute approval of the material terms of the performance goals under the Stock Incentive Plan for purposes of the shareholder approval requirements of Section 162(m).

The Stock Incentive Plan was established in 2007 and is designed to permit Dollar General to grant awards that qualify as performance-based compensation for purposes of satisfying the requirements of Section 162(m). Shareholders last approved the material terms of the performance goals under the Stock Incentive Plan in 2012. Shareholder approval of the material terms of the performance goals under the Stock Incentive Plan is only one of several requirements for amounts paid under the Stock Incentive Plan to qualify for the "performance-based compensation" exemption, and any such approval should not be viewed as a guarantee that we will be able to deduct any or all compensation under the Stock Incentive Plan. In addition, nothing in this proposal or in the Stock Incentive Plan precludes us or the Compensation Committee from making any payment or granting any awards that are not intended to qualify for tax deductibility under Section 162(m).

Proxy

Why are shareholders being asked to approve the annual limit on non-employee director compensation set forth in the Stock Incentive Plan?

The Stock Incentive Plan imposes a maximum $750,000 limit on the compensation, measured as the sum of any cash compensation and the grant date fair value of awards granted under the Stock Incentive Plan, which may be paid and awarded to a non-employee director for such service during any fiscal year. Our Board of Directors adopted this provision in order to place a reasonable limit on the aggregate amount of cash and equity compensation that may be awarded to each non-employee director during each fiscal year. In setting this limit, our Board, on the recommendation of the Compensation Committee and based on the input provided by the Compensation Committee's independent compensation consultant, considered the effectiveness and reasonableness of the cash and equity compensation that we offer to our non-employee directors along with industry benchmarks, the current and future responsibilities of our non-employee directors, and whether such a limit provides sufficient flexibility to adjust non-employee director compensation in the future if such changes are advisable to remain competitive with our peers. We believe that such a limit allows us to stay within reasonable bounds of what the market requires in a competitive environment, while also placing meaningful restrictions on the amount of compensation that may be awarded to our non-employee directors.

Why should shareholders approve this proposal?

We believe the Stock Incentive Plan is important to our continued growth and success. Its purpose is to attract and retain management and other personnel and key service providers, to motivate management personnel by means of growth-related incentives to achieve long-range goals, and to further align the interests of plan participants with those of our shareholders.

Approval of this proposal will, among other things, preserve what we believe is an essential tool to provide an incentive for management and other personnel and key service providers to contribute to our future growth and success and will provide a meaningful limit within which our Board of Directors and the Compensation Committee, along with its independent compensation consultant, can determine non-employee director compensation.

What happens if shareholders do not approve this proposal?

If this proposal is not approved at the annual meeting:

- all outstanding equity awards granted under the Stock Incentive Plan will continue to operate in accordance with their applicable terms;
- we will continue to be able to grant equity awards under the Stock Incentive Plan through June 1, 2022;
- any future equity awards (except to the extent any awards of stock options and stock appreciation rights are deemed to satisfy Section 162(m)) granted to our covered employees under the Stock Incentive Plan will not qualify as performance-based compensation and will count against the $1 million deductible compensation limit otherwise imposed by Section 162(m);
- the $750,000 annual limit on non-employee director compensation will not take effect; and
- the following sentence in Section 6(c)(ii) of the Stock Incentive Plan will read: "In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to <u>extraordinary or</u> non-recurring items, as the Committee may determine in its sole discretion" rather than "In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to non-recurring items, as the Committee may determine in its sole discretion."

How does the Stock Incentive Plan compare to compensation best practices?

The Stock Incentive Plan includes a number of important provisions, summarized below, that are designed to protect our shareholders' interests and that reflect our commitment to best practices and effective management of equity compensation:

- **Plan Limits and Additional Shares.** A fixed number of shares is authorized under the Stock Incentive Plan, and shareholder approval would be required to increase that share limit. The Stock Incentive Plan does not contain a provision which would periodically add new shares for grant under the plan. Subject to adjustment in connection with certain significant corporate events, the maximum number of shares that can be awarded in the form of stock options and stock appreciation rights to any plan participant is 4.5 million per fiscal year, and the maximum number of shares that can be awarded in the form of other stock-based awards to any plan participant is 1.5 million per fiscal year.
- **No Discount Stock Options or Stock Appreciation Rights.** All stock options and stock appreciation rights must have an exercise price that is equal to or greater than the fair market value of one share of our common stock on the date of grant.
- **No Repricing.** Repricing of stock options and stock appreciation rights (including reduction in the exercise price of stock options or replacement of an award with cash or another award type) is prohibited without shareholder approval.
- **Limitation on Amendments.** No material amendments that would increase the aggregate number of shares that may be issued under the Stock Incentive Plan can be made without shareholder approval.
- **Clawback Capability.** The Stock Incentive Plan contains certain clawback provisions to allow full or partial reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, including events set forth in our clawback policy.
- **Section 162(m) Eligibility.** If this proposal is approved by shareholders, the committee administering the Stock Incentive Plan maintains the flexibility to approve equity and cash awards eligible for treatment as performance-based compensation under Section 162(m).
- **Independent Compensation Committee.** Our Compensation Committee, which administers the Stock Incentive Plan, consists entirely of independent directors.
- **Limited Term.** The Stock Incentive Plan includes a set term, and no awards can be granted under the plan after June 1, 2022.
- **Annual Limit on Non-Employee Director Compensation.** If this proposal is approved by shareholders, the Stock Incentive Plan would include a $750,000 annual limit on the sum of cash compensation and equity awards granted under the plan during any fiscal year to any non-employee director (subject to exception approved by the Board of Directors in extraordinary circumstances).

How does the Stock Incentive Plan work?

A description of the Stock Incentive Plan's provisions is set forth below. This summary is qualified in its entirety by reference to the Stock Incentive Plan attached as **Appendix B**.

Administration. The Stock Incentive Plan is administered by the Compensation Committee, which may delegate some or all of its authority to a subcommittee consisting solely of at least two directors who qualify as "non-employee directors" for purposes of Rule 16b-3 of the Securities Exchange Act of 1934 (or any successor rule), "independent directors" within the meaning of NYSE listing standards, and "outside directors" within the meaning of Section 162(m) (or any successor section). If at any time Dollar General has not appointed such a committee, the Board itself may administer the Stock Incentive Plan. We refer to the individuals administering the Stock Incentive Plan as the "Committee." Subject to the terms of the Stock Incentive Plan, the Committee may select participants to receive awards, determine the types, terms and conditions of awards, adopt rules for the plan's administration, and interpret plan provisions.

Shares of Common Stock Reserved for Issuance under the Stock Incentive Plan. This proposal does not increase the number of shares available for issuance under the Stock Incentive Plan. Subject to adjustment in connection with certain significant corporate events, the maximum number of shares that may be issued under the Stock Incentive Plan is 31,142,858. As of March 23, 2017, awards relating to 14,941,885 shares have been issued or are subject to outstanding awards granted under the Stock Incentive Plan, and 16,200,973 shares remain available for awards under the Stock Incentive Plan. As of March 23, 2017, the closing price per share of our common stock as reported on the NYSE was $68.90.

The common stock issued or to be issued under the Stock Incentive Plan consists of authorized but unissued shares or issued shares that we have reacquired. The issuance of shares or the payment of cash in consideration of the substitution, cancellation or termination of an award will reduce the total number of shares available under the Stock Incentive Plan to the extent of the number of shares subject to such substituted, cancelled or terminated award, provided that shares subject to awards that are either repurchased by Dollar General or withheld or tendered to satisfy tax withholding obligations, the exercise price of a stock option or the purchase price for any other award will immediately become available for new awards to be granted under the Stock Incentive Plan. In addition, if any shares covered by an award under the Stock Incentive Plan are forfeited, or if an award expires unexercised, then the number of shares relating to such forfeited or expired awards will, to the extent of any such forfeiture or expiration, immediately become available for new awards to be granted under the Stock Incentive Plan.

Eligibility. Awards may be made under the Stock Incentive Plan to any of our employees, non-employee members of our Board of Directors, any consultant or other person having a service relationship with Dollar General and any of our subsidiaries and affiliates. On March 23, 2017, there were 8 executive officers, 7 non-employee members of our Board of Directors, 1,730 employees and no consultants or other service providers eligible to participate in the Stock Incentive Plan.

Stock Options and Stock Appreciation Rights. The Stock Incentive Plan permits the grant of stock options that are intended to qualify, as well as stock options that are not intended to qualify, as incentive stock options under the Internal Revenue Code.

The per share exercise price of a stock option may not be less than 100% of the fair market value of one share of our common stock on the grant date. The fair market value is generally determined as the closing price of our common stock on the grant date. In the case of shareholders who own 10% or more of our outstanding common stock and who receive incentive stock options, the per share exercise price may not be less than 110% of the fair market value of one share of our common stock on the grant date.

The Committee determines the term of each stock option, which may not exceed ten years from the grant date. If the grantee owns 10% or more of our outstanding common stock, a stock option intended to be an incentive stock option must expire five years following the grant date. Subject to these limitations, the Committee determines when each stock option may be exercised, vesting requirements, and such other terms, conditions or restrictions on the grant or the option exercise as the Committee deems appropriate, including whether a participant will receive dividend equivalent rights on vested stock options.

In general, a participant may pay the exercise price of a stock option in cash, through the withholding of shares underlying the option, or, with the Committee's consent, by delivering shares that

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the participant has held for such period of time, if any, as determined by the Committee to avoid adverse accounting consequences, or by a combination of these methods that complies with the terms of the Stock Incentive Plan, the award agreement, and any applicable Committee guidelines in effect at the time.

The Stock Incentive Plan permits the Committee to grant stock appreciation rights, either independent of or in connection with stock options, and to determine their terms. A stock appreciation right entitles the participant to receive an amount equal to the product of (i) the excess of the fair market value of one share of our common stock on the exercise date over the exercise price of the stock appreciation right, multiplied by (ii) the number of shares covered by the stock appreciation right. The per share exercise price of a stock appreciation right granted independent of a stock option may not be less than the fair market value of one share of our common stock on the grant date. The per share exercise price of a stock appreciation right granted in connection with a stock option will be the per share exercise price of the related stock option. The exercise of a stock appreciation right granted in connection with a stock option shall cause a reduction in the number of shares subject to the stock option equal to the number of shares with respect to which the stock appreciation right is exercised. Conversely, the exercise of a related stock option shall cause a reduction in the number of shares subject to the stock appreciation right equal to the number of shares with respect to which the related option is exercised. A participant may pay the exercise price of a stock appreciation right in shares, in cash, or in a combination of shares and cash, all as the Committee shall determine.

No amendment or modification may be made to an outstanding stock option or stock appreciation right if it would be treated as a repricing under the rules of the stock exchange on which the shares of our common stock are listed (currently the NYSE), including replacement with cash or another award type, without the prior approval of our shareholders.

Unless the Committee provides otherwise, stock options and stock appreciation rights granted under the Stock Incentive Plan may not be sold, transferred, pledged or assigned other than by will or under applicable laws of descent and distribution.

Subject to adjustment in connection with certain significant corporate events, the maximum number of shares of our common stock that can be awarded in the form of stock options and stock appreciation rights under the Stock Incentive Plan to any participant is 4.5 million per fiscal year.

Other Stock-Based Awards. The Committee may also grant or sell to participants unrestricted shares; restricted shares; and awards that are valued by reference to the fair market value, or a number of shares, of our common stock, awards that are otherwise based on the fair market value, or a number of shares, of our common stock, and awards that are payable in the form of shares of our common stock (which may include, without limitation, restricted stock units, performance shares, performance share units, and bonus stock). In this proxy statement, we sometimes refer to these awards as "Other Stock-Based Awards."

The Committee will determine the form, terms and conditions of Other Stock-Based Awards, including vesting provisions and whether such awards will be settled in shares, in cash, or in a combination of shares and cash. Other Stock-Based Awards may be granted alone or in connection with any other awards under the Stock Incentive Plan, and may provide for vesting upon the completion of a specified period of service, the occurrence of an event, and/or the attainment of performance objectives.

Other Stock-Based Awards may be granted in a manner intended to qualify as performance-based compensation meeting the requirements of Section 162(m). To qualify as performance-based:

- the compensation must be paid solely on account of the attainment of one or more pre-established, objective performance goals;

- the performance goal(s) under which compensation is paid must be established by a committee comprised solely of two or more directors who qualify as outside directors for purposes of the exception;
- the material terms of the performance goals under which the compensation is to be paid must be disclosed to and approved by shareholders in a separate vote every five years; and
- the Committee must certify in writing before payment of the compensation that the performance goal(s) and any other material terms were in fact satisfied.

Under the Internal Revenue Code, a director is an "outside director" if he or she is not a current employee of Dollar General; is not a former employee who receives compensation for prior services (other than under a qualified retirement plan); has not been an officer of Dollar General; and does not receive, directly or indirectly (including amounts paid to an entity that employs the director or in which the director has at least a 5% ownership interest), remuneration from Dollar General in any capacity other than as a director.

Under the Stock Incentive Plan, the Committee may base the objective performance goals on one or more of the following business criteria, which may relate to Dollar General, to one or more of our affiliates, to one or more of our or our affiliates' divisions or units, or to any combination of the foregoing:

- net earnings or net income (before or after taxes)
- earnings per share
- net sales or revenue growth
- gross or net operating profit
- return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue)
- cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital)
- earnings before or after taxes, interest, depreciation, and/or amortization
- gross or operating margins
- productivity ratios
- share price (including, but not limited to, growth measures and total shareholder return)
- expense targets
- margins
- operating efficiency
- customer satisfaction
- working capital targets
- economic value added
- volume
- capital expenditures
- market share
- costs
- regulatory ratings
- asset quality
- net worth
- safety

The criteria listed above may be measured on an absolute basis, on a basis relative to one or more peer group companies or indices, or any combination of the foregoing, as determined by the Committee. In addition, to the extent consistent with Section 162(m) (or any successor section), the performance goals may be calculated without regard to non-recurring items, as the Committee may determine in its sole discretion.

Subject to adjustment in connection with certain significant corporate events, the maximum number of shares of our common stock that can be awarded under the Stock Incentive Plan in the form of Other Stock-Based Awards to any participant is 1.5 million per fiscal year. In addition, Other Stock-Based Awards granted in a manner intended to qualify for the exemption from the compensation deductibility limitation imposed by Section 162(m) are considered "performance-based awards." The maximum amount of a "performance-based award" denominated in shares of our common stock that may be granted during a calendar year to any participant is 24 million.

The list of objective performance goals on which "performance-based awards" may be based under the Stock Incentive Plan must be approved by our shareholders at least every five years (or earlier if the list is changed) in order for compensation based on these goals to be considered performance-based compensation under Section 162(m). Approval of the material terms of the performance goals in this Proposal 2 will restart the five-year period for re-approval.

The foregoing notwithstanding, in its discretion, the Committee also may use other performance goals for awards under the Stock Incentive Plan that are not intended to qualify as performance-based compensation under Section 162(m).

Dividend Equivalent Rights. The Committee may grant to participants, either alone or in connection with the grant of another award (other than unearned performance shares), and determine the terms of, dividend equivalent rights. A dividend equivalent right is the right to receive a payment in respect of one share of our common stock that is equal to the amount of any dividend paid in respect of one share of our common stock held by a Dollar General shareholder.

Amendment or Termination of the Stock Incentive Plan. The Board of Directors generally may terminate the Stock Incentive Plan at any time and for any reason and may amend the plan. Shareholder approval is required for any such amendment to become effective if (1) required by the Internal Revenue Code or other applicable law, rule or regulation; or (2) the amendment increases the aggregate number of shares available for awards under the plan, decreases the exercise price of outstanding stock options or stock appreciation rights, changes the requirements relating to the Committee or extends the term of the Stock Incentive Plan. No Stock Incentive Plan termination or amendment may, without the participant's consent, adversely affect a participant in more than a minimal manner with respect to any awards then outstanding.

Amendments of Awards. The Committee may amend the terms and conditions of any outstanding awards consistent with the terms of the Stock Incentive Plan, except that a participant's consent would be required to modify an outstanding award in a manner that adversely impacts, other than in a de minimis manner, a participant, unless such modification is provided for or contemplated in the terms of the award agreement or the Stock Incentive Plan.

Effect of Certain Corporate Transactions. In the event of a change in control of Dollar General, the Committee may accelerate the vesting of any outstanding awards, cancel outstanding awards for fair value (as determined in its sole discretion), substitute new awards that will substantially preserve the otherwise applicable terms and value of the awards being substituted, or provide for a period of at least 10 business days prior to the change in control in which any stock option or stock appreciation right will be fully exercisable and then shall terminate upon the change in control. The Committee may take any of the foregoing actions with respect to any given outstanding award or group or types of awards, and shall not be required to take any of the foregoing actions uniformly with respect to all outstanding awards.

Adjustments for Share Dividends, Share Splits and Similar Events. Upon any share dividend, share split, spin-off, share combination, reclassification, recapitalization, liquidation, dissolution, reorganization, merger, change in control of Dollar General, payment of a dividend (other than a cash dividend paid as part of a regular dividend program), exchange of shares or other corporate exchange, equity restructuring, or other similar transaction or occurrence that affects our equity securities or the value of our equity securities, the Committee must adjust the number and kind of shares subject to and available for issuance under the Stock Incentive Plan, including participant maximums, adjust awards then outstanding under the plan (including the number and kind of securities subject to the award and, if applicable, the share and/or exercise price), and/or take such other action (including, without limitation, providing for the payment of a cash amount to holders of outstanding awards), in each case as it deems reasonably necessary to address, on an equitable basis, the effect of the applicable corporate event on the Stock Incentive Plan and any outstanding awards.

What are the federal income tax consequences of awards granted under the Stock Incentive Plan?

Incentive Stock Options. The grant of an incentive stock option will not be a taxable event for the participant or for Dollar General. A participant will not recognize taxable income upon exercise of an incentive stock option (except that the alternative minimum tax may apply), and any gain realized upon a disposition of our common stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain if the participant holds the shares of common stock for at least two years after the grant date and for one year after the exercise date (the "holding period requirement"). Dollar General will not be entitled to any business expense deduction with respect to the exercise of an incentive stock option, except as discussed below.

For the exercise of an option to qualify for the foregoing tax treatment, the participant generally must be our employee or an employee of one of our subsidiaries from the option grant date through a date within three months before the option exercise date.

If all of the foregoing requirements except the holding period requirement are met, the participant will recognize ordinary income upon the disposition of the common stock in an amount generally equal to the excess of the fair market value of our common stock at the time the option was exercised over the option exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. Dollar General will be allowed a business expense deduction to the extent the participant recognizes ordinary income, subject to our compliance with Section 162(m) and to certain reporting requirements.

Special rules govern the tax treatment of the use of common stock to pay the exercise price of an option. Accordingly, to the extent any award agreement permits the use of our common stock to pay for the exercise price, special rules apply.

Non-Qualified Stock Options. The grant of a non-qualified stock option will not be a taxable event for the participant or Dollar General. Upon exercising a non-qualified option, a participant will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of our common stock on the option exercise date. Upon a subsequent sale or exchange of shares acquired pursuant to the exercise of a non-qualified option, the participant will have taxable capital gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the shares of common stock (generally, the amount paid for the shares plus the amount treated as ordinary income at the time the option was exercised).

If Dollar General complies with applicable reporting requirements and with the restrictions of Section 162(m), Dollar General will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

If the Committee permits such a transfer, a participant who has transferred a non-qualified stock option to a family member by gift will realize taxable income at the time the non-qualified stock option is exercised by the family member. The participant will be subject to withholding of income and employment taxes at that time. The family member's tax basis in the shares of common stock will be the fair market value of the shares of common stock on the option exercise date. The transfer of vested non-qualified stock options will be treated as a completed gift for gift and estate tax purposes. Once the gift is completed, neither the transferred options nor the shares acquired on exercise of the transferred options will be includable in the participant's estate for estate tax purposes.

Special rules govern the tax treatment of the use of common stock to pay the exercise price of an option. Accordingly, to the extent any award agreement permits the use of common stock to pay for the exercise price, special rules apply.

Stock Appreciation Rights. There are no immediate tax consequences of receiving an award of stock appreciation rights under the Stock Incentive Plan. Upon exercising a stock appreciation right, a participant will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of our common stock on the exercise date. If Dollar General complies with applicable reporting requirements and with the restrictions of Section 162(m), Dollar General will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Other Stock-Based Awards. The Committee may grant or sell to participants Other Stock-Based Awards, the form and terms of which will be determined by the Committee. The federal income tax consequences of Other-Stock Based Awards will depend on the form and terms of those awards. The summary below describes the federal income tax consequences of some of the Other-Stock Based Awards the Committee has granted or sold or may be likely to grant or sell to participants.

Unrestricted Shares. Participants who are awarded unrestricted shares of common stock will be required to recognize ordinary income in an amount equal to the fair market value of the shares of our common stock on the grant date, reduced by the amount, if any, paid for such shares. If Dollar General complies with applicable reporting requirements and with the restrictions of Section 162(m), Dollar General will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Restricted Shares. A participant who is awarded restricted shares of common stock will not recognize any taxable income for federal income tax purposes in the year of the award, provided that the shares of common stock are subject to restrictions (that is, the restricted stock is nontransferable and subject to a substantial risk of forfeiture). However, the participant may elect under Section 83(b) of the Internal Revenue Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the common stock on the grant date (less the purchase price, if any), determined without regard to the restrictions. If the participant does not make such a Section 83(b) election, the fair market value of the common stock on the date the restrictions lapse (less the purchase price, if any) will be treated as compensation income to the participant and will be taxable in the year the restrictions lapse and dividends paid while the common stock is subject to restrictions will be subject to withholding taxes. If Dollar General complies with applicable reporting requirements and with the restrictions of Section 162(m), Dollar General will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Restricted Stock Units. There are no immediate tax consequences of receiving an award of restricted stock units under the Stock Incentive Plan. A participant who is awarded restricted stock units will be required to recognize ordinary income in an amount equal to the fair market value of shares issued to such participant at the end of the restriction period or, if later, the payment date. If Dollar General complies with applicable reporting requirements and with the restrictions of Section 162(m), Dollar General will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Performance Share Units. There are no immediate tax consequences of receiving an award of performance share units under the Stock Incentive Plan. A participant who is awarded performance share units will be required to recognize ordinary income in an amount equal to the fair market value of shares issued to such participant on the payment date. If Dollar General complies with applicable reporting requirements and with the restrictions of Section 162(m), Dollar General will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Dividend Equivalent Rights. A participant generally will not recognize taxable income when a dividend equivalent right is granted. The participant, however, will generally recognize ordinary income upon receiving payment of cash and/or shares for the dividend equivalent right. The amount included in the participant's income will equal the amount of cash and the fair market value of the shares received. Dollar General generally will be entitled to a corresponding tax deduction at the time the participant recognizes ordinary income with respect to a dividend equivalent right.

Section 280G. To the extent payments that are contingent on a change in control are determined to exceed certain Internal Revenue Code limitations, they may be subject to a 20% nondeductible excise tax, and Dollar General's deduction with respect to the associated compensation expense may be disallowed in whole or in part.

Section 409A. The Stock Incentive Plan is intended to comply with Section 409A of the Internal Revenue Code to the extent that such section would apply to any award under the plan. Section 409A governs the taxation of deferred compensation. Any participant granted an award that is deemed to be deferred compensation, such as a grant of restricted stock units, that does not qualify for an exemption from Section 409A, and does not comply with Section 409A, could be subject to immediate taxation on the award as soon as the award is no longer subject to a substantial risk of forfeiture (even if the award is not exercisable) and an additional 20% tax (and a further additional tax based upon an amount of interest determined under Section 409A) on the value of the award.

What new plan benefits will be awarded under the Stock Incentive Plan?

Future participation and the types of awards that may be granted under the Stock Incentive Plan are subject to the discretion of the Committee and have not been established. As a result, the specific benefits and amounts payable in the future to any participant or groups of participants if this proposal is approved are not currently determinable.

What awards have been granted under the Stock Incentive Plan?

The following table sets forth the shares of common stock underlying awards that have been granted or shares of common stock that have been issued to the listed individuals under the Stock Incentive Plan through March 23, 2017:

Name and Principal Position	Number of Shares Underlying Restricted Stock/ Stock Units(1)	Number of Shares Underlying Options(2)	Number of Shares of Purchased Stock(3)	Number of Shares of Common Stock(4)
Todd J. Vasos, *Chief Executive Officer*	185,637	1,274,076	74,286	—
John W. Garratt, *Executive Vice President & Chief Financial Officer*	37,369	93,438	—	—
Jeffery C. Owen, *Executive Vice President, Store Operations*	41,076	283,031	11,429	—
Rhonda M. Taylor, *Executive Vice President & General Counsel*	48,909	189,583	6,114	—
James W. Thorpe, *Executive Vice President & Chief Merchandising Officer*	34,901	366,537	—	—
All current executive officers as a group (8 persons)	445,862	3,141,620	154,532	—
All current non-employee directors as a group (7 persons)	57,759	117,588	—	—
All employees, including all current officers who are not executive officers, as a group(5)	3,450,229	20,124,453	884,005	173,039

(1) Includes shares underlying outstanding performance share units and restricted stock units, and dividend equivalents accrued with respect to such restricted stock units, as well as shares underlying performance share units and restricted stock units (and related dividend equivalents), and restricted stock, in each case that have been paid or cancelled according to the terms of the Stock Incentive Plan. Because the number of shares underlying performance share units for which the performance period has not ended cannot yet be determined, the table reflects for such units the maximum number which can be earned under the terms of the applicable award agreement.

(2) Includes options that are outstanding as well as shares underlying options that have been exercised or cancelled according to the terms of the Stock Incentive Plan.

(3) Includes shares purchased from us as part of an investment eligibility requirement to receive certain awards under the Stock Incentive Plan prior to 2012.

(4) Includes shares received upon vesting and settlement of equity appreciation rights that were granted under a different plan.

(5) Includes grants made or shares issued to executives and employees who have since left the Company.

What does the Board of Directors recommend?

Our Board unanimously recommends that shareholders vote **FOR** approval of the $750,000 annual limit on compensation, measured as the sum of cash compensation and the grant date fair value of any equity awards, granted under the Stock Incentive Plan during any fiscal year to a non-employee director as compensation for such services (subject to exception approved by our Board in extraordinary circumstances) and of the material terms of the performance goals under the Stock Incentive Plan for purposes of compensation deductibility under Section 162(m), including (i) the participants eligible to receive such compensation, (ii) the business criteria that may be used as performance goals for awards, and (iii) the maximum amount of compensation which may be paid to any participant if the performance goals are achieved.

Equity Compensation Plan Table

The following table sets forth information about securities authorized for issuance under our compensation plans (including individual compensation arrangements) as of February 3, 2017:

Plan category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted-average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by security holders[1]	3,531,759	$67.81	17,691,607
Equity compensation plans not approved by security holders	—	—	—
Total[1]	3,531,759	$67.81	17,691,607

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

PROPOSAL 3:
VOTE REGARDING THE AMENDED AND RESTATED ANNUAL INCENTIVE PLAN

What are shareholders being asked to approve?

Our Board of Directors is asking you to approve the material terms of the performance goals under our Amended and Restated Dollar General Corporation Annual Incentive Plan (the "Annual Incentive Plan"), to preserve our ability under Section 162(m) of the Internal Revenue Code to deduct compensation associated with future performance-based incentive awards to be made under the Annual Incentive Plan, such as those made to our executive officers under our Teamshare bonus program. The disclosure below is a summary only. For a full description, you should read the entire text of the Annual Incentive Plan which is attached as **Appendix C**.

Why should shareholders approve the material terms of the performance goals under the Annual Incentive Plan?

Section 162(m) of the Internal Revenue Code limits our ability to deduct from our U.S. federal corporate income taxes compensation in excess of $1 million per year paid to "covered employees" (generally consisting of each of the persons who were, at the end of each fiscal year, our Chief Executive Officer or one of the other named executive officers other than our Chief Financial Officer) unless the compensation qualifies as "performance-based." Compensation cannot qualify as "performance-based" unless the material terms of the performance goals are disclosed to and approved by shareholders every five years. For purposes of Section 162(m), material terms include (i) the employees eligible to receive compensation, (ii) a description of the business criteria on which the performance goals may be based and (iii) the maximum amount of compensation that can be paid to an employee under the plan if the performance goals are achieved. Each of these material terms as they relate to the Annual Incentive Plan is discussed below, and shareholder approval of this Proposal 3 will be deemed to constitute approval of the material terms of the performance goals under the Annual Incentive Plan for purposes of the shareholder approval requirements of Section 162(m).

The Annual Incentive Plan was established in 2005 and is designed to permit Dollar General to grant compensation that qualifies as performance-based compensation for purposes of satisfying the requirements of Section 162(m). Shareholders last approved the material terms of the performance goals under the Annual Incentive Plan in 2012. Shareholder approval of the material terms of the performance goals under the Annual Incentive Plan is only one of several requirements for amounts paid under the plan to qualify for the "performance-based compensation" exemption, and any such approval should not be viewed as a guarantee that we will be able to deduct any or all compensation under the Annual Incentive Plan. In addition, nothing in this proposal precludes us or the Compensation Committee from granting or paying incentive awards that are not intended to qualify for tax deductibility under Section 162(m).

What happens if shareholders do not approve this proposal?

If this Proposal 3 is not approved at the annual meeting, then no more awards will be granted under the Annual Incentive Plan after the annual meeting unless shareholders approve the material terms of the performance goals under the plan at a subsequent meeting. As a result, any bonuses granted to our "covered employees" after the date of the annual meeting and prior to any future shareholder approval of the material terms of the performance goals under the plan or a similar plan will not qualify as "performance-based compensation" and therefore may not be fully deductible by Dollar General due to the compensation limit imposed by Section 162(m). If this Proposal 3 is not approved at the annual meeting, any bonus awards granted with respect to fiscal 2017 will continue in accordance with their terms and will be deductible under Section 162(m) based on shareholder approval of the plan in 2012.

Who is eligible to participate in the Annual Incentive Plan?

The Compensation Committee of our Board of Directors, or any subcommittee thereof which meets the requirements of Section 162(m)(4)(C) of the Internal Revenue Code, determines who is eligible to participate in the Annual Incentive Plan, including any of our "covered employees" under Section 162(m), any of our executive officers and any other of our employees. A total of 8 persons, all of whom are executive officers, are participating in the Annual Incentive Plan as of March 23, 2017 with respect to fiscal 2017. We have no plans to significantly change the scope of the group who is eligible to earn incentive compensation awards under the Annual Incentive Plan.

How does the Annual Incentive Plan work?

The Annual Incentive Plan is designed to attract and retain executives and to motivate them to promote our profitability and growth by means of performance-based annual cash bonuses. The Annual Incentive Plan authorizes the payment of cash bonuses based on our actual performance measured against established business and/or financial performance measures. Prior to the beginning of each performance period, or at a later time as may be permitted by applicable provisions of the Internal Revenue Code (which currently is not later than the earlier of (1) 90 days after the beginning of the period of service to which the performance goals(s) relate or (2) the first 25% of the period of service), the Compensation Committee determines the participants in the Annual Incentive Plan, establishes for each participant a maximum award, and establishes the performance goal(s) and the performance measures applicable to, and the method for computing the amount payable upon achievement of, such performance goal(s). No participant can receive a bonus under the Annual Incentive Plan in excess of $10 million in any fiscal year. The Compensation Committee can base performance goals on one or more of the following performance measures which may relate to Dollar General, one or more of our affiliates or one or more of our or our affiliates' divisions or units, or any combination thereof, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof:

- Net earnings or net income (before or after taxes)
- Net sales or revenue growth
- Return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue)
- Earnings before or after taxes, interest, depreciation, and/or amortization
- Productivity ratios
- Expense targets
- Operating efficiency
- Working capital targets
- Volume
- Market share
- Regulatory ratings
- Net worth
- Earnings per share
- Gross or net operating profit
- Cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital)
- Share price (including, but not limited to, growth measures and total shareholder return)
- Gross or operating margins
- Margins
- Customer satisfaction
- Economic Value Added
- Capital expenditures
- Costs
- Asset quality
- Safety

To the extent allowable under Section 162(m), the performance goals may be calculated without regard to non-recurring items, as the Compensation Committee may determine in its sole discretion.

No award can be paid under the Annual Incentive Plan unless and until the Compensation Committee certifies in writing that the previously established performance goal(s) have been satisfied. The Compensation Committee may reduce or eliminate any award in its discretion despite achievement of the performance goal(s) but may not increase the amount of bonus payable to any participant. The Annual Incentive Plan allows a participant to elect in writing to defer the payment of his or her award in accordance with the terms of our CDP/SERP Plan as it exists from time to time. For a description of our CDP/SERP Plan, please see "Executive Compensation—Nonqualified Deferred Compensation." The Annual Incentive Plan does not limit our ability to make payments or awards to employees (including executive officers) under any other plan or arrangement.

What are the Federal income tax consequences of payments under the Annual Incentive Plan?

Payments made under the Annual Incentive Plan will be taxable to the recipients when paid as ordinary compensation income. If a participant properly elects to defer receipt of all or a portion of the bonus award under our CDP/SERP Plan, or any successor plan, the participant will generally be entitled to defer the recognition of income. As described above, we intend payments under the Annual Incentive Plan to qualify as "performance-based" compensation under Section 162(m). As a result, we will generally be entitled to a Federal income tax deduction corresponding to the amount of income recognized by the participant. Any bonuses payable under the Annual Incentive Plan that may be deferred under the CDP/SERP Plan must be deferred in a manner that complies with Section 409A of the Internal Revenue Code. Section 409A provides specific rules for deferral elections, distributions and funding mechanisms under non-qualified deferred compensation plans. Failure to comply would result in significant penalties and interest for the individual but would not impact our tax deduction for deferred compensation.

Who administers the Annual Incentive Plan?

The Compensation Committee administers the Annual Incentive Plan. The Compensation Committee has full authority to interpret the Annual Incentive Plan, to establish rules and regulations relating to the plan's operation, to select the plan's participants, to determine amounts of awards under the plan and to make all other determinations with respect to the plan. The Compensation Committee may terminate or amend the Annual Incentive Plan at any time. However, any amendment that would require shareholder approval pursuant to Section 162(m), the NYSE listing rules, or any other applicable law, rule or regulation will not be effective without shareholder approval. No amendment or termination of the Annual Incentive Plan shall adversely affect a participant's rights to or interest in an award granted prior to the date of the amendment without the participant's written consent.

What kind of benefits will be paid under the Annual Incentive Plan?

The amount that would be paid in the future under the Annual Incentive Plan will be at the discretion of the Compensation Committee and dependent upon our future performance. As a result, the benefits or amounts to be received by or allocated to participants under the Annual Incentive Plan in future years are not determinable. Information regarding our recent practices with respect to annual incentive awards under the Annual Incentive Plan, including for 2016, is presented in "Compensation Discussion and Analysis—Elements of Named Executive Officer Compensation—Short-Term Cash Incentive Plan" and in the "Summary Compensation Table," in each case under "Executive Compensation" above. In recent years, the Compensation Committee has selected an EBIT-based performance measure upon which to base the performance goals in connection with the Annual

Incentive Plan. The Compensation Committee has again selected such performance measure for 2017 awards under the Annual Incentive Plan.

What does the Board of Directors recommend?

Our Board unanimously recommends that shareholders vote **FOR** approval of the material terms of the performance goals under the Annual Incentive Plan for purposes of compensation deductibility under Section 162(m), including (i) the participants eligible to receive such compensation, (ii) the business criteria that may be used as performance goals for awards, and (iii) the maximum amount of compensation which may be paid to any participant if the performance goals are achieved.

PROPOSAL 4: ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with SEC rules, we ask shareholders for advisory approval of our executive compensation every three years, which is the time interval last approved by our shareholders on a nonbinding basis. Accordingly, we are asking our shareholders to provide an advisory, nonbinding vote to approve the compensation of our named executive officers as we have described it in "Compensation Discussion and Analysis" and in the accompanying compensation tables and related narrative discussion in the "Executive Compensation" section of this proxy statement.

As discussed in detail in the "Compensation Discussion and Analysis" section above, the Compensation Committee actively oversees our executive compensation program, adopting changes to the program and awarding compensation as appropriate to reflect Dollar General's circumstances and to promote the main objectives of the program. Our compensation programs are designed to attract, retain and motivate persons with superior ability, to reward outstanding performance, and to align the long-term interests of our named executive officers with those of our shareholders. Under these programs, our named executive officers are rewarded for the achievement of specific annual and long-term goals and the realization of increased shareholder value. We firmly believe that the information we have provided in this proxy statement demonstrates that our executive compensation program was designed appropriately and is working to ensure that management's interests are aligned with our shareholders' interests to support long-term value creation.

Our Board of Directors is asking our shareholders to indicate their support for our named executive officer compensation as described in this proxy statement in accordance with SEC rules by voting for this proposal. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers. This advisory vote is not a vote on the compensation of our Board of Directors or our compensation policies as they relate to risk management, as described under "Compensation Risk Considerations" in the "Executive Compensation" section above.

Although the vote we are asking shareholders to cast is advisory and is not binding, our Board and the Compensation Committee value the views of our shareholders and intend to consider the outcome of the vote, along with other relevant factors, when making future compensation decisions for our named executive officers.

Our Board unanimously recommends that you vote **FOR** the approval of the compensation of our named executive officers as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules, including the "Compensation Discussion and Analysis" and the accompanying compensation tables and related narrative discussion in the "Executive Compensation" section of this proxy statement.

PROPOSAL 5:
ADVISORY VOTE ON THE FREQUENCY OF HOLDING FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

The 2017 annual meeting of shareholders is the second annual meeting at which we are required by SEC rules to hold an advisory, non-binding vote concerning whether future shareholder advisory votes on our named executive officer compensation should occur every 1, 2 or 3 years. At our 2011 annual meeting of shareholders, our shareholders voted to hold these future advisory votes on named executive officer compensation every 3 years (triennially). Our Board of Directors asks that shareholders again support a frequency period of every 3 years (which would mean that the next advisory vote on named executive officer compensation would occur at our 2020 annual meeting of shareholders).

Our Board believes that our executive compensation program directly ties compensation to our financial performance and serves to align the interests of our executive officers with those of our shareholders to support long-term value creation. Our Board believes a three-year period for holding this advisory vote on named executive officer compensation is the most advisable vote frequency for the following reasons:

- A triennial vote, versus an annual or biennial vote, aligns more closely with our belief that an effective executive compensation program should incentivize performance over both the short- and long-term;
- A triennial vote helps to avoid the short-term focus that may arise when say-on-pay votes are held more frequently and better facilitates an evaluation of how well we align executive pay with long-term performance;
- Each time the vote occurs, our shareholders will have a more complete view of the amount and mix of executive compensation, which may vary from year to year depending upon a variety of factors;
- Our shareholders will have the benefit of more time to thoroughly evaluate the effectiveness of our short- and long-term compensation strategies, any changes made to the program, and our related performance;
- Our Board and Compensation Committee will have the benefit of more time to thoughtfully consider the results of the vote, to engage with shareholders to understand and respond to the vote results, and to effectively implement any appropriate changes to our executive compensation program;
- Because many institutional shareholders review a high volume of lengthy proxy statements each year when determining how to vote, or they rely on proxy advisory firms for vote recommendations, less frequent votes (such as a triennial vote) will help reduce the cost and complexity of the say-on-pay vote, give proxy advisory firms additional time for a more detailed and thorough analysis of and recommendation on our executive compensation program, and improve the ability of institutional shareholders to exercise their voting rights in a more deliberate, thoughtful, and informed way that is in the best interests of shareholders; and
- A triennial vote reduces the risk of reactionary shareholder votes responding to short-term stock price movement or unusual events.

Our Board believes that anything less than a 3-year frequency period will yield a short-term mindset, detract from our long-term interests and goals, and would not allow for changes to our

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executive compensation program to be in place long enough to evaluate whether the changes were effective. Furthermore, our Board welcomes input from shareholders with respect to our executive compensation program even in years when the advisory vote does not occur.

Although the vote we are asking you to cast is advisory and is not binding, our Board and the Compensation Committee value the views of our shareholders and will consider the outcome of the vote when determining the frequency of future say-on-pay votes. Our next advisory vote on the frequency of holding future advisory votes on named executive officer compensation will occur at our 2023 annual meeting of shareholders.

Our Board unanimously recommends that you vote for the option of **3 YEARS** as the frequency of holding future advisory votes on named executive officer compensation.

AUDIT COMMITTEE REPORT

The Audit Committee of our Board of Directors has:

- reviewed and discussed with management the audited financial statements for the fiscal year ended February 3, 2017,
- discussed with Ernst & Young LLP, our independent registered public accounting firm, the matters required to be discussed by the Statement on Auditing Standards No. 1301, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board,
- received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and
- discussed with Ernst & Young LLP its independence from Dollar General and its management.

Based on these reviews and discussions, the Audit Committee unanimously recommended to the Board of Directors that Dollar General's audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended February 3, 2017 for filing with the SEC.

While the Audit Committee has the responsibilities and powers set forth in its charter, the Audit Committee does not have the duty to plan or conduct audits or to determine that Dollar General's financial statements are complete, accurate, or in accordance with generally accepted accounting principles. Dollar General's management and independent auditor have this responsibility. The Audit Committee also does not have the duty to assure compliance with laws and regulations or with the policies of the Board of Directors.

This report has been furnished by the members of the Audit Committee:

- David B. Rickard, Chairman
- Warren F. Bryant
- Sandra B. Cochran
- Paula A. Price

The above Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Dollar General filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Dollar General specifically incorporates this report by reference therein.

PROPOSAL 6:
RATIFICATION OF APPOINTMENT OF AUDITORS

Who is responsible for the selection of the independent auditor?

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent auditor that is retained to audit our financial statements.

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

Yes. Prior to the selection of the current lead audit partner, the Chairman of the Audit Committee interviewed the lead audit partner candidates, and the Audit Committee discussed with management such candidates' qualifications and experience.

Does the Audit Committee evaluate the independent auditor and the lead audit partner?

Yes. The Audit Committee annually evaluates the lead audit partner, as well as the independent auditor's qualifications, performance and independence. The evaluation, which includes the input of management, entails consideration of a broad range of factors, including the quality of services and sufficiency of resources that have been provided; the skills, knowledge and experience of the firm and the audit team; the effectiveness and sufficiency of communications and interactions; independence and level of objectivity and professional skepticism; reasonableness of fees; and other factors.

Who has the Audit Committee selected as the independent registered public accounting firm?

After conducting the evaluation process discussed above, the Audit Committee selected Ernst & Young LLP as our independent auditor for the 2017 fiscal year. Ernst & Young LLP has served in that capacity since October 2001. The Audit Committee and the Board of Directors believe that the continued retention of Ernst & Young LLP is in the best interests of Dollar General and our shareholders.

Will representatives of Ernst & Young LLP attend the annual meeting?

Representatives of Ernst & Young LLP have been requested and are expected to attend the annual meeting. These representatives will have the opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

What does the Board of Directors recommend?

Our Board unanimously recommends that you vote **FOR** the ratification of Ernst & Young LLP as our independent auditor for the 2017 fiscal year. The Audit Committee is not bound by a vote either for or against the firm. If the shareholders do not ratify this appointment, our Audit Committee will consider that result in selecting our independent auditor in the future.

FEES PAID TO AUDITORS

What fees were paid to the independent auditor in 2016 and 2015?

The table below lists the aggregate fees for professional audit services rendered to us by Ernst & Young LLP for the audit of our consolidated financial statements for the past two fiscal years and fees billed for other services rendered by Ernst & Young LLP during the past two fiscal years:

Service	2016 Aggregate Fees Billed ($)	2015 Aggregate Fees Billed ($)
Audit Fees(1)	2,555,582	2,272,623
Audit-Related Fees(2)	33,000	32,000
Tax Fees(3)	1,865,236	1,910,042
All Other Fees(4)	1,995	1,995

(1) Represents for each fiscal year the aggregate fees billed for professional services for the audit of our annual financial statements and review of financial statements included in our Forms 10-Q and services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) Represents for each fiscal year the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. The fees for each year relate to the employee benefit plan audit.

(3) 2016 and 2015 fees relate primarily to tax compliance services, which represented $1,755,636 and $1,805,042 in 2016 and 2015, respectively, for work related to work opportunity tax credit assistance and foreign sourcing offices' tax compliance. The remaining tax fees for each such year are for tax advisory services related to inventory.

(4) 2016 and 2015 fees are for a subscription fee to an on-line accounting research tool.

How does the Audit Committee pre-approve services provided by the independent auditor?

The Audit Committee pre-approves all audit and permissible non-audit services provided by our independent auditor. Where feasible, the Committee considers and, when appropriate, pre-approves services at regularly scheduled meetings after disclosure by management and the independent auditor of the nature of the proposed services, the estimated fees (when available), and their opinions that the services will not impair the independence of the independent auditor. The Committee's Chairman (or any Committee member if the Chairman is unavailable) may pre-approve such services between Committee meetings, and must report to the Committee at its next meeting with respect to all services so pre-approved. The Committee pre-approved 100% of the services provided by Ernst & Young LLP during 2016 and 2015.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The U.S. securities laws require our executive officers, directors, and greater than 10% shareholders to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Based solely upon a review of these reports furnished to us during and with respect to 2016, or written representations that no Form 5 reports were required, we believe that each of those persons filed, on a timely basis, the reports required by Section 16(a) of the Exchange Act.

SHAREHOLDER PROPOSALS FOR 2018 ANNUAL MEETING

To be considered for inclusion in our proxy materials relating to the 2018 annual meeting of shareholders (the “2018 Annual Meeting”), eligible shareholders must submit proposals that comply with Rule 14a-8 under the Exchange Act and other relevant SEC regulations for our receipt by December 13, 2017.

To introduce other new business, including the nomination of directors (other than a proxy access nomination, which is described below) at the 2018 Annual Meeting, you must deliver written notice to us no earlier than the close of business on January 31, 2018 and no later than the close of business on March 2, 2018, and comply with the advance notice provisions of our Bylaws. If we do not receive a properly submitted shareholder proposal by March 2, 2018, then the proxies held by our management may provide the discretion to vote against such shareholder proposal even though the proposal is not discussed in our proxy materials sent in connection with the 2018 Annual Meeting.

On March 23, 2017, our Board of Directors amended and restated our Bylaws to adopt proxy access provisions that permit a shareholder, or a group of up to 20 shareholders, owning 3% or more of our stock continuously for at least three years, to nominate and include in our proxy materials candidates for election as directors. Such shareholder or group may nominate up to 20% of our Board, provided that the shareholder or group and the nominee(s) satisfy the requirements specified in our Bylaws. In order to be properly brought before our 2018 Annual Meeting, an eligible shareholder’s notice of nomination of a director candidate pursuant to the proxy access provisions of our Bylaws must be received by us no earlier than the close of business on November 13, 2017 and no later than the close of business on December 13, 2017, and comply with the other relevant provisions of our Bylaws pertaining to proxy access nominees.

Shareholder proposals and notices must be mailed to Corporate Secretary, Dollar General Corporation, 100 Mission Ridge, Goodlettsville, Tennessee 37072. Shareholder proposals and nominations that are not included in our proxy materials will not be considered at any annual meeting of shareholders unless such proposals have complied with the requirements of our Bylaws.

Subset of Companies from Aon Hewitt Total Compensation Measurement™ (TCM) Database Used for Mr. Owen

Academy Sports & Outdoors, Ltd.
ANN INC.
BJ's Wholesale Club, Inc.
The Bon-Ton Stores, Inc.
The Children's Place Retail Stores
Eddie Bauer Inc.
The Home Depot, Inc.
Hy-Vee, Inc.
J. C. Penney Company, Inc.
Lowe's Companies, Inc.
Macy's, Inc.
Meijer, Inc.
The Neiman Marcus Group, Inc.
PetSmart, Inc.
Pier 1 Imports, Inc.
Rite Aid Corporation
Target Corporation
Ulta Salon, Cosmetics & Fragrance, Inc.
Walgreen Company
Williams-Sonoma, Inc.

DOLLAR GENERAL CORPORATION
AMENDED AND RESTATED 2007 STOCK INCENTIVE PLAN

This Amended and Restated 2007 Stock Incentive Plan (the "Plan") is effective as provided in Section 14 herein.

WHEREAS, the 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates was initially approved by the Board of Directors and became effective as of July 6, 2007, and has been amended and restated on several occasions, most recently by amendments that were approved by the Board of Directors and became effective upon shareholder approval of the amended and restated Plan on June 1, 2012; and

WHEREAS, the Plan is hereby further amended and restated in its entirety as follows:

1. Purpose of Plan

The Plan is designed:

(a) to promote the long term financial interests and growth of Dollar General Corporation (the "Company") and its Subsidiaries by attracting and retaining management and other personnel and key service providers with the training, experience and ability to enable them to make a substantial contribution to the success of the Company's business;

(b) to motivate management personnel by means of growth-related incentives to achieve long range goals; and

(c) to further the alignment of interests of Participants with those of the shareholders of the Company through opportunities for increased stock or stock-based ownership in the Company.

2. Definitions

As used in the Plan, the following words shall have the following meanings:

(a) "Affiliate" means with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.

(b) "Award" means an award made to a Participant pursuant to the Plan and described in Section 6, including, without limitation, an award of a Stock Option, Stock Appreciation Right, Other Stock-Based Award or Dividend Equivalent Right (as such terms are defined in Section 6), or any combination of the foregoing.

(c) "Award Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to an Award; provided that for an Award with no restrictions, no signature will be required from the Participant.

(d) "Beneficial Owner" means a "beneficial owner", as such term is defined in Rule 13d-3 under the Exchange Act (or any successor rule thereto).

(e) "Board" means the Board of Directors of the Company.

(f) A "Change in Control" shall occur upon any of the following events: (i) the sale or disposition, in one or a series of related transactions, of all or substantially all, of the assets of the Company to any Person (or group of Persons acting in concert) other than any of the Company or its Affiliates (collectively, the "Permitted Holders"); (ii) any Person (or group of Persons acting in concert), other than the Permitted Holders, is or becomes the Beneficial Owner (except that a Person shall be deemed to be a "Beneficial Owner" of all shares that any such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the voting stock of the Company (or any entity which controls the Company), including by way of merger, consolidation, tender or exchange offer or otherwise; (iii) a reorganization, recapitalization, merger or consolidation (a "Corporate Transaction") involving the Company, unless securities representing 50% or more of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the Company or the entity resulting from such Corporate Transaction (or the parent of such entity) are held subsequent to such transaction by the Person or Persons who were the Beneficial Owners of the outstanding voting securities entitled to vote generally in the election of directors of the Company immediately prior to such Corporate Transaction; or (iv) during any rolling twenty-four (24) month period looking back from any given date, individuals who at the beginning of such period constituted the Board (together with any new directors whose election by such Board or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the directors of the Company, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved (any such director, an "Incumbent Director") cease for any reason to constitute a majority of the Board on the date of determination thereof; provided, that, no individual shall be an Incumbent Director who is elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any Person other than the Board.

(g) "Code" means the United States Internal Revenue Code of 1986, as amended.

(h) "Committee" means the Compensation Committee of the Board (or, if no such committee is appointed, the Board), or any authorized subcommittee of the Committee, as applicable.

(i) "Common Stock" or "Share" means the common stock, par value $0.875 per share, of the Company, which may be authorized but unissued, or issued and reacquired.

(j) "Director Limit" shall have the meaning set forth in Section 3(b) of the Plan.

(k) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(l) "Fair Market Value" means, on a per Share basis, the fair market value of the Common Stock on any given date determined as follows: (i) if there is a public market for the Shares on such date, the closing sale price of the Shares as quoted on the principal national securities exchange on which such Shares are listed or admitted to trading, or (ii) if there is no public market for the Shares on such date, the Fair Market Value shall be the fair market value of the Shares as determined reasonably and in good faith by the Board, which shall not take into account any minority interest discount or discount for the imposition of transfer restrictions.

(m) "ISO" means a Stock Option that is also an incentive stock option granted pursuant to Section 6(a)(ii) of the Plan.

(n) "Key Employee" means a person, including an officer, in the regular employment of the Company or any other Service Recipient who, in the opinion of the Committee, has or is expected to have involvement in the management, growth or protection of some part or all of the business of the Company or any other Service Recipient.

(o) "Non-Employee Director" means a member of the Board who is not an employee of Dollar General Corporation or any of its Affiliates.

(p) "Other Stock-Based Awards" means Other Stock-Based Awards granted pursuant to Section 6(c) of the Plan.

(q) "Participant" means a Key Employee, Non-Employee Director, consultant or other person having a service relationship with the Company or any other Service Recipient, to whom one or more Awards have been made and remain outstanding.

(r) "Performance-Based Awards" shall have the meaning set forth in Section 6(c) of the Plan.

(s) "Person" means "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

(t) "Service Recipient" means the Company, any Subsidiary of the Company, or any Affiliate of the Company that satisfies the definition of "service recipient" within the meaning of Treasury Regulation Section 1.409A-1(g) (or any successor regulation), with respect to which the person is a "service provider" (within the meaning of Treasury Regulation Section 1.409A-1(f) (or any successor regulation).

(u) "Stock Appreciation Rights" means Stock Appreciation Rights granted under Section 6(b) of the Plan.

(v) "Stock Options" means Stock Options granted pursuant to Section 6(a) of the Plan.

(w) "Subsidiary" means any corporation or other entity in an unbroken chain of corporations or other entities beginning with the Company if each of the corporations or other entities, or group of commonly controlled corporations or other entities, other than the last corporation or other entity in the unbroken chain then owns stock or other equity interests possessing 50% or more of the total combined voting power of all classes of stock or other equity interests in one of the other corporations or other entities in such chain.

3. Shares Subject to the Plan

(a) General. Subject to adjustment as provided for in Sections 8 and 9, the total number of Shares which may be issued under the Plan is 31,142,858, no more than 4,500,000 of which shall be available for grant to any one Participant in the form of Stock Options and Stock Appreciation Rights in any given fiscal year of the Company, and no more than 1,500,000 of which shall be available for grant to any one Participant in the form of Other Stock-Based Awards in any given fiscal year of the Company. The Shares may consist, in whole or in part, of unissued Shares or issued but reacquired Shares. The issuance of Shares or the payment of cash in consideration of the substitution, cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, to the extent of the number of Shares subject to such substituted, cancelled or terminated Award; provided, however, that Shares subject to Awards that are (i) repurchased by the Company or (ii) withheld or tendered to satisfy (x) tax withholding obligations, (y) the exercise price of any Stock Option(s) or (z) the purchase price for any other Award, shall in all events immediately become available for new Awards to be granted under the Plan. Shares related to Awards or portions of Awards that are forfeited or that expire unexercised shall also immediately become available for new Awards to be granted under the Plan.

(b) Non-Employee Director Award Limit. In addition to the provisions set forth in Section 3(a), the Board may establish compensation for Non-Employee Directors from time to time, subject to the limitations in the Plan, including the form and amount of all such Non-Employee Director compensation. The Board shall establish such Non-Employee Director compensation in its discretion and pursuant to the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the sum of any cash compensation and the grant date fair value of any Awards (as determined in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 718, or any successor provision thereto) granted under the Plan during any fiscal year of the Company to a

Non-Employee Director as compensation for services as a Non-Employee Director may not exceed $750,000 (the "Director Limit"). The Board may make exceptions to the Director Limit for individual Non-Employee Directors in extraordinary circumstances, as the Board may determine in its discretion (and the exercise of such discretion shall be final, conclusive and binding), provided that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such additional compensation.

4. Administration of Plan

(a) The Plan shall be administered by the (i) Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who are intended to qualify as "Non-Employee Directors" within the meaning of Rule 16b-3 under the Exchange Act (or any successor rule thereto), "independent directors" within the meaning of the New York Stock Exchange's listed company rules and "outside directors" within the meaning of Section 162(m) of the Code (or any successor section thereto), or (ii) Board acting on behalf of the Committee, in each case to the extent permitted by applicable law. The Committee may adopt its own rules of procedure, and action of a majority of the members of the Committee taken at a meeting, or action taken without a meeting by unanimous written consent, shall constitute action by the Committee. Subject to Section 10 of the Plan, the Committee shall have the power and authority to administer, construe and interpret the Plan, to make rules for carrying it out and to make changes in such rules, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan and any Award Agreement in the manner and to the extent the Committee deems necessary or desirable. Any such interpretations, rules, and administration shall be consistent with the basic purposes of the Plan. The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). At the time an Award is made or amended in accordance with the terms of the Plan, or the terms or conditions of an Award are changed in accordance with the terms of the Plan or the Award Agreement, the Committee may provide for limitations or conditions on such Award. Any decision of the Committee (including a duly authorized subcommittee thereof) in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). In the event of a conflict or inconsistency between the Plan and any Award Agreement, the Plan shall govern, and the Award Agreement shall be interpreted to minimize or eliminate any such conflict or inconsistency.

(b) Subject to the limitations imposed under Section 7(h) below, Awards may, in the discretion of the Committee, be made under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Company or its Affiliates or a company acquired by the Company or with which the Company combines.

(c) The Committee may employ counsel, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company, and the officers and directors of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. No member of the Committee, nor employee or representative of the Company shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Awards, and all such members of the Committee, employees and representatives shall be fully protected and indemnified to the greatest extent permitted by applicable law by the Company with respect to any such action, determination or interpretation.

5. Eligibility

The Committee may from time to time make Awards under the Plan to such Key Employees, or other persons having a relationship with the Company or any other Service Recipient, and in such form and having such terms, conditions and limitations as the Committee may determine. The terms, conditions and limitations of each Award under the Plan shall be set forth in an Award Agreement, in a form approved by the Committee, consistent, however, with the terms of the Plan.

6. Awards

From time to time, the Committee (or the Board, as applicable) will determine the forms and amounts of Awards for Participants. Such Awards may take the following forms in the Committee's (or the Board's, as applicable) sole discretion:

(a) Stock Options.

(i) Stock Options. These are options to purchase Common Stock ("Stock Options"). At the time of Award the Committee shall determine, and shall include in the Award Agreement, the option exercise period, the option exercise price, vesting requirements, and such other terms, conditions or restrictions on the grant or exercise of the option as the Committee deems appropriate including, without limitation, the right to receive dividend equivalent payments on vested options. Notwithstanding the foregoing, the exercise price per Share of a Stock Option shall in no event be less than the Fair Market Value on the date the Stock Option is granted (subject to later adjustment pursuant to Sections 8 and 9 hereof). In addition to other restrictions contained in the Plan, a Stock Option granted under this Section 6(a) may not be exercised more than 10 years after the date it is granted. Payment of the Stock Option exercise price shall be made (i) in cash, (ii) with the consent of the Committee, in Shares (any such Shares valued at Fair Market Value on the date of exercise) that the Participant has held for such period of time as may be required by the Committee to avoid adverse accounting consequences, (iii) through the withholding of Shares (any such Shares valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Stock Option in a manner that is compliant with applicable law, or (iv) a combination of the foregoing methods, in each such case in accordance with the terms of the Plan, the Award Agreement and of any applicable guidelines of the Committee in effect at the time.

(ii) ISOs. The Committee may grant Stock Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code (or any successor section thereto). No ISO may be granted to any Participant who at the time of such grant, owns more than ten percent of the total combined voting power of all classes of stock of the Company or of any Subsidiary, unless (i) the option exercise price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two years after the date of grant of such ISO or (ii) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount realized upon such disposition. All Stock Options granted under the Plan are intended to be nonqualified stock options, unless the applicable Award Agreement expressly states that the Stock Option is intended to be an ISO. If a Stock Option is intended to be an ISO, and if for any reason such Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Stock Option (or portion thereof) shall be regarded as a nonqualified stock option granted under the Plan; provided that such Stock Option (or portion thereof) otherwise complies with the Plan's requirements relating to nonqualified stock options. In no event shall any member of the Committee, the Company or any of its Affiliates (or their respective employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of a Stock Option to qualify for any reason as an ISO.

(iii) Attestation. Wherever in this Plan or any agreement evidencing an Award a Participant is permitted to pay the Stock Option exercise price of a Stock Option or taxes relating to the exercise of a Stock Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of Beneficial Ownership of such Shares, in which case the Company shall treat the Stock Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Stock Option, subject to actual receipt of such Shares (whether of the actual Share certificate or electronic delivery of such Shares).

(b) Stock Appreciation Rights. The Committee may grant "Stock Appreciation Rights" (as hereinafter defined) independent of, or in connection with, the grant of a Stock Option or a portion thereof. Each Stock Appreciation Right shall be subject to such other terms as the Committee may determine. The exercise price per Share of a Stock Appreciation Right shall in no event be less than the Fair Market Value on the date the Stock Appreciation Right is granted or, in the case of a Stock Appreciation Right granted in conjunction with a Stock Option, or a portion thereof, the Stock Option exercise price of the related Stock Option. Each "Stock Appreciation Right" granted independent of a Stock Option shall be defined as a right of a Participant, upon exercise of such Stock Appreciation Right, to receive an amount equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share of such Stock Appreciation Right, multiplied by (ii) the number of Shares covered by the Stock Appreciation Right. Payment of the Stock Appreciation Right shall be made in Shares or in cash, or partly in Shares and partly in cash (any such Shares valued at the Fair Market Value on the date of the payment), all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. The date a notice of exercise is received by the Committee shall be the exercise date. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) Other Stock-Based Awards.

(i) Generally. The Committee may grant or sell awards of Shares, awards of restricted Shares and awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value or number of, or are in any way payable in the form of, Shares (including, without limitation, restricted stock units and bonus stock). Such "Other Stock-Based Awards" shall be in such form, and dependent on such conditions, as the Committee may determine, including, without limitation, the right to receive, or vest with respect to, one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made; the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

(ii) Notwithstanding anything to the contrary herein, certain Other Stock-Based Awards granted under this Section 6(c) may be granted in a manner which is intended to qualify for the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code or any successor provision thereto ("Performance-Based Awards"). A Participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee within the time period prescribed by Section 162(m) of the Code. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (a) net earnings or net income (before or after taxes); (b) earnings per share; (c) net sales or revenue growth; (d) gross or net operating profit; (e) return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue); (f) cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital); (g) earnings before or after taxes, interest, depreciation, and/or amortization; (h) gross or operating margins; (i) productivity ratios; (j) share price (including, but not limited to, growth measures and total shareholder return); (k) expense targets; (l) margins; (m) operating efficiency; (n) customer satisfaction; (o) working capital targets; (p) economic value added; (q) volume; (r) capital expenditures; (s) market share; (t) costs; (u) regulatory ratings; (v) asset quality; (w) net worth; and (x) safety. The foregoing criteria may relate to the Company, one or more of its Affiliates or one or more of its or their divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to non-recurring items, as the Committee may determine in its sole discretion. The maximum amount of a Performance-Based Award granted during a calendar year to any Participant shall be, with respect to Performance-Based Awards that are denominated in Shares, 24 million. The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given Participant and, if they have, shall so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such performance period; provided, however, that a Participant may, if and to the extent permitted by the Committee and consistent with the provisions of Section 162(m) of the Code, elect to defer payment of a Performance-Based Award.

(d) Dividend Equivalent Rights. The Committee may grant Dividend Equivalent Rights either alone or in connection with the grant of an Award. A "Dividend Equivalent Right" shall be the right to receive a payment in respect of one Share (whether or not subject to a Stock Option) equal to the amount of any dividend paid in respect of one Share held by a shareholder in the Company; provided, however, that the Company shall not grant any Dividend Equivalent Right in respect of any unearned performance Shares. Each Dividend Equivalent Right shall be subject to such terms as the Committee may determine.

7. Limitations and Conditions

(a) No Award may be granted under the Plan after June 1, 2022, but Awards theretofore granted may extend beyond that date.

(b) Nothing contained herein shall affect the right of the Company or any other Service Recipient to terminate any Participant's employment or other service relationship at any time or for any reason.

(c) Unless otherwise permitted by the Committee at or after the time of grant of any Award, and except as shall be otherwise transferable or assignable by the Participant by will or the laws of descent and distribution, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant. No election as to benefits or exercise of any Award may be made during a Participant's lifetime by anyone other than the

Participant except by a legal representative appointed for or by the Participant or, after a Participant's death, by the legatees, personal representatives of the Participant or distributees of the Participant.

(d) Participants shall not be, and shall not have any of the rights or privileges of, shareholders of the Company in respect of any Shares purchasable or deliverable in connection with any Award unless and until certificates representing any such Shares have been issued by the Company to such Participants (or book entry representing such Shares has been made and such Shares have been deposited with the appropriate registered book-entry custodian).

(e) Absent express provisions to the contrary, any Award under this Plan shall not be deemed compensation for purposes of computing benefits or contributions under any retirement or severance plan of the Company or other Service Recipient and shall not affect any benefits under any other benefit plan of any kind now or subsequently in effect under which the availability or amount of benefits is related to level of compensation. This Plan is not a "retirement plan" or "welfare plan" under the Employee Retirement Income Security Act of 1974, as amended.

(f) Unless the Committee determines otherwise, no benefit or promise under the Plan shall be secured by any specific assets of the Company or any other Service Recipient, nor shall any assets of the Company or any other Service Recipient be designated as attributable or allocated to the satisfaction of the Company's obligations under the Plan.

(g) The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

(h) Notwithstanding any provision herein to the contrary, other than as permitted under Section 8 or 9 below, the repricing of any Stock Option or Stock Appreciation Right, once granted hereunder, is prohibited without prior approval of the Company's shareholders. For this purpose, a "repricing" means any of the following (or any other action that has the same effect as any of the following): (i) changing the terms of any Stock Option or Stock Appreciation Right to lower the exercise price thereof; (ii) any other action that is treated as a "repricing" under generally accepted accounting principles; and (iii) repurchasing for cash or canceling any Stock Option or Stock Appreciation Right in exchange for another Award at a time when the exercise price per Share is greater than the Fair Market Value of the underlying Shares, unless the cancellation and exchange occurs in connection with an event described in Section 8 or 9 below.

8. <u>Adjustments upon Certain Events</u>.

In the event of any Share dividend, Share split, spin-off, share combination, reclassification, recapitalization, liquidation, dissolution, reorganization, merger, Change in Control, payment of a dividend (other than a cash dividend paid as part of a regular dividend program), exchange of Shares or other corporate exchange, any equity restructuring (as defined under FASB Accounting Standards Codification Topic 718 or any successor provision thereto), or other similar transaction or occurrence which affects the equity securities of the Company or the value thereof, the Committee shall (i) adjust the number and kind of shares subject to the Plan and available for or covered by Awards, (ii) adjust the share and/or exercise prices related to outstanding Awards, and/or (iii) take such other action (including, without limitation providing for payment of a cash amount to holders of outstanding Awards), in each case as it deems reasonably necessary to address, on an equitable basis, the effect of the applicable corporate event on the Plan and any outstanding Awards. Where an Award being adjusted is an ISO or is subject to Section 409A of the Code, the adjustment shall also be effected so as to comply with Section 424(a) of the Code and not to constitute a modification within the meaning of Section 424(h) or 409A, as applicable, of the Code. Any such adjustment made or action taken by the Committee in accordance with this Section 8 shall be final and binding upon holders of Awards and upon the Company.

9. Change in Control.

Notwithstanding Section 8 above, in the event of a Change in Control: (a) if determined by the Committee in the applicable Award Agreement or otherwise determined by the Committee in its sole discretion, any outstanding Awards then held by Participants which are unexercisable or otherwise unvested or subject to lapse restrictions may automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, as of immediately prior to such Change in Control and (b) the Committee may, to the extent determined by the Committee to be permitted under Section 409A of the Code, but shall not be obligated to: (i) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Stock Options and Stock Appreciation Rights, may equal the excess, if any, of the value of the consideration (as determined in the sole discretion of the Committee) to be paid in the Change in Control transaction to holders of the same number of Shares subject to such Stock Options or Stock Appreciation Rights over the aggregate exercise price of such Stock Options or the aggregate exercise price of such Stock Appreciation Rights, as the case may be; (ii) provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms and value of any affected Awards previously granted hereunder, as determined by the Committee in its sole discretion; or (iii) provide that for a period of at least ten business days prior to the Change in Control, any Stock Options or Stock Appreciation Rights shall be exercisable, to the extent applicable, as to all Shares subject thereto and that upon the occurrence of the Change in Control, such Awards shall terminate and be of no further force and effect. For the avoidance of doubt, the Committee may apply any of the foregoing to any given outstanding Award or group or type of Awards, and shall not be required to apply any of the foregoing uniformly to all outstanding Awards.

10. Amendment and Termination

(a) The Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding Awards as are consistent with this Plan, provided that no such action shall modify any Award in a manner that adversely impacts, other than in a *de minimis* manner, a Participant with respect to any outstanding Awards, other than pursuant to Sections 8, 9 or 10(c) hereof, without the Participant's consent, except as such modification is provided for or contemplated in the terms of the Award or this Plan (including Section 4(a) above).

(b) The Board may amend, suspend or terminate the Plan, except that no such action, other than an action under Sections 8, 9 or 10(c) hereof, may be taken which would, without shareholder approval, increase the aggregate number of Shares available for Awards under the Plan, decrease the exercise price of outstanding Stock Options or Stock Appreciation Rights, change the requirements relating to the Committee, or extend the term of the Plan. However, no such Board action shall adversely impact, other than in a *de minimis* manner, a Participant with respect to any outstanding Awards, other than pursuant to Sections 8, 9 or 10(c) hereof, without the Participant's consent, except as otherwise contemplated in the terms of the Award or the Plan (including Section 4(a) above).

(c) This Plan is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code. Notwithstanding anything herein to the contrary, (i) if, at the time of the Participant's termination of service with any Service Recipient, the Participant is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of service is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Participant) until the date that is six months and one day following the Participant's termination of service with all Service Recipients (or the earliest date as is permitted under Section 409A of the Code), if such payment or benefit is payable upon a termination of service and (ii) if any other payments of money or other benefits due to the Participant hereunder would cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred, if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, reasonably determined by the Board in consultation with the Participant, that does not cause such an accelerated or additional tax or result in an additional cost to the Company (without any reduction in such payments or benefits ultimately paid or provided to the Participant). Each payment made under the Plan shall be designated as a "separate payment" within the meaning of Section 409A of the Code and all references to "termination of employment" or "termination of service" shall be deemed to refer to a "separation from service" within the meaning of Section 409A of the Code. Notwithstanding the above, the Company shall not be liable to a Participant in the event any payment or benefit under the Plan fails to be exempt from, or comply with, Section 409A of the Code.

(d) The Committee shall specify in, or in respect of, any Award granted hereunder on or subsequent to the Effective Date, that as a condition of receiving payment of such Award, the Participant's rights, payments, and benefits with respect to such Award shall be subject to any reduction, cancellation, forfeiture or recoupment, in whole or in part, upon the occurrence of certain specified events, as may be required by the Securities and Exchange Commission or any applicable national exchange, law, rule or regulation or as set forth in a separate "clawback" or recoupment policy as may be adopted from time to time by the Board or the Committee.

11. Governing Law; International Participants

(a) This Plan shall be governed by and construed in accordance with the laws of the State of Delaware applicable therein.

(b) With respect to Participants who reside or work outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or any other Service Recipient.

12. Transfers and Leaves of Absence

For purposes of the Plan, unless the Committee determines otherwise: (a) a transfer of a Participant's employment without an intervening period of separation among the Company and any other Service Recipient shall not be deemed a termination of employment, and (b) a Participant who is granted in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of the Company (and other Service Recipient) during such leave of absence.

13. Withholding Taxes

The Company shall have the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy any federal, state or local income or other taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any grant, exercise, or payment made under or as a result of the Plan. It shall be a condition to the obligation of the Company to deliver Shares upon the exercise of a Stock Option or upon the occurrence of any other taxable event with respect to any Award that the Participant pays to the Company or makes arrangements satisfactory to the Company for payment of the applicable withholding taxes. As an alternative to making a cash payment to the Company to satisfy applicable withholding tax obligations, a Participant may elect or the Committee may require a Participant to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value equal to the amount required to be withheld, or by delivering to the Company Shares having a Fair Market Value equal to the amount required to be withheld. The value of any Shares so withheld or delivered shall be based on Fair Market Value of the Shares on the date that the amount of tax to be withheld is to be determined. All elections by the Participant shall be irrevocable and be made in writing and in such manner as determined by the Committee in advance of the day that the transaction becomes taxable and, to the extent applicable, in accordance with the requirements of Section 409A of the Code.

14. Effectiveness of the Plan

This Plan as amended and restated shall be effective on November 30, 2016 (the "Effective Date"), except for the amendments set forth in Sections 2(j), 3(b) and 6(c)(ii) which shall not take effect, and no Award shall be granted hereunder that are subject to the amendments set forth in Sections 2(j), 3(b) and 6(c)(ii), unless and until the Company's shareholders approve the proposal related to the Plan at the annual meeting of shareholders held in 2017 (the "2017 Annual Meeting").

AMENDED AND RESTATED DOLLAR GENERAL CORPORATION ANNUAL INCENTIVE PLAN

This Amended and Restated Dollar General Corporation Annual Incentive Plan (the "Plan"), initially approved by the Board of Directors of Dollar General Corporation (the "Company") on March 16, 2005 and adopted by the shareholders of the Company on May 24, 2005, as further amended and approved by the shareholders of the Company on multiple occasions, most recently as of June 1, 2012, is hereby further amended and restated in its entirety, effective as of the date set forth in Section 9 of the Plan below, as follows:

SECTION 1 PURPOSE

The purpose of the Dollar General Corporation Annual Incentive Plan is to permit the Company, through awards of annual incentive compensation that satisfy the requirements for performance-based compensation under Section 162(m) of the Internal Revenue Code, to attract and retain executives and to motivate these executives to promote the profitability and growth of the Company.

SECTION 2 DEFINITIONS

"*Award*" shall mean the amount granted to a Participant by the Committee for a Performance Period.

"*Board*" shall mean the Board of Directors of the Company or the successor thereto.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended.

"*Committee*" shall mean the Compensation Committee of the Board or any subcommittee thereof which meets the requirements of Section 162(m)(4)(C) of the Code.

"*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.

"*Executive*" shall mean any "covered employee" (as defined in Section 162(m) of the Code), any executive officer of the Company or its Subsidiaries and, in the discretion of the Committee, any other employee of the Company or its Subsidiaries.

"*Participant*" shall mean, for each Performance Period, each Executive who has been selected by the Committee to participate in the Plan.

"*Performance Period*" shall mean the Company's fiscal year or any shorter or longer period designated by the Committee (not to exceed five years) with respect to which an Award may be granted.

"*Plan*" shall mean this Amended and Restated Dollar General Corporation Annual Incentive Plan, as amended from time to time.

"*Qualified Performance-Based Award*" means an Award that is intended to qualify for the Section 162(m) Exemption and is made subject to performance goals based on Qualified Performance Measures.

"*Qualified Performance Measures*" means one or more of the performance measures listed below upon which performance goals for certain Qualified Performance-Based Awards may be established from time to time by the Committee within the time period prescribed by Section 162(m) of the Code:

(a) Net earnings or net income (before or after taxes);

(b) Earnings per share;

(c) Net sales or revenue growth;

(d) Gross or net operating profit;

(e) Return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue);

(f) Cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital);

(g) Earnings before or after taxes, interest, depreciation, and/or amortization;

(h) Gross or operating margins;

(i) Productivity ratios;

(j) Share price (including, but not limited to, growth measures and total shareholder return);

(k) Expense targets;

(l) Margins;

(m) Operating efficiency;

(n) Customer satisfaction;

(o) Working capital targets;

(p) Economic Value Added;

(q) Volume;

(r) Capital expenditures;

(s) Market share;

(t) Costs;

(u) Regulatory ratings;

(v) Asset quality;

(w) Net worth; and

(x) Safety

"*Section 162(m) Cash Maximum*" means $10,000,000.

"*Section 162(m) Exemption*" means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code or any successor provision thereto.

"*Service Recipient*" means the Company, any subsidiary of the Company, or any affiliate of the Company that satisfies the definition of "service recipient" within the meaning of Treasury Regulation Section 1.409A-1 (or any successor regulation), with respect to which the person is a "service provider" within the meaning of Treasury Regulation Section 1.409A-1 (or any successor regulation).

SECTION 3
ADMINISTRATION

The Plan shall be administered by the Committee, which shall have full authority to interpret the Plan, to establish rules and regulations relating to the operation of the Plan, to select Participants, to determine the maximum Awards and the amounts of any Awards and to make all determinations and take all other actions necessary or appropriate for the proper administration of the Plan. The Committee's interpretation of the Plan, and all actions taken within the scope of its authority, shall be final and binding on the Company, its shareholders and Participants, Executives, former Executives and their respective successors and assigns. No member of the Committee shall be eligible to participate in the Plan.

SECTION 4
DETERMINATION OF AWARDS

(a) Prior to the beginning of each Performance Period, or at such later time as may be permitted by applicable provisions of the Code (which, in the case of any Qualified Performance-Based Award, currently is not later than the earlier of (i) 90 days after the beginning of the period of service to which the performance goal(s) relate or (ii) the first 25% of the period of service), the Committee shall establish: (1) the Executives or class of Executives who will be Participants in the Plan; (2) for each Participant a maximum Award, which shall not exceed the Section 162(m) Cash Maximum; and (3) the performance goal(s) and Qualified Performance Measure(s) applicable to, and the method for computing the amount payable upon achievement of such performance goal(s) in connection with, any Qualified Performance-Based Award. The Qualified Performance Measures may relate to the Company, one or more of its Affiliates or one or more of its or their divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) (or any successor section thereto), the performance goals may be calculated without regard to non-recurring items, as the Committee may determine in its sole discretion.

(b) Following the end of each Performance Period, and before any payments are made under the Plan, the Committee shall certify in writing the satisfaction of the performance goal(s) for any Qualified Performance Measure(s) applicable to any Qualified Performance-Based Award in a manner intended to satisfy the requirements of Section 162(m).

(c) The Committee may reduce or eliminate the Award granted to any Participant based on factors determined by the Committee, including but not limited to, performance against budgeted financial goals and the Participant's personal performance, provided, however, that any such reduction or elimination shall not operate to increase a Qualified Performance-Based Award, or amount payable thereunder, to any Participant who is an Executive. The Committee may not increase a Qualified Performance-Based Award, or amount payable thereunder, granted to a Participant who is an Executive.

SECTION 5
PAYMENT OF AWARDS

Each Participant shall be eligible to receive payment of the Award in cash in the fiscal year following the fiscal year in respect of which such Award was earned, as soon as practicable after the amount of such Participant's Award for a Performance Period has been determined, but in no event later than the 15th day of the third calendar month following the end of the fiscal year in respect of which such Awards were earned. Subject to the provisions of Section 8(g) hereof, payment of the award may be deferred in accordance with a written election by the Participant in accordance with the terms of the Company's CDP/SERP Plan, as such Plan may be amended and/or restated from time to time.

SECTION 6
AMENDMENTS

The Committee may amend the Plan at any time and from time to time, provided that no such amendment that would require the consent of the shareholders of the Company pursuant to Section 162(m) of the Code, New York Stock Exchange listing rules or the Exchange Act, or any other applicable law, rule or regulation, shall be effective without such consent. No amendment which adversely affects a Participant's rights to, or interest in, an Award granted prior to the date of the amendment shall be effective unless the Participant shall have agreed thereto in writing.

SECTION 7
TERMINATION

The Committee may terminate this Plan at any time but in no event shall the termination of the Plan adversely affect the rights of any Participant to a previously granted Award without such Participant's written consent.

SECTION 8
OTHER PROVISIONS

(a) No Executive or other person shall have any claim or right to be granted an Award under this Plan until such Award is actually granted. Neither the establishment of this Plan, nor any action taken hereunder, shall be construed as giving any Executive any right to be retained in the employ of the Company. Nothing contained in this Plan shall limit the ability of the Company to make payments or awards to Executives under any other plan, agreement or arrangement.

(b) The rights and benefits of a Participant hereunder are personal to the Participant and, except for payments made following a Participant's death, shall not be subject to any voluntary or involuntary alienation, assignment, pledge, transfer, encumbrance, attachment, garnishment or other disposition.

(c) Awards under this Plan shall not constitute compensation for the purpose of determining participation or benefits under any other plan of the Company unless specifically included as compensation in such plan.

(d) The Company shall have the right to deduct from Awards any taxes or other amounts required to be withheld by law.

(e) All questions pertaining to the construction, regulation, validity and effect of the provisions of the Plan shall be determined in accordance with the laws of the State of Tennessee without regard to principles of conflict of laws.

(f) No member of the Committee or the Board, and no officer, employee or agent of the Company shall be liable for any act or action hereunder, whether of commission or omission, taken by any other member, or by any officer, agent, or employee, or, except in circumstances involving bad faith, for anything done or omitted to be done in the administration of the Plan.

(g) The Plan is intended to comply with, or comply with an exemption from, Section 409A of the Code ("Section 409A") and will be interpreted in a manner consistent with this intention. Notwithstanding anything herein to the contrary, if at the time of the Participant's termination of employment with any Service Recipient the Participant is a "specified employee" as defined in Section 409A, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of service is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Participant) to the minimum extent necessary to satisfy Section 409A until the date that is six months and one day following the Participant's termination of employment with all Service Recipients (or the earliest date as is permitted under Section 409A), if such payment or benefit is payable upon a termination of employment. Each payment made under the Plan shall be designated as a "separate payment" within the meaning of Section 409A. Notwithstanding the above, the Company shall not be liable to a Participant in the event any payment under the Plan fails to be exempt from, or comply with, Section 409A.

(h) The Committee shall specify in, or in respect of, any Award granted hereunder on or after the Effective Date, that as a condition of receiving payment of the Award, the Participant's rights, payments, and benefits with respect to such Award shall be subject to any reduction, cancellation, forfeiture or recoupment, in whole or in part, upon the occurrence of certain specified events, as may be required by the Securities and Exchange Commission or any applicable national exchange, law, rule or regulation or as set forth in a separate "clawback" or recoupment policy as may be adopted from time to time by the Board or the Committee.

SECTION 9
EFFECTIVE DATE

The Plan as amended and restated shall be effective on November 30, 2016 (the "Effective Date"), except for the amendment set forth in Section 4(a) which shall not take effect unless and until the Company's shareholders approve the proposal related to the Plan at the annual meeting of shareholders held in 2017 (the "2017 Annual Meeting"), and no Awards shall be granted under the Plan after the date of the 2017 Annual Meeting if shareholders do not approve the performance measures set forth in the Plan at the 2017 Annual Meeting.

DOLLAR GENERAL®

10-K

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

FORM 10-K

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

For the fiscal year ended February 3, 2017

Commission file number: 001-11421

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

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

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

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

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

Title of each class	Name of the exchange on which registered
Common Stock, par value $0.875 per share	New York Stock Exchange

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

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

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

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

The aggregate fair market value of the registrant's common stock outstanding and held by non-affiliates as of July 29, 2016 was $26.7 billion calculated using the closing market price of our common stock as reported on the NYSE on such date ($94.74). For this purpose, directors, executive officers and greater than 10% record shareholders are considered the affiliates of the registrant.

The registrant had 275,095,294 shares of common stock outstanding as of March 17, 2017.

DOCUMENTS INCORPORATED BY REFERENCE

Certain of the information required in Part III of this Form 10-K is incorporated by reference to the Registrant's definitive proxy statement to be filed for the Annual Meeting of Shareholders to be held on May 31, 2017.

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INTRODUCTION

General

This report contains references to years 2017, 2016, 2015, 2014, 2013, and 2012, which represent fiscal years ending or ended February 2, 2018, February 3, 2017, January 29, 2016, January 30, 2015, January 31, 2014, and February 1, 2013, respectively. Our fiscal year ends on the Friday closest to January 31. Our 2016 fiscal year consisted of 53 weeks, while each of the remaining years listed are or were 52-week years. All of the discussion and analysis in this report should be read with, and is qualified in its entirety by, the Consolidated Financial Statements and related notes.

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

Cautionary Disclosure Regarding Forward-Looking Statements

We include "forward-looking statements" within the meaning of the federal securities laws throughout this report, particularly under the headings "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Note 7 – Commitments and Contingencies," among others. You can identify these statements because they are not limited to historical fact or they use words such as "may," "will," "should," "could," "can," "would," "believe," "anticipate," "project," "plan," "expect," "estimate," "forecast," "goal," "seek," "ensure," "potential," "opportunity," "objective," "intend," "predict," "committed," "likely to," "continue," "scheduled to," "focused on," or "subject to" and similar expressions that concern our strategy, plans, initiatives, intentions or beliefs about future occurrences or results. For example, all statements relating to, among others, our estimated and projected expenditures, cash flows, results of operations, financial condition and liquidity; our plans and objectives for, and expectations regarding future operations, economic and competitive market conditions, growth or initiatives including but not limited to the number of planned store openings, remodels and relocations, progress of merchandising initiatives, trends in sales of consumable and non-consumable products, investment in our personnel and the level of future costs and expenses; potential future stock repurchases and cash dividends; anticipated borrowing under our credit facilities and commercial paper program; or the expected outcome or effect of legislative or regulatory changes or initiatives, and our responses thereto, or of pending or threatened litigation or audits are forward-looking statements.

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

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

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PART I

ITEM 1. BUSINESS

General

We are among the largest discount retailers in the United States by number of stores, with 13,429 stores located in 44 states as of March 3, 2017, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. We offer a broad selection of merchandise, including consumables, seasonal items, home products and apparel. Our merchandise includes high quality national brands from leading manufacturers, as well as our own value and comparable quality private brand selections with prices at substantial discounts to national brands. We offer our merchandise at everyday low prices through our convenient small-box locations.

Our History

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

Our Business Model

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

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

In fiscal year 2016, we achieved our 27th consecutive year of positive same-store sales growth. This growth has taken place in a variety of economic conditions, which we believe is a result of our compelling value and convenience proposition, although no assurances can be given that we will achieve positive same-store sales growth in any given year.

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

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

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

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

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

Our Merchandise

We offer a focused assortment of everyday necessities, which help to drive frequent customer visits, and key items in a broad range of general merchandise categories. Our product assortment provides the opportunity for our customers to address most of their basic shopping needs with one trip. We sell high-quality nationally advertised brands from leading manufacturers. Additionally, our private brand consumables offer even greater value with options to purchase national brand equivalent products as well as value items at substantial discounts to the national brand.

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

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

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

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

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

	2016	2015	2014
Consumables	76.4 %	75.9 %	75.7 %
Seasonal	12.2 %	12.4 %	12.4 %
Home products	6.2 %	6.3 %	6.4 %
Apparel	5.2 %	5.4 %	5.5 %

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

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The Dollar General Store

The typical Dollar General store is operated by a store manager, one or more assistant store managers, and three or more sales associates. Our stores generally feature a low-cost, no frills building with limited maintenance capital, low operating costs, and a focused merchandise offering within a broad range of categories, allowing us to deliver low retail prices while generating strong cash flows and capital investment returns. Our stores average approximately 7,400 square feet of selling space and approximately 70% of our stores are located in towns of 20,000 or fewer people. We generally have had good success in locating suitable store sites in the past, and we believe that there is ample opportunity for new store growth in existing and new markets. In addition, we believe we have significant opportunities available for our relocation and remodel programs.

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

Year	Stores at Beginning of Year	Stores Opened	Stores Closed	Net Store Increase	Stores at End of Year
2014	11,132	700	43	657	11,789
2015	11,789	730	36	694	12,483
2016	12,483	900	63	837	13,320

Our Customers

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

Our Suppliers

We purchase merchandise from a wide variety of suppliers and maintain direct buying relationships with many producers of national brand merchandise. Despite our broad offering, we maintain only a limited number of items per category, giving us a negotiating advantage in dealing with our suppliers. Our largest and second largest suppliers each accounted for approximately 8% of our purchases in 2016. Our private brands come from a diversified supplier base. We directly imported approximately 6% of our purchases at cost in 2016.

We have consistently managed to obtain sufficient quantities of core merchandise and believe that, if one or more of our current sources of supply became unavailable, we generally would be able to obtain alternative sources without experiencing a substantial disruption of our business. However, such alternative sources could increase our merchandise costs or reduce the quality of our merchandise, and an inability to obtain alternative sources could adversely affect our sales.

Distribution and Transportation

Our stores are currently supported by fourteen distribution centers located strategically throughout our geographic footprint. Our fifteenth distribution center in Jackson, Georgia is under construction with a goal to begin shipping from this facility in late 2017. We have announced plans to build our sixteenth distribution center in Amsterdam, New York with a planned completion date in fall 2018. We lease additional temporary warehouse space as necessary to support our distribution needs. We continually analyze and rebalance the network to ensure that it remains efficient and provides the service our stores require. See "—Properties" below for additional information pertaining to our distribution centers.

Most of our merchandise flows through our distribution centers and is delivered to our stores by third-party trucking firms, utilizing our trailers. We also own 39 trucks with which we transport our merchandise. In addition, vendors or third-party distributors ship certain food items and other merchandise directly to our stores.

Seasonality

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

Our Competition

We operate in the basic discount consumer goods market, which is highly competitive with respect to price, store location, merchandise quality, assortment and presentation, in-stock consistency, and customer service. We compete with discount stores and with many other retailers, including mass merchandise, warehouse club, grocery, drug, convenience, variety, online, omnichannel, and specialty stores. These other retail companies operate stores in many of the areas where we operate, and many of them engage in extensive advertising and marketing efforts. Our direct competitors include Family Dollar, Dollar Tree, Big Lots, Fred's, 99 Cents Only and various local, independent operators, as well as Walmart, Target, Kroger, Aldi, Walgreens, CVS, and RiteAid, among others. Certain of our competitors have greater financial, distribution, marketing and other resources than we do. Competition has intensified and will continue to do so as competitors move into or increase their presence in our geographic markets and increase the availability of mobile and web-based technology to facilitate online shopping and real-time product and price comparisons and to create an omnichannel shopping experience.

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

Our Employees

As of March 3, 2017, we employed approximately 121,000 full-time and part-time employees, including divisional and regional managers, district managers, store managers, other store personnel and distribution center and administrative personnel. We have increasingly focused on recruiting, training, motivating and retaining employees, and we believe that the quality, performance and morale of our employees continue to be an important part of our success in recent years. We currently are not a party to any collective bargaining agreements.

Our Trademarks

We own marks that are registered with the United States Patent and Trademark Office and are protected under applicable intellectual property laws, including, without limitation, the trademarks Dollar General®, Dollar General Market®, Clover Valley®, DG®, DG Deals®, Forever Pals®, I*Magine®, OT Sport®, OT Revolution®, Smart & Simple®, trueliving®, Sweet Smiles®, Open Trails®, Beauty Cents®, Bobbie Brooks®, Comfort Bay®, Holiday Style®, Swiggles®, More Deals For Your Dollar. Every Day!®, The Fast Way To Save®, and Save Time. Save Money. Every Day!®, along with variations and formatives of these trademarks as well as certain other trademarks including Ever Pet™ and DGX™. We attempt to obtain registration of our trademarks whenever practicable and to pursue vigorously any infringement of those marks. Our trademark registrations have various expiration dates; however, assuming that the trademark registrations are properly renewed, they have a perpetual duration.

We also hold an exclusive license to the Rexall brand through March 5, 2020.

Available Information

Our Internet website address is www.dollargeneral.com. The information on our website is not incorporated by reference into, and is not a part of, this Form 10-K. We file with or furnish to the Securities and Exchange Commission (the "SEC") annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, proxy statements and annual reports to shareholders, and, from time to time, registration statements and other documents. These documents are available free of charge to investors on or through the Investor Information section of our website as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. In addition, the public may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers, such as Dollar General, that file electronically with the SEC. The address of that website is http://www.sec.gov.

ITEM 1A. RISK FACTORS

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

Economic conditions and other economic factors may adversely affect our financial performance and other aspects of our business by negatively impacting our customers' disposable income or discretionary spending, affecting our ability to plan and execute our strategic initiatives, increasing our costs of goods sold and selling, general and administrative expenses, and adversely affecting our sales or profitability.

We believe many of our customers have fixed or low incomes and generally have limited discretionary spending dollars. Any factor that could adversely affect that disposable income would decrease our customers' confidence, spending, and number of trips to our stores, and could cause our customers to shift their spending to products other than those sold by us or to our less profitable product choices, all of which could result in lower net sales, decreases in inventory turnover, greater markdowns on inventory, a change in the mix of products we sell, and a reduction in profitability due to lower margins. Factors that could reduce our customers' disposable income and over which we exercise no influence include but are not limited to adverse economic conditions such as increased or sustained high unemployment or underemployment levels, inflation, increases in fuel or other energy costs and interest rates, lack of available credit, consumer debt levels, higher tax rates and other changes in tax laws, concerns over government mandated participation in health insurance programs, increasing healthcare costs, and decreases in, or elimination of, government subsidies such as unemployment and food assistance programs.

Many of the factors identified above that affect disposable income, as well as commodity rates, transportation costs (including the costs of diesel fuel), costs of labor, insurance and healthcare, foreign exchange rate fluctuations, lease costs, measures that create barriers to or increase the costs associated with international trade, changes in other laws and regulations and other economic factors, also affect our ability to plan and execute our strategic initiatives, our cost of goods sold and our selling, general and administrative expenses, and may have other adverse consequences which we are unable to fully anticipate or control, all of which may adversely affect our sales or profitability. We have limited or no ability to control many of these factors.

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

We have short-term and long-term strategies and initiatives (such as those relating to merchandising, marketing, real estate, sourcing, shrink, private brand, distribution and transportation, store operations, store formats, budgeting and expense reduction, and technology) in various stages of testing, evaluation, and implementation, upon which we expect to rely to continue to improve our results of operations and financial condition and to achieve our financial plans. These initiatives are inherently risky and uncertain, even when tested successfully, in their application to our business in general. It is possible that successful testing can result partially from resources and attention that cannot be duplicated in broader implementation, particularly in light of the diverse geographic locations of our stores and the decentralized nature of our field management. General implementation also may be negatively affected by other risk factors described herein. Successful systemwide implementation relies on consistency of training, stability of workforce, ease of execution, and the absence of offsetting factors that can influence results adversely. Failure to achieve successful implementation of our initiatives or the cost of these initiatives exceeding management's estimates could adversely affect our business, results of operations and financial condition.

The success of our merchandising initiatives, particularly those with respect to non-consumable merchandise and store-specific products and allocations, depends in part upon our ability to predict consistently and successfully the products that our customers will demand and to identify and timely respond to evolving trends in demographic mixes in our markets and consumer preferences, expectations and needs. If we are unable to select products that are attractive to customers, to timely obtain such products at costs that allow us to sell them at an acceptable profit, or to effectively market such products, our sales, market share and profitability could be adversely affected. If our merchandising efforts in the non-consumables area or the higher margin areas within consumables are unsuccessful, we could be further adversely affected by our inability to offset the lower margins associated with our consumables business. Further, our merchandising efforts in the consumables area may not generate the net sales growth and increase customer traffic to the levels needed to offset the lower margins generated by sales of consumables and maintain our targeted gross profit margins.

If we cannot open, relocate or remodel stores profitably and on schedule, our planned future growth will be impeded, which would adversely affect sales.

Our ability to open, relocate and remodel profitable stores is a key component of our planned future growth. Our ability to timely open stores and to expand into additional market areas depends in part on the following factors: the availability of attractive store locations; the absence of entitlement process or occupancy delays; the ability to negotiate acceptable lease and development terms; the ability to hire and train new personnel, especially store managers, in a cost effective manner; the ability to identify customer demand in different geographic areas; general economic conditions; and the availability of capital funding for expansion. Many of these factors also affect our ability to successfully relocate stores, and many of them are beyond our control.

Delays or failures in opening new stores or completing relocations or remodels, or achieving lower than expected sales in these projects, could materially adversely affect our growth and/or profitability. We also may not anticipate all of the challenges imposed by the expansion of our operations and, as a result, may not meet our targets for opening new stores, remodeling or relocating stores or expanding profitably.

Some new stores and future new store opportunities may be located in areas, including but not limited to new states or metro urban areas, where we have limited or no meaningful experience or brand recognition. Those areas may have different competitive and market conditions, consumer tastes and discretionary spending patterns than our existing markets, as well as higher cost of entry. These factors may cause our new stores to be initially less successful than stores in our existing markets, which could slow future growth in these areas.

Many new stores will be located in areas where we have existing stores. Although we have experience in these areas, increasing the number of locations in these markets may result in inadvertent oversaturation and temporarily or permanently divert customers and sales from our existing stores, thereby adversely affecting our overall financial performance.

We face intense competition that could limit our growth opportunities and adversely impact our financial performance.

The retail business is highly competitive with respect to price, store location, merchandise quality, product assortment and presentation, in-stock consistency, customer service, promotional activity, customers, market share, and employees. We compete with discount stores and with many other retailers, including mass merchandise, warehouse club, grocery, drug, convenience, variety, online retailers, and other specialty stores. This competitive environment subjects us to the risk of adverse impact to our financial performance because of the lower prices, and thus the lower margins, that may be required to maintain our competitive position. Also, companies like ours, due to customer demographics and other factors, may have limited ability to increase prices in response to increased costs without losing competitive position. This limitation may adversely affect our margins and financial performance. Certain of our competitors have greater financial, distribution, marketing and other resources than we do and may be able to secure better arrangements with suppliers than we can. If we fail to respond effectively to competitive pressures and changes in the retail markets, it could adversely affect our financial performance.

Competition for customers has intensified as competitors have moved into, or increased their presence in, our geographic markets and increased the availability of mobile and web-based technology to facilitate online shopping and real-time product and price comparisons and to create an omnichannel shopping experience. We expect this competition to continue to increase. We remain vulnerable to the marketing power and high level of consumer recognition of larger competitors and to the risk that these competitors or others could venture into our industry in a significant way, including through the introduction of new store formats. Further, consolidation within the discount retail industry could significantly alter the competitive dynamics of the retail marketplace. This consolidation may result in competitors with greatly improved financial resources, improved access to merchandise, greater market penetration and other improvements in their competitive positions, as well as result in the provision of a wider variety of products and services at competitive prices by these consolidated companies, which could adversely affect our financial performance.

Our profitability may be negatively affected by inventory shrinkage.

We are subject to the risk of inventory loss and theft. We experience significant inventory shrinkage and cannot be sure that incidences of inventory loss and theft will decrease in the future or that the measures we are taking will effectively reduce the problem of inventory shrinkage. Although some level of inventory shrinkage is an unavoidable cost of doing business, if we were to experience higher rates of inventory shrinkage or incur increased security or other costs to combat inventory theft, our results of operations and financial condition could be affected adversely.

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

Our inventory balance represented approximately 53% of our total assets exclusive of goodwill and other intangible assets as of February 3, 2017. Efficient inventory management is a key component of our business success and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product mix to meet our customers' demands without allowing those levels to increase to such an extent that the costs to store and hold the goods unduly impacts our financial results or that subjects us to the risk of increased inventory shrinkage. If our buying decisions do not accurately predict customer trends, we inappropriately price products or our expectations about customer spending levels are inaccurate, we may have to take unanticipated markdowns to dispose of the excess inventory, which also can adversely impact our financial results. We continue to focus on ways to reduce these risks, but we cannot make assurances that we will be successful in our inventory management. If we are not successful in managing our inventory balances, our cash flows from operations may be negatively affected.

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

We rely on our distribution and transportation network to provide goods to our stores in a timely and cost-effective manner. Using various modes of transportation, including ocean, rail, and truck, we and our vendors move goods from vendor locations to our distribution centers. Deliveries to our stores occur from our distribution centers or directly from our vendors. Any disruption, unanticipated or unusual expense or operational failure related to this process could affect store operations negatively. For example, delivery delays or increases in transportation costs (including through increased fuel costs, increased carrier rates or driver wages as a result of driver shortages, a decrease in transportation capacity for overseas shipments, or work stoppages or slowdowns) could significantly decrease our ability to make sales and earn profits. Labor shortages or work stoppages in the transportation industry or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries or which would necessitate our securing alternative labor or shipping suppliers could also increase our costs or otherwise negatively affect our business.

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

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

The products we sell are sourced from a wide variety of domestic and international suppliers, and we are dependent on our vendors to supply merchandise in a timely and efficient manner. In 2016, our largest and second largest suppliers each accounted for approximately 8% of our purchases. We have not experienced any difficulty in obtaining sufficient quantities of core merchandise and believe that, if one or more of our current sources of supply became unavailable, we would generally be able to obtain alternative sources without experiencing a substantial disruption of our business. However, such alternative sources could increase our merchandise costs, result in a temporary reduction in store inventory levels, and reduce the quality of our merchandise, and an inability to obtain alternative sources could adversely affect our sales. Additionally, if a supplier fails to deliver on its commitments, whether due to financial difficulties or other reasons, we could experience merchandise out-of-stocks that could lead to lost sales and damage to our reputation.

We directly imported approximately 6% of our purchases (measured at cost) in 2016, but many of our domestic vendors directly import their products or components of their products. Changes to the prices and flow of these goods for any reason, such as political unrest or acts of war, currency fluctuations, disruptions in maritime lanes, port labor disputes, and economic conditions and instability in the countries in which foreign suppliers are located, the financial instability of suppliers, suppliers' failure to meet our standards, issues with labor practices of our suppliers or labor problems they may experience (such as strikes, stoppages or slowdowns, which could also increase labor costs during and following the disruption), the availability and cost of raw materials to suppliers, increased import duties, merchandise quality or safety issues, transport availability and cost, increases in wage rates and taxes, transport security, inflation, and other factors relating to the suppliers and the countries in which they are located or from which they import, are beyond our control and could adversely affect our operations and profitability. While we are working to reduce our dependency on goods produced in China, a substantial amount of our imported merchandise still comes from China, and thus, a change in the Chinese leadership, economic and market conditions, internal economic stimulus actions, or currency or other policies, as well as increases in costs of labor and wage taxes, could negatively impact our merchandise costs. In addition, the United States' foreign trade policies, duties, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade and port labor agreements are beyond our control. These and other factors affecting our suppliers and our access to products could adversely affect our business and financial performance. As we increase our imports of merchandise from foreign vendors, the risks associated with these imports also will increase, and we may be exposed to additional or different risks as we increase imports of goods produced in countries other than China.

Our private brands may not maintain broad market acceptance and may increase the risks we face.

The sale of private brand items is an important component of our sales growth and gross profit rate enhancement plans. We have invested in our development and procurement resources and marketing efforts relating to these private brand offerings. We believe that our success in maintaining broad market acceptance of our private brands depends on many factors, including pricing, our costs, quality, customer perception and the timely development and introduction of new products. We may not achieve or maintain our expected sales for our private brands. The sale and expansion of our private brand offerings also subjects us to certain risks, such as: potential product liability risks and mandatory or voluntary product recalls; potential supply chain and distribution chain disruptions for raw materials and finished products; our ability to successfully protect our proprietary rights and successfully navigate and avoid claims related to the proprietary rights of third parties; our ability to successfully administer and comply with applicable contractual obligations and legal and regulatory requirements; and other risks generally encountered by entities that source, sell and market exclusive branded offerings for retail.

An increase in sales of our private brands may also adversely affect sales of our vendors' products, which, in turn, could adversely affect our relationship with certain of our vendors. Any failure to appropriately address some or all of these risks could have a significant adverse effect on our private brand initiatives and on our reputation, business, results of operations and financial condition.

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

All of our vendors and their products must comply with applicable product safety laws, and we are dependent on them to ensure that the products we buy comply with all applicable safety standards. However, product liability, personal injury or other claims may be asserted against us relating to product contamination, product tampering, mislabeling, recall and other safety issues with respect to the products that we sell.

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

We are subject to governmental regulations, procedures and requirements. A significant change in, or noncompliance with, these regulations could have a material adverse effect on our financial performance.

Our business is subject to numerous and frequently changing federal, state and local laws and regulations. We routinely incur significant costs in complying with these regulations. The complexity of the regulatory environment in which we operate and the related cost of compliance are increasing due to additional legal and regulatory requirements, our expanding operations, and increased enforcement efforts. Further, uncertainties exist regarding the future application of certain of these legal requirements to our business. New laws, regulations, policies and the related interpretations and enforcement practices, particularly those dealing with environmental compliance, product safety, food safety, information security and privacy, and labor and employment, among others, or changes in existing laws, regulations, policies and the related interpretations and enforcement practices, particularly those governing the sale of products or employee wages, may result in significant added expenses or may require extensive system and operating changes that may be difficult to implement and/or could materially increase our cost of doing business. Untimely compliance or noncompliance with applicable regulations or untimely or incomplete execution of a required product recall, can result in the imposition of penalties, including loss of licenses or significant fines or monetary penalties, class action litigation or other litigation, in addition to reputational damage. Additionally, changes in tax laws, the interpretation of existing laws, or our failure to sustain our reporting positions on examination could adversely affect our effective tax rate.

Litigation may adversely affect our business, results of operations and financial condition.

Our business is subject to the risk of litigation by employees, consumers, suppliers, competitors, shareholders, government agencies and others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to these lawsuits may remain unknown for substantial periods of time. In addition, certain of these lawsuits, if decided adversely to us or settled by us, may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend future litigation may be significant. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, litigation may adversely affect our business, results of operations and financial condition. See Note 7 to the consolidated financial statements for further details regarding certain of these pending matters.

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

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

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

The occurrence of one or more natural disasters, such as hurricanes, fires, floods, tornadoes and earthquakes, unusual weather conditions, pandemic outbreaks, terrorist acts or disruptive global political events, such as civil unrest in countries in which our suppliers are located, or similar disruptions could adversely affect our business and financial performance. Uncharacteristic or significant weather conditions can affect consumer shopping patterns, which could lead to lost sales or greater than expected markdowns and adversely affect our short-term results of operations. To the extent these events result in the closure of one or more of our distribution centers, a significant number of stores, or our corporate headquarters or impact one or more of our key suppliers, our operations and financial performance could be materially adversely affected through an inability to make deliveries or provide other support functions to our stores and through lost sales. In addition, these events could result in increases in fuel (or other energy) prices or a fuel shortage, delays in opening new stores, the temporary lack of an adequate work force in a market, the temporary or long-term disruption in the supply of products from some domestic and overseas suppliers, the temporary disruption in the transport of goods from overseas, delay in the delivery of goods to our distribution centers or stores, the inability of customers to reach or have transportation to our stores directly affected by such events, the temporary reduction in the availability of products in our stores and disruption of our utility services or to our information systems. These events also can have indirect consequences such as increases in the costs of insurance if they result in significant loss of property or other insurable damage.

Any failure to maintain the security of information we hold relating to our customers, employees and vendors, whether as a result of cybersecurity attacks or otherwise, could expose us to litigation, government enforcement actions and costly response measures, and could materially disrupt our operations and harm our reputation and sales.

In connection with sales, we transmit confidential credit and debit card information. We also have access to, collect or maintain certain private or confidential information regarding our customers, employees and vendors, as well as our business. Additionally, under certain circumstances, we may share information with vendors that assist us in conducting our business (for example, third-party vendors assist us in the transmittal of credit and debit card information in connection with sales), as required by law, or otherwise in accordance with our privacy policy. While we have implemented procedures and technology intended to protect and safeguard our information and require appropriate controls of our vendors, it is possible that cyber-attackers might compromise our security measures or those of our technology and other vendors in the future and obtain the personal information of our customers, employees and vendors that we hold or our business information, as cyberattacks are rapidly evolving and becoming increasingly sophisticated and may not immediately produce signs of intrusion. Moreover, employee error or malfeasance or other irregularities may result in a defeat of our or our third-party vendors' security measures and breach our or our third-party vendors' information systems.

Because we accept debit and credit cards for payment, we are subject to the Payment Card Industry Data Security Standards ("PCI DSS"), issued by the Payment Card Industry Security Standards Council. PCI DSS contains compliance guidelines and standards with regard to our security surrounding the physical and electronic storage, processing, and transmission of cardholder data. Additionally, we have implemented technology in all of our stores to allow for the acceptance of Europay, Mastercard and Visa (EMV) credit transactions. Complying with PCI DSS standards and implementing related procedures, technology and information security measures require significant resources and ongoing attention. However, even as we comply with PCI DSS standards and offer EMV technology in our stores, we may be vulnerable to, and unable to detect and appropriately respond to, data security breaches and data loss, including cybersecurity attacks or other breach of cardholder data.

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

Material damage or interruptions to our information systems as a result of external factors, staffing shortages or challenges or difficulties in maintaining or updating our existing technology or developing or implementing new technology could have a material adverse effect on our business or results of operations.

We depend on a variety of information technology systems for the efficient functioning of our business and are continually improving our information processes and computer systems to better run our business. These technology initiatives may not deliver desired results or may do so on a delayed schedule. Additionally, such systems are subject to damage or interruption from power outages, facility damage, computer and telecommunications failures, computer viruses, cybersecurity breaches, cyber attacks, natural disasters and human error. Damage or interruption to these systems may require a significant investment to fix or replace them, and we may suffer interruptions or disruptions in our operations in the interim, may experience loss or corruption of critical data and may receive negative publicity, all of which could have a material adverse effect on our business or results of operations.

We also rely heavily on our information technology staff. Failure to meet these staffing needs may negatively affect our ability to fulfill our technology initiatives while continuing to provide maintenance on existing systems. We rely on certain vendors to maintain and periodically upgrade many of these systems so that they can continue to support our business. The software programs supporting many of our systems were licensed to us by independent software developers. The inability of these vendors, developers or us to continue to maintain and upgrade these information systems and software programs would disrupt or reduce the efficiency of our operations if we were unable to convert to alternate systems in an efficient and timely manner and could expose us to greater risk of a cybersecurity breach or other cyber attack. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations.

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

Our future growth and performance, positive customer experience and regulatory compliance depends on our ability to attract, train, retain and motivate qualified employees, many of whom are in positions with historically high rates of turnover. Our ability to meet our labor needs, while controlling our labor costs, is subject to many external factors, including competition for and availability of qualified personnel in a given market, unemployment levels within those markets, prevailing wage rates, minimum wage laws, health and other insurance costs, changes in employment and labor laws (including changes in the process for our employees to join a union) or other workplace regulations (including changes in "entitlement" programs such as health insurance and paid leave programs), and our reputation and relevance within the labor market. If we are unable to attract and retain adequate numbers of qualified employees, our operations, customer service levels and support functions could suffer. To the extent a significant portion of our employee base unionizes, or attempts to unionize, our labor costs could increase. In addition, potential regulatory changes relating to overtime exemptions for certain employees under federal and state laws could result in increased labor costs to our business and negatively affect our operating results if the regulatory changes are implemented. Our ability to pass along labor costs to our customers is constrained by our everyday low price model, and we may not be able to offset such increased costs elsewhere in our business.

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

Our future success depends to a significant degree on the skills, experience and efforts of our executive officers and other key personnel. The unexpected loss of the services of any of our executive officers could have an adverse effect on our operations. There can be no assurance that our executive succession planning, retention or hiring efforts will be successful. Competition for skilled and experienced management personnel is intense, and our future success will also depend on our ability to attract and retain qualified personnel, and a failure to attract and retain new qualified personnel could have an adverse effect on our operations. We do not currently maintain key person life insurance policies with respect to our executive officers or key personnel.

Because our business is somewhat seasonal, with the highest volume of net sales during the fourth quarter, adverse events during the fourth quarter could materially affect our financial statements as a whole.

We generally recognize our highest volume of net sales during the Christmas selling season, which occurs in the fourth quarter of our fiscal year. In anticipation of this holiday, we purchase substantial amounts of seasonal inventory. Adverse events, such as deteriorating economic conditions, high unemployment rates, high gas prices, public transportation disruptions, or unusual or unanticipated adverse weather could result in lower-than-planned sales during the Christmas selling season. An excess of seasonal merchandise inventory could result if our net sales during the Christmas selling season fall below seasonal norms or expectations. If our fourth quarter sales results were substantially below expectations, our financial performance and operating results could be adversely affected by unanticipated markdowns, especially in seasonal merchandise.

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

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

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

The implementation of new accounting standards will require extensive systems, internal process and other changes that could increase our operating costs, and also will result in changes to our financial statements. In particular, the implementation of accounting standards related to leases, as issued by the Financial Accounting Standards Board ("FASB") are requiring us to make significant changes to our lease management and other accounting systems, and will result in significant changes to our financial statements. Additionally, the FASB has issued accounting standards related to revenue recognition and intra-entity transfers that could result in changes to our financial statements.

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

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of March 3, 2017, we operated 13,429 retail stores located in 44 states as follows:

State	Number of Stores	State	Number of Stores
Alabama	688	Nebraska	111
Arizona	99	Nevada	24
Arkansas	392	New Hampshire	23
California	185	New Jersey	94
Colorado	30	New Mexico	87
Connecticut	33	New York	358
Delaware	43	North Carolina	730
Florida	781	North Dakota	5
Georgia	758	Ohio	705
Illinois	481	Oklahoma	408
Indiana	459	Oregon	19
Iowa	205	Pennsylvania	604
Kansas	220	Rhode Island	6
Kentucky	474	South Carolina	484
Louisiana	511	South Dakota	32
Maine	29	Tennessee	700
Maryland	118	Texas	1,353
Massachusetts	22	Utah	6
Michigan	401	Vermont	32
Minnesota	97	Virginia	362
Mississippi	447	West Virginia	216
Missouri	464	Wisconsin	133

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

As of March 3, 2017, we operated fourteen distribution centers, as described in the following table:

Location	Year Opened	Approximate Square Footage	Number of Stores Served
Scottsville, KY	1959	720,000	746
Ardmore, OK	1994	1,310,000	1,342
South Boston, VA	1997	1,250,000	996
Indianola, MS	1998	820,000	788
Fulton, MO	1999	1,150,000	1,290
Alachua, FL	2000	980,000	960
Zanesville, OH	2001	1,170,000	1,159
Jonesville, SC	2005	1,120,000	1,185
Marion, IN	2006	1,110,000	1,270
Bessemer, AL	2012	940,000	1,148
Lebec, CA	2012	600,000	352
Bethel, PA	2014	1,000,000	939
San Antonio, TX	2016	920,000	852
Janesville, WI	2016	1,000,000	402

We lease the distribution centers located in California, Oklahoma, Mississippi and Missouri and own the remaining distribution centers in the table above. Approximately 7.25 acres of the land on which our Kentucky distribution center is located is subject to a ground lease. As of February 3, 2017, we leased approximately 871,000 square feet of additional temporary warehouse space to support our distribution needs.

Our executive offices are located in approximately 302,000 square feet of owned buildings and approximately 56,000 square feet of leased office space in Goodlettsville, Tennessee.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding our current executive officers as of March 24, 2017 is set forth below. Each of our executive officers serves at the discretion of our Board of Directors and is elected annually by the Board to serve until a successor is duly elected. There are no familial relationships between any of our directors or executive officers.

Name	Age	Position
Todd J. Vasos	55	Chief Executive Officer and Director
John W. Garratt	48	Executive Vice President and Chief Financial Officer
Jeffery C. Owen	47	Executive Vice President, Store Operations
Robert D. Ravener	58	Executive Vice President and Chief People Officer
Rhonda M. Taylor	49	Executive Vice President and General Counsel
James W. Thorpe	58	Executive Vice President and Chief Merchandising Officer
Anita C. Elliott	52	Senior Vice President and Chief Accounting Officer
Michael J. Kindy	51	Senior Vice President, Global Supply Chain

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Mr. Vasos has served as Chief Executive Officer and a member of our Board since June 2015. He joined Dollar General in December 2008 as Executive Vice President, Division President and Chief Merchandising Officer. He was promoted to Chief Operating Officer in November 2013. Prior to joining Dollar General, Mr. Vasos served in executive positions with Longs Drug Stores Corporation for 7 years, including Executive Vice President and Chief Operating Officer (February 2008 through November 2008) and Senior Vice President and Chief Merchandising Officer (2001 - 2008), where he was responsible for all pharmacy and front-end marketing, merchandising, procurement, supply chain, advertising, store development, store layout and space allocation, and the operation of three distribution centers. He also previously served in leadership positions at Phar-Mor Food and Drug Inc. and Eckerd Corporation.

Mr. Garratt has served as Executive Vice President and Chief Financial Officer since December 2, 2015. He joined Dollar General in October 2014 as Senior Vice President, Finance & Strategy and subsequently served as Interim Chief Financial Officer from July 2015 to December 2015. Prior to joining Dollar General, 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.

Mr. Owen returned to Dollar General in June 2015 as Executive Vice President of Store Operations, with over 21 years of previous employment experience with the Company. Prior to his departure from Dollar General in July 2014, he was Senior Vice President, Store Operations. Prior to August 2011, Mr. Owen served as Vice President, Division Manager. From November 2006 to March 2007, he served as Retail Division Manager. Prior to November 2006, he was Senior Director, Operations Process Improvement. Mr. Owen served the Company in various operations roles of increasing importance and responsibility from December 1992 to September 2004. Mr. Owen has served as a director of Kirkland's Inc. since March 30, 2015.

Mr. Ravener joined Dollar General as Senior Vice President and Chief People Officer in August 2008. He was promoted to Executive Vice President in March 2010. Prior to joining Dollar General, he served in human resources executive roles with Starbucks Corporation, a roaster, marketer and retailer of specialty coffee, from

September 2005 until August 2008 as the Senior Vice President of U.S. Partner Resources and, prior to that, as the Vice President, Partner Resources—Eastern Division. As the Senior Vice President of U.S. Partner Resources at Starbucks, Mr. Ravener oversaw all aspects of human resources activity for more than 10,000 stores. Prior to serving at Starbucks, Mr. Ravener held Vice President of Human Resources roles for The Home Depot Inc., a home improvement retailer, at its Store Support Center and a domestic field division from April 2003 to September 2005. Mr. Ravener also served in executive roles in both human resources and operations at Footstar, Inc. and roles of increasing leadership at PepsiCo, Inc.

Ms. Taylor has served as Executive Vice President and General Counsel since March 17, 2015. She joined Dollar General as an Employment Attorney in March 2000 and was subsequently promoted to Senior Employment Attorney in 2001, Deputy General Counsel in 2004, Vice President and Assistant General Counsel in March 2010, and Senior Vice President and General Counsel in June 2013. Prior to joining Dollar General, she practiced law with Ogletree, Deakins, Nash, Smoak & Stewart, P.C., where she specialized in labor law and employment litigation. She has also held attorney positions with Ford & Harrison LLP and Stokes & Bartholomew.

Mr. Thorpe returned to Dollar General in August 2015 as Executive Vice President and Chief Merchandising Officer, with over six years of previous employment experience with the Company. Mr. Thorpe has advised the Company of his intention to resign, which will be effective April 15, 2017. He previously served as Senior Vice President, General Merchandise Manager, from May 2006 when he joined the Company until his departure in July 2012. Following his departure from Dollar General, Mr. Thorpe provided on a limited ad-hoc basis certain retail industry consulting services as President of JW Thorpe & Associates, Inc. Prior to Dollar General, he served in various positions of increasing importance and responsibility with Sears Holdings Corporation, a leading integrated retailer, from March 1991 to May 2006 where his last position was Vice President and General Merchandise Manager—Hard Home of Sears Home Group. Prior to Sears, he worked as a Marketing Program Manager for Zenith Data Systems, a personal computer development and sales company, from July 1990 to February 1991. He began his career at The MAXIMA Corporation, an information technology services company, where he held various project administration and analyst positions.

Ms. Elliott has served as Senior Vice President and Chief Accounting Officer since December 2, 2015. She joined Dollar General as Senior Vice President and Controller in August 2005. Prior to joining Dollar General, she served as Vice President and Controller of Big Lots, Inc., 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, 6 of which were with Ernst & Young LLP.

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

PART II

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

Market Information

Our common stock is traded on the New York Stock Exchange under the symbol "DG." The high and low sales prices during each quarter in fiscal 2016 and 2015 were as follows:

2016	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
High	$ 87.42	$ 96.88	$ 94.75	$ 80.67
Low	$ 67.90	$ 78.91	$ 66.50	$ 68.04

2015	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
High	$ 76.99	$ 81.42	$ 81.15	$ 75.14
Low	$ 65.86	$ 71.44	$ 64.66	$ 59.75

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On March 17, 2017, our stock price at the close of the market was $72.33 and there were approximately 2,148 shareholders of record of our common stock.

Dividends

On March 15, 2017, our Board of Directors declared a quarterly cash dividend of $0.26 per share, which is payable on April 25, 2017 to shareholders of record of our common stock on April 11, 2017. We paid quarterly cash dividends of $0.25 in 2016 and $0.22 per share in 2015. Prior to March 2015, we had not declared or paid recurring dividends since March 2007. Although the Board intends to continue regular quarterly cash dividends, the declaration and amount of future cash dividends are subject to the Board's discretion based on an evaluation of our earnings performance, financial condition, capital needs and other relevant factors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Board may deem relevant.

Issuer Purchases of Equity Securities

The following table contains information regarding purchases of our common stock made during the quarter ended February 3, 2017 by or on behalf of Dollar General or any "affiliated purchaser," as defined by Rule 10b-18(a)(3) of the Securities Exchange Act of 1934:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(a)
10/29/16-11/30/16	3,119,816	$ 73.74	3,119,816	$ 1,014,328,000
12/01/16-12/31/16	733,148	$ 76.38	733,148	$ 958,329,000
01/01/17-02/03/17	339,323	$ 73.68	339,323	$ 933,329,000
Total	4,192,287	$ 74.20	4,192,287	$ 933,329,000

(a) A $500 million share repurchase program was publicly announced on September 5, 2012, and increases in the authorization under such program were announced on March 25, 2013 ($500 million increase), December 5, 2013 ($1.0 billion increase), March 12, 2015 ($1.0 billion increase), December 3, 2015 ($1.0 billion increase) and August 25, 2016 ($1.0 billion increase). Under the authorization, purchases may be made in the open market or in privately negotiated transactions from time to time subject to market and other conditions. This repurchase authorization has no expiration date.

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ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial information of Dollar General Corporation as of the dates and for the periods indicated. The selected historical statement of income data and statement of cash flows data for the fiscal years ended February 3, 2017, January 29, 2016, and January 30, 2015 and balance sheet data as of February 3, 2017 and January 29, 2016, have been derived from our historical audited consolidated financial statements included elsewhere in this report. The selected historical statement of income data and statement of cash flows data for the fiscal years ended January 31, 2014 and February 1, 2013 and balance sheet data as of January 30, 2015, January 31, 2014, and February 1, 2013 presented in this table have been derived from audited consolidated financial statements not included in this report.

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

(Amounts in millions, excluding per share data, number of stores, selling square feet, and net sales per square foot)	Year Ended February 3, 2017(1)	January 29, 2016	January 30, 2015	January 31, 2014	February 1, 2013
Statement of Income Data:					
Net sales	$ 21,986.6	$ 20,368.6	$ 18,909.6	$ 17,504.2	$ 16,022.1
Cost of goods sold	15,204.0	14,062.5	13,107.1	12,068.4	10,936.7
Gross profit	6,782.6	6,306.1	5,802.5	5,435.7	5,085.4
Selling, general and administrative expenses	4,719.2	4,365.8	4,033.4	3,699.6	3,430.1
Operating profit	2,063.4	1,940.3	1,769.1	1,736.2	1,655.3
Interest expense	97.8	86.9	88.2	89.0	127.9
Other (income) expense	—	0.3	—	18.9	30.0
Income before income taxes	1,965.6	1,853.0	1,680.9	1,628.3	1,497.4
Income tax expense	714.5	687.9	615.5	603.2	544.7
Net income	$ 1,251.1	$ 1,165.1	$ 1,065.3	$ 1,025.1	$ 952.7
Earnings per share—basic	$ 4.45	$ 3.96	$ 3.50	$ 3.17	$ 2.87
Earnings per share—diluted	4.43	3.95	3.49	3.17	2.85
Dividends per share	1.00	0.88	—	—	—
Statement of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	$ 1,605.0	$ 1,391.7	$ 1,326.9	$ 1,244.1	$ 1,219.1
Investing activities	(550.9)	(503.4)	(371.7)	(250.0)	(569.8)
Financing activities	(1,024.1)	(1,310.2)	(880.9)	(629.3)	(634.6)
Total capital expenditures	(560.3)	(504.8)	(374.0)	(538.4)	(571.6)
Other Financial and Operating Data:					
Same store sales growth(2)	0.9 %	2.8 %	2.8 %	3.3 %	4.7 %
Same store sales(2)	$ 20,348.1	$ 19,254.3	$ 17,818.7	$ 16,365.5	$ 14,992.7
Number of stores included in same store sales calculation	12,383	11,706	11,052	10,387	9,783
Number of stores (at period end)	13,320	12,483	11,789	11,132	10,506
Selling square feet (in thousands at period end)	98,943	92,477	87,205	82,012	76,909
Net sales per square foot(3)	$ 229	$ 226	$ 223	$ 220	$ 216
Consumables sales	76.4 %	75.9 %	75.7 %	75.2 %	73.9 %
Seasonal sales	12.2 %	12.4 %	12.4 %	12.9 %	13.6 %
Home products sales	6.2 %	6.3 %	6.4 %	6.4 %	6.6 %
Apparel sales	5.2 %	5.4 %	5.5 %	5.5 %	5.9 %
Rent expense	$ 942.4	$ 856.9	$ 785.2	$ 686.9	$ 614.3
Balance Sheet Data (at period end):					
Cash and cash equivalents and short-term investments	$ 187.9	$ 157.9	$ 579.8	$ 505.6	$ 140.8
Total assets	11,672.3	11,257.9	11,208.6	10,848.2	10,340.8
Long-term debt(4)	3,211.5	2,970.6	2,725.1	2,799.5	2,745.3
Total shareholders' equity	5,406.3	5,377.9	5,710.0	5,402.2	4,985.3

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

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

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

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

	Year Ended				
	February 3, 2017(1)	**January 29, 2016**	**January 30, 2015**	**January 31, 2014**	**February 1, 2013**
Ratio of earnings to fixed charges(2):	4.3 x	4.5 x	4.4 x	4.7 x	4.7 x

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

(2) For purposes of computing the ratio of earnings to fixed charges, (a) earnings consist of income (loss) before income taxes, plus fixed charges less capitalized expenses related to indebtedness (amortization expense for capitalized interest is not significant) and (b) fixed charges consist of interest expense (whether expensed or capitalized), the amortization of debt issuance costs and discounts related to indebtedness, and the interest portion of rent expense.

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

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

Executive Overview

We are among the largest discount retailers in the United States by number of stores, with 13,429 stores located in 44 states as of March 3, 2017, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. We offer a broad selection of merchandise, including consumable products such as food, paper and cleaning products, health and beauty products and pet supplies, and non-consumable products such as seasonal merchandise, home decor and domestics, and basic apparel. Our merchandise includes high-quality national brands from leading manufacturers, as well as our own value and comparable quality private brand selections with prices at substantial discounts to national brands. We offer our customers these national brand and private brand products at everyday low prices (typically $10 or less) in our convenient small-box locations.

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Because the customers we serve are value-conscious, many with low or fixed incomes, we are intensely focused on helping them make the most of their spending dollars. We believe our convenient store format and broad selection of high-quality products at compelling values have driven our substantial growth and financial success over the years. Like other retailers, we have been operating for several years in an environment with ongoing macroeconomic challenges and uncertainties. Our core customers are often among the first to be affected by negative or uncertain economic conditions, and are among the last to feel the effects of improving economic conditions particularly when, as in the recent past, trends are inconsistent and their duration unknown. The primary macroeconomic factors that affect our core customers include the unemployment rate, the underemployment rate, wage growth, fuel prices, and changes to certain government assistance programs, such as the 2016 changes to the Supplemental Nutrition Assistance Program, which had the effect of not only reducing benefit levels but also eliminating benefit eligibility for certain individuals. Additionally, our customers are impacted by increases in those expenses that generally comprise a large portion of their budget, such as rent and healthcare, and during 2016, these expenses increased at a rate that was greater than many of our core customers' growth in income. We believe the overall effect of the factors listed above have negatively affected our traffic and, along with deflationary pressures, including both lower commodity costs and pricing actions on our products, have negatively affected same-store sales.

During 2016, we undertook a strategic review of our business and the retail environment that was designed to help identify additional long-term growth opportunities. This strategic review resulted in prioritizing those growth opportunities that we believe are most important for the business, such as leveraging digital tools and technology, while ensuring that we maintain our brand heritage and build upon our organizational capabilities.

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

We seek to drive profitable sales growth through initiatives aimed at increasing customer traffic and average transaction amount, as well as an ongoing focus on enhancing our margins while maintaining both everyday low price and affordability.

Historically, our sales of consumables, which tend to have lower gross margins, have been the key drivers of net sales and customer traffic, while sales of non-consumables, which tend to have higher gross margins, have contributed to profitable sales growth and an increase in average transaction amount. We expect these trends to continue in 2017. Same-store sales growth is key to achieving our objectives. As noted above, in recent periods economic and competitive deflationary pressures resulting in lower commodity costs and prices has negatively affected our net and same store sales performance, and the continuation, if any, of these deflationary pressures could negatively impact sales of certain items going forward. Additionally, we have made certain pricing adjustments and marketing investments in designated geographies with a focus on the consumables category to drive customer traffic. These pricing adjustments and marketing investments are performing well in the majority of stores that received them with improvements in transactions, units, and same-store sales. We expect to continue to evaluate and refresh these pricing adjustments across various items, categories and markets as needed.

During 2016, we made significant progress with the rollout of other initiatives designed to increase customer traffic and sales, such as the expansion of coolers in existing stores, the expansion of certain product classes including health and beauty care, party and stationery, and improvement in our in-stock position. We plan to further this progress in 2017 with the continued expansion of coolers, the rollout of additional merchandising initiatives across all merchandise categories, a continued focus on improving our in-stock position, and the addition of a queue line, similar to that in our DG16 layout stores discussed below, in a portion of our existing store base. We will continue to utilize our updated customer segmentation information, which has provided us with deeper insights into the spending habits for each of our core customer segments, to refine these initiatives and drive our category management process, as we optimize our assortment and expand into those products that are most likely to drive customer traffic to our stores. We plan to enhance our advertising effectiveness in 2017 by further integrating our traditional and digital media mix, designed to ensure that we reach our target customers where, when and how they decide to engage with us while also targeting a higher return on investment. We also plan to continue investing in our existing store base through many of these targeted merchandising initiatives, with a goal to drive increased customer traffic, average transaction amount and same-store sales.

We demonstrate our commitment to the affordability needs of our core customer by pricing more than 80% of our stock-keeping units at $5 or less at the end of 2016. However, as we work to provide everyday low prices and meet our customers' affordability needs, we also remain focused on enhancing our margins through effective category management, inventory shrink reduction initiatives, private brands penetration, efforts to improve distribution and transportation efficiencies, global sourcing, and pricing and markdown optimization. With respect to category management, we strive to maintain an appropriate mix of consumables and non-consumables sales because, as noted above, the mix of sales affects profitability due to the varying gross margins between, and even within, the consumables and non-consumables categories. To support our efforts to reduce inventory shrink, we continue to implement additional in-store defensive merchandising and technology-based tools, such as Electronic Article Surveillance and video-enabled exception-based reporting in select stores. We strive to balance these and other shrink reduction efforts with our efforts to improve our in-stock position. We seek to reduce our stem miles and optimize loads to improve distribution and transportation efficiencies.

To support our other operating priorities, we remain focused on capturing growth opportunities and innovating within our channel. In 2016, we continued to expand our store count, opening 900 stores and remodeling or relocating 906 stores. In 2017, we intend to open approximately 1,000 stores and to relocate or remodel approximately 900 stores.

We continue to innovate within our channel, and during 2016 we began implementing the DG16 store layout for all new stores, relocations and remodels. In addition, we also began testing a smaller format store (less than 6,000 square feet) which we believe could allow us to capture growth opportunities in metropolitan areas as well as rural areas with a low number of households. In 2017, we plan to incorporate into a portion of our existing store base certain lessons learned from the DG16 layout and smaller format stores, as well those learned in connection with the conversion of the larger format former Walmart Express stores we acquired during 2016. To support our new store growth and drive productivity, we continue to make investments in our distribution center network. During 2016, we opened new distribution centers in Texas and Wisconsin. Our fifteenth distribution center in Jackson, Georgia is under construction with a goal to begin shipping from this facility in late 2017. We expect to break ground on our sixteenth distribution center in Amsterdam, New York in mid-2017 to support our northeast growth.

We have established a position as a low-cost operator, continuously seeking ways to reduce or control costs that do not affect our customers' shopping experience. We continued to enhance this position during 2016 through our zero-based budgeting initiative, streamlining our business while also reducing certain expenses as a percentage of sales. This initiative was successful in 2016, as evidenced by reductions in administrative payroll, advertising and certain other costs, and we believe this initiative has the momentum to assist in leveraging SG&A expenses at a lower same-store sales growth percentage over the long term. In addition, we remain committed to simplifying or eliminating store-level tasks and processes so that those time savings can be reinvested by our Store Managers and their teams in important areas such as enhanced customer service, higher in-stock levels, and improved store standards.

Our employees are a competitive advantage, and we are always searching for ways to continue investing in them. We invest in our employees in an effort to create an environment that attracts and retains talented personnel, as we believe that, particularly at the store level, employees who are promoted from within generally have longer tenures and are greater contributors to improvements in our financial performance. During 2016, these efforts helped to achieve our lowest level of store manager turnover in four years. During 2017, we will build upon this foundation by investing approximately $70 million, primarily for increased compensation and training for our store managers, as well as strategic initiatives. Our store managers play a critical role in our customer experience, and we anticipate this investment in their compensation will contribute to improved customer experience scores, higher sales, lower shrink and improved turnover metrics. The proposed changes to the overtime exemption regulations under the Fair Labor Standards Act ("FLSA") are subject to an injunction by a federal court and if such regulations were to be implemented, we likely will incur incremental SG&A expenses.

To further enhance shareholder return in 2017, we plan to continue to repurchase shares of our common stock, although we expect to do so in a lower amount than in 2016, and pay quarterly cash dividends, subject to Board discretion.

A continued focus on our four operating priorities as discussed above, coupled with strong cash flow management and share repurchases resulted in solid overall operating and financial performance in 2016 as compared to 2015, as set forth below. Basis points, as referred to below, are equal to 0.01% as a percentage of net sales.

- Net sales in 2016 increased 7.9% over 2015. Sales in same-stores increased 0.9%, primarily due to an increase in average transaction amount accompanied by traffic that was essentially unchanged from the prior year. Average sales per square foot in 2016 were $229, including a $4 contribution from the 53rd week, as compared to $226 per square foot in 2015.

- Operating profit increased 6.3% to $2.06 billion, or 9.4% of sales, compared to $1.94 billion, or 9.5% of sales in 2015. The decrease in our operating profit rate reflects an 11 basis-point decrease in our gross profit rate and a 3 basis-point increase in SG&A.

- Our gross profit rate decreased by 11 basis points due primarily to higher markdowns, a greater proportion of sales of consumables, and a higher rate of inventory shrinkage.

- The increase in SG&A, as a percentage of sales, was due primarily to increases in retail labor costs. For other factors, see the detailed discussion that follows.

- Interest expense increased by $10.9 million in 2016 to $97.8 million due primarily to greater average debt outstanding and higher average interest rates.

- The decrease in the effective income tax rate to 36.3% in 2016 from 37.1% in 2015 was due primarily to an accounting change related to share-based compensation.

- We reported net income of $1.25 billion, or $4.43 per diluted share, for 2016, compared to net income of $1.17 billion, or $3.95 per diluted share, for 2015. Stock repurchase activity during 2015 and 2016 contributed to the increase in diluted earnings per share.

- We generated approximately $1.61 billion of cash flows from operating activities in 2016, an increase of 15.3% compared to 2015. We primarily utilized our cash flows from operating activities to invest in the growth of our business, repurchase our common stock, and pay quarterly cash dividends.

- Inventory turnover was 4.7 times on a rolling four-quarter basis. Inventories decreased 0.7% on a per store basis compared to 2015.

- We opened 900 new stores, remodeled or relocated 906 stores, and closed 63 stores.

- We repurchased approximately 12.4 million shares of our outstanding common stock for $990 million.

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

Results of Operations

Accounting Periods. The following text contains references to years 2016, 2015, and 2014, which represent fiscal years ended February 3, 2017, January 29, 2016, and January 30, 2015, respectively. Our fiscal year ends on the Friday closest to January 31. Fiscal year 2016 was a 53-week accounting period and fiscal years 2015 and 2014 were 52-week accounting periods.

Seasonality. The nature of our business is somewhat seasonal. Primarily because of sales of Christmas-related merchandise, sales in our fourth quarter (November, December and January) have historically been higher than sales achieved in each of the first three quarters of the fiscal year. Expenses, and to a greater extent operating profit, vary by quarter. Results of a period shorter than a full year may not be indicative of results expected for the entire year. Furthermore, the seasonal nature of our business may affect comparisons between periods. For more information about the seasonality of our business, see “Seasonality” included in Part 1, Item 1 of this report.

The following table contains results of operations data for fiscal years 2016, 2015 and 2014, and the dollar and percentage variances among those years.

(amounts in millions, except per share amounts)	2016	2015	2014	2016 vs. 2015 Amount Change	2016 vs. 2015 % Change	2015 vs. 2014 Amount Change	2015 vs. 2014 % Change
Net sales by category:							
Consumables	$ 16,798.9	$ 15,457.6	$ 14,321.1	*$ 1,341.3*	*8.7 %*	*$ 1,136.5*	*7.9 %*
% of net sales	*76.41 %*	*75.89 %*	*75.73 %*				
Seasonal	2,674.3	2,522.7	2,345.0	*151.6*	*6.0*	*177.7*	*7.6*
% of net sales	*12.16 %*	*12.39 %*	*12.40 %*				
Home products	1,373.4	1,289.4	1,205.4	*84.0*	*6.5*	*84.1*	*7.0*
% of net sales	*6.25 %*	*6.33 %*	*6.37 %*				
Apparel	1,140.0	1,098.8	1,038.1	*41.2*	*3.7*	*60.7*	*5.8*
% of net sales	*5.18 %*	*5.39 %*	*5.49 %*				
Net sales	$ 21,986.6	$ 20,368.6	$ 18,909.6	*$ 1,618.0*	*7.9 %*	*$ 1,459.0*	*7.7 %*
Cost of goods sold	15,204.0	14,062.5	13,107.1	*1,141.5*	*8.1*	*955.4*	*7.3*
% of net sales	*69.15 %*	*69.04 %*	*69.31 %*				
Gross profit	6,782.6	6,306.1	5,802.5	*476.5*	*7.6*	*503.6*	*8.7*
% of net sales	*30.85 %*	*30.96 %*	*30.69 %*				
Selling, general and administrative expenses	4,719.2	4,365.8	4,033.4	*353.4*	*8.1*	*332.4*	*8.2*
% of net sales	*21.46 %*	*21.43 %*	*21.33 %*				
Operating profit	2,063.4	1,940.3	1,769.1	*123.2*	*6.3*	*171.2*	*9.7*
% of net sales	*9.39 %*	*9.53 %*	*9.36 %*				
Interest expense	97.8	86.9	88.2	*10.9*	*12.5*	*(1.3)*	*(1.5)*
% of net sales	*0.44 %*	*0.43 %*	*0.47 %*				
Other (income) expense	—	0.3	—	*(0.3)*	*(100.0)*	*0.3*	—
% of net sales	*0.00 %*	*0.00 %*	*0.00 %*				
Income before income taxes	1,965.6	1,853.0	1,680.9	*112.6*	*6.1*	*172.2*	*10.2*
% of net sales	*8.94 %*	*9.10 %*	*8.89 %*				
Income tax expense	714.5	687.9	615.5	*26.6*	*3.9*	*72.4*	*11.8*
% of net sales	*3.25 %*	*3.38 %*	*3.26 %*				
Net income	$ 1,251.1	$ 1,165.1	$ 1,065.3	*$ 86.1*	*7.4 %*	*$ 99.7*	*9.4 %*
% of net sales	*5.69 %*	*5.72 %*	*5.63 %*				
Diluted earnings per share	$ 4.43	$ 3.95	$ 3.49	*$ 0.48*	*12.2 %*	*$ 0.46*	*13.2 %*

Net Sales. The net sales increase in 2016 reflects a same-store sales increase of 0.9% compared to 2015, primarily due to an increase in average transaction amount accompanied by traffic that was essentially unchanged as compared to the prior year. Same-store sales were affected by the factors discussed in the Executive Overview above. For 2016, there were 12,383 same-stores, which accounted for sales of $20.3 billion. Same-stores include stores that have been open for at least 13 months and remain open at the end of the reporting period. Changes in same-store sales are calculated based on the comparable calendar weeks in the prior year, and include stores that have been remodeled, expanded or relocated. Same-store sales results reflect positive results in the consumables and home products categories, partially offset by negative results in our apparel and seasonal categories. Net sales for the 53rd week of 2016 totaled $398.7 million. The remainder of the increase in sales in 2016 was attributable to new stores, partially offset by sales from closed stores.

The net sales increase in 2015 reflects a same-store sales increase of 2.8% compared to 2014. For 2015, there were 11,706 same-stores, which accounted for sales of $19.25 billion. The increase in sales reflects increases in both customer traffic and average transaction amounts. Same-store sales results reflect positive results in all four of our product categories, with the greatest increases in sales of consumables and seasonal, followed by home products and apparel. The remainder of the increase in sales in 2015 was attributable to new stores, partially offset by sales from closed stores.

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Of our four major merchandise categories, the consumables category, which generally has a lower gross profit rate than the other three categories, has grown most significantly over the past several years. Because of the impact of sales mix on gross profit, we continually review our merchandise mix and strive to adjust it when appropriate.

Gross Profit. The gross profit rate as a percentage of sales was 30.8% in 2016. Gross profit increased by 7.6% in 2016 as compared to 2015, and as a percentage of sales, declined by 11 basis points over the same period. The gross profit rate decrease in 2016 as compared to 2015 primarily reflects increased markdowns which were driven by promotional and inventory clearance activity, sales of lower-margin consumables comprising a greater proportion of net sales, and increased inventory shrink, partially offset by higher initial inventory markups and lower transportation costs. We recorded a LIFO benefit of $12.2 million in 2016 compared to a LIFO benefit of $2.3 million in 2015.

The gross profit rate as a percentage of sales was 31.0% in 2015 compared to 30.7% in 2014. Gross profit increased by 8.7% in 2015, and as a percentage of sales, increased by 27 basis points. The gross profit rate increase in 2015 as compared to 2014 primarily reflects lower transportation costs and an improved rate of inventory shrinkage, partially offset by increased markdowns. We recorded a LIFO benefit of $2.3 million in 2015 compared to a LIFO provision of $4.2 million in 2014.

SG&A. SG&A was 21.5% as a percentage of sales in 2016, increasing by 3 basis points over 2015. The 2016 results reflect increases in retail labor costs, which increased at a rate greater than the increase in net sales, partially offset by reductions in administrative payroll costs, incentive compensation expenses, and advertising costs. The 2016 results also reflect an increase in disaster-related expenses of $12.2 million over 2015, much of which was hurricane-related.

SG&A was 21.4% as a percentage of sales in 2015 compared to 21.3% in 2014, an increase of 10 basis points. The 2015 results reflect increases in incentive compensation expenses, repairs and maintenance expenses, occupancy costs, and fees associated with an increase in debit card transactions. 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 $14.3 million, or 8 basis points as a percentage of sales, related to an acquisition that was not completed.

Interest Expense. Interest expense increased $10.9 million to $97.8 million in 2016 compared to 2015 primarily due to an increase in average debt outstanding and higher average interest rates. See the detailed discussion under “Liquidity and Capital Resources” regarding the financing of various long-term obligations. Interest expense decreased $1.3 million to $86.9 million in 2015 compared to 2014.

We had outstanding variable-rate debt of $924.3 million and $686.6 million as of February 3, 2017 and January 29, 2016, respectively. The remainder of our outstanding indebtedness at February 3, 2017 and January 29, 2016 was fixed rate debt.

Income Taxes. The effective income tax rates for 2016, 2015 and 2014 were expenses of 36.3%, 37.1% and 36.6%, respectively.

The effective income tax rate for 2016 was 36.3% compared to a rate of 37.1% for 2015 which represents a net decrease of 0.8 percentage points. The effective income tax rate was lower in 2016 due principally to the early adoption of a change in accounting guidance related to employee share-based payments requiring the recognition of excess tax benefits in the statement of income rather than in the balance sheet, as reported in prior years.

The effective income tax rate for 2015 was 37.1% compared to a rate of 36.6% for 2014 which represents a net increase of 0.5 percentage points. The effective income tax rate was lower in 2014 due principally to federal and state reserve releases in 2014 that did not reoccur, to the same extent, in 2015. As in prior years, we receive a significant income tax benefit related to wages paid to certain newly hired employees that qualify for federal jobs credits (principally the Work Opportunity Tax Credit or "WOTC"). In December 2015, Congress retroactively extended the federal law authorizing the WOTC for the period from January 1, 2015 through December 31, 2019.

Off Balance Sheet Arrangements

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

Effects of Inflation

In 2016, we experienced product cost deflation reflecting reductions in commodity costs primarily related to food products. We experienced minimal overall commodity cost inflation or deflation in 2015 and 2014.

Liquidity and Capital Resources

Current Financial Condition and Recent Developments

During the past three years, we have generated an aggregate of approximately $4.3 billion in cash flows from operating activities and incurred approximately $1.4 billion in capital expenditures. During that period, we expanded the number of stores we operate by 2,188, representing growth of approximately 20%, and we remodeled or relocated 2,702 stores, or approximately 20% of the stores we operated as of February 3, 2017. In 2017, we intend to continue our current strategy of pursuing store growth, remodels and relocations.

At February 3, 2017, we had a five-year $1.425 billion unsecured credit agreement, and we had outstanding $2.3 billion aggregate principal amount of senior notes. As further discussed below, during the third quarter of 2016, we established a commercial paper program that may provide borrowing availability of up to $1.0 billion. At February 3, 2017, we had total outstanding debt (including the current portion of long-term obligations) of $3.2 billion, which includes balances under the 2015 Term Facility and 2015 Revolving Facility (each as defined below), commercial paper, and senior notes, all of which are described in greater detail below. We had $986.2 million available for borrowing under the unsecured credit agreement that, due to our intention to maintain borrowing availability related to the commercial paper program as described below, could contribute incremental liquidity of $495.7 million at February 3, 2017. We entered into an amended and restated credit agreement on February 22, 2017 as described further below. The information contained in Note 5 to the consolidated financial statements contained in Part II, Item 8 of this report is incorporated herein by reference.

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

For the remainder of fiscal 2017, we anticipate potential borrowings under the unsecured revolving credit facility described below and our commercial paper program to be a maximum of approximately $750 million outstanding at any one time, including any anticipated borrowings to fund repurchases of common stock.

Credit Facilities

On February 22, 2017, we entered into an unsecured amended and restated credit agreement (the "Facilities"), which consists of a $175.0 million senior unsecured term loan facility (the "Term Facility") and a $1.25 billion senior unsecured revolving credit facility (the "Revolving Facility") which provides for the issuance of letters of credit up to $175.0 million. The Term Facility is scheduled to mature on October 20, 2020 and the Revolving Facility is scheduled to mature on February 22, 2022. The Facilities replaced our previous unsecured credit agreement which consisted of a $425.0 million senior unsecured term loan facility (the “2015 Term Facility”) and a $1.0 billion senior unsecured revolving credit facility (the “2015 Revolving Facility”).

Borrowings under the Facilities bear interest at a rate equal to an applicable interest rate margin plus, at our option, either (a) LIBOR or (b) a base rate (which is usually equal to the prime rate). The applicable interest rate margin for borrowings as of March 3, 2017 was 1.10% for LIBOR borrowings and 0.10% for base-rate borrowings and the commitment fee rate is 0.15%. We also must pay a facility fee, payable on any used and unused commitment amounts of the Facilities, and customary fees on letters of credit issued under the Revolving Facility. The applicable interest rate margins for borrowings, the facility fees and the letter of credit fees under the Facilities are subject to adjustment from time to time based on our long-term senior unsecured debt ratings. The weighted average all-in interest rate for borrowings under the Facilities was 1.88% as of March 3, 2017.

The Facilities can be voluntarily prepaid in whole or in part at any time without penalty. There is no required amortization under the Facilities. The Facilities contain a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, our (including our subsidiaries') ability to: incur additional liens; sell all or substantially all of our assets; consummate certain fundamental changes or change in our lines of business; and incur additional subsidiary indebtedness. The Facilities also contain financial covenants that require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of March 3, 2017, we were in compliance with all such covenants. The Facilities also contain customary events of default. The terms of the Term Facility and the Revolving Facility are substantially similar to the terms of the 2015 Term Facility and the 2015 Revolving Facility, respectively, including financial covenants and events of default.

As of February 3, 2017, under the 2015 Revolving Facility, we had no outstanding borrowings and outstanding letters of credit of $13.8 million. In addition, as of February 3, 2017 we had outstanding letters of credit of $29.4 million which were issued pursuant to separate agreements.

Commercial Paper

On August 1, 2016, we established a commercial paper program under which we may issue unsecured commercial paper notes (the “CP Notes”). Under this program, we may issue the CP Notes from time to time in an aggregate amount not to exceed $1.0 billion outstanding at any time. The CP Notes have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of our other unsecured and unsubordinated indebtedness. We intend to maintain available commitments under the Revolving Facility in an amount at least equal to the amount of CP Notes outstanding at any time. We had $490.5 million of CP Notes outstanding at February 3, 2017 that were classified as long-term obligations in the consolidated balance sheet due to our intent and ability to refinance these obligations as long-term debt, at a weighted average borrowing rate of 1.0%.

Senior Notes

We have $500.0 million aggregate principal amount of 4.125% senior notes due 2017 (the “2017 Senior Notes”) which are scheduled to mature on July 15, 2017; $400.0 million aggregate principal amount of 1.875% senior notes due 2018 (the “2018 Senior Notes”), net of discount of $0.1 million, which are scheduled to mature on April 15, 2018; $900.0 million aggregate principal amount of 3.25% senior notes due 2023 (the “2023 Senior Notes”), net of discount of $1.6 million, which are scheduled to mature on April 15, 2023; and $500.0 million aggregate principal amount of 4.150% senior notes due 2025 (the “2025 Senior Notes”), net of discount of $0.7 million, which are scheduled to mature on November 1, 2025. Collectively, the 2017 Senior Notes, the 2018 Senior Notes, the 2023 Senior Notes and the 2025 Senior Notes comprise the “Senior Notes”, each of which were issued pursuant to an indenture as supplemented and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the “Senior Indenture”). Interest on the 2017 Senior Notes is payable in cash on January 15 and July 15 of each year. Interest on the 2018 Senior Notes and the 2023 Senior Notes is payable in cash on April 15 and October 15 of each year. Interest on the 2025 Senior Notes is payable in cash on May 1 and November 1 of each year. We expect to refinance the 2017 Senior Notes prior to their maturity utilizing proceeds from one or more of the issuance of additional senior notes, revolver borrowings or issuance of CP Notes.

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

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

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

Rating Agencies

On June 1, 2016, Moody's Investors Service upgraded our senior unsecured debt rating to Baa2 from Baa3, and on August 3, 2016, assigned to us a commercial paper rating of P-2 and affirmed our existing senior unsecured debt rating of Baa2, both with a stable outlook. On August 4, 2016, Standard & Poor's assigned to us a short-term corporate credit and commercial paper rating of A-2 and affirmed our existing long-term corporate credit and senior unsecured rating of BBB, all with a stable outlook. Our current credit ratings, as well as future rating agency actions, could (i) impact our ability to finance our operations on satisfactory terms; (ii) affect our financing costs; and (iii) affect our insurance premiums and collateral requirements necessary for our self-insured programs. There can be no assurance that we will maintain or improve our current credit ratings.

Interest Rate Swaps

From time to time, we use interest rate swaps to minimize the risk of adverse changes in interest rates. These swaps are intended to reduce risk by hedging an underlying economic exposure. Because of high correlation between the derivative financial instrument and the underlying exposure being hedged, fluctuations in the value of the financial instruments are generally offset by reciprocal changes in the value of the underlying economic exposure. Our principal interest rate exposure relates to outstanding amounts under our Facilities and the CP Notes. At February 3, 2017 and January 29, 2016, we had no outstanding interest rate swaps. For more information see Item 7A, "Quantitative and Qualitative Disclosures about Market Risk" below.

Contractual Obligations

The following table summarizes our significant contractual obligations and commercial commitments as of February 3, 2017 (in thousands):

	Payments Due by Period				
Contractual obligations	**Total**	**< 1 year**	**1 - 3 years**	**3 - 5 years**	**5+ years**
Long-term debt obligations	$ 3,224,340	$ 990,500	$ 400,955	$ 426,135	$ 1,406,750
Capital lease obligations	3,643	950	957	728	1,008
Interest(a)	417,750	80,120	117,991	106,093	113,546
Self-insurance liabilities(b)	224,614	86,349	93,455	30,031	14,779
Operating lease obligations(c)	8,123,628	961,786	1,794,920	1,510,735	3,856,187
Subtotal	$ 11,993,975	$ 2,119,705	$ 2,408,278	$ 2,073,722	$ 5,392,270

	Commitments Expiring by Period				
Commercial commitments(d)	**Total**	**< 1 year**	**1 - 3 years**	**3 - 5 years**	**5+ years**
Letters of credit	$ 11,028	$ 11,028	$ —	$ —	$ —
Purchase obligations(e)	1,303,163	1,179,122	124,041	—	—
Subtotal	$ 1,314,191	$ 1,190,150	$ 124,041	$ —	$ —
Total contractual obligations and commercial commitments(f)	$ 13,308,166	$ 3,309,855	$ 2,532,319	$ 2,073,722	$ 5,392,270

(a) Represents obligations for interest payments on long-term debt and capital lease obligations, and includes projected interest on variable rate long-term debt, using 2016 year end rates and balances. Variable rate long-term debt includes the 2015 Revolving Facility (although such facility had a balance of zero as of February 3, 2017), the CP Notes (which had a balance of $490.5 million as of February 3, 2017), the balance of an outstanding tax increment financing of $8.8 million, and the balance of the 2015 Term Facility of $425 million.

(b) We retain a significant portion of the risk for our workers' compensation, employee health insurance, general liability, property loss and automobile insurance. As these obligations do not have scheduled maturities, these amounts represent undiscounted estimates based upon actuarial assumptions. Reserves for workers' compensation and general liability which existed as of the date of a merger transaction in 2007 were discounted in order to arrive at estimated fair value. All other amounts are reflected on an undiscounted basis in our consolidated balance sheets.

(c) Operating lease obligations are inclusive of amounts included in deferred rent in our consolidated balance sheets.

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

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

(f) We have potential payment obligations associated with uncertain tax positions that are not reflected in these totals. We are currently unable to make reasonably reliable estimates of the period of cash settlement with the taxing authorities for the $4.8 million of reserves for uncertain tax positions.

Share Repurchase Program

On August 24, 2016, our Board of Directors authorized a $1.0 billion increase to our existing common stock repurchase program, which had a total remaining authorization of approximately $933 million at February 3,

2017. Under the authorization, purchases may be made in the open market or in privately negotiated transactions from time to time subject to market and other conditions. The authorization has no expiration date and may be modified or terminated from time to time at the discretion of our Board of Directors. For more detail about our share repurchase program, see Note 11 to the consolidated financial statements.

Other Considerations

On March 15, 2017, the Board of Directors approved a quarterly cash dividend to shareholders of $0.26 per share which is payable on April 25, 2017 to shareholders of record on April 11, 2017, an increase of $0.01 per share over quarterly dividends paid in 2016. Although the Board currently intends to continue regular quarterly cash dividends, the payment of future cash dividends, and the amounts of any such dividends, are subject to the Board's discretion and will depend upon, among other factors, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board may deem relevant.

Our inventory balance represented approximately 53% of our total assets exclusive of goodwill and other intangible assets as of February 3, 2017. Our ability to effectively manage our inventory balances can have a significant impact on our cash flows from operations during a given fiscal year. Inventory purchases are often somewhat seasonal in nature, such as the purchase of warm-weather or Christmas-related merchandise. Efficient management of our inventory has been and continues to be an area of focus for us.

As described in Note 7 to the consolidated financial statements, we are involved in a number of legal actions and claims, some of which could potentially result in material cash payments. Adverse developments in those actions could materially and adversely affect our liquidity. We also have certain income tax-related contingencies as disclosed in Note 4 to the consolidated financial statements. Future negative developments could have a material adverse effect on our liquidity.

Cash Flows

Cash flows from operating activities. Cash flows from operating activities were $1.6 billion in 2016, an increase of $213.4 million compared to 2015. Significant components of the increase in cash flows from operating activities in 2016 compared to 2015 include increased net income due primarily to increased sales and operating profit in 2016 as described in more detail above under "Results of Operations." Changes in merchandise inventories resulted in a reduction in working capital usage in 2016 compared to 2015 as described in greater detail below. Accounts payable increased by $56.5 million in 2016 compared to a $105.6 million increase in 2015, due primarily to the timing of merchandise receipts and related payments which were impacted by increases in payment terms.

Cash flows from operating activities were $1.4 billion in 2015, an increase of $64.8 million compared to 2014. Significant components of the increase in cash flows from operating activities in 2015 compared to 2014 include increased net income due primarily to increased sales and operating profit in 2015 as described in more detail above under "Results of Operations." Changes in merchandise inventories resulted in an increased use of working capital, growing by a greater amount in 2015 compared to 2014 as described in greater detail below. Accounts payable increased by $105.6 million in 2015 compared to a $97.2 million increase in 2014, due primarily to the timing of merchandise receipts and related payments.

On an ongoing basis, we closely monitor and manage our inventory balances, and they may fluctuate from period to period based on new store openings, the timing of purchases, and other factors. Merchandise inventories increased by 6% in 2016, by 10% in 2015, and by 9% in 2014. Inventory levels in the consumables category increased by $54.5 million, or 3% in 2016, by $218.4 million, or 13%, in 2015, and by $178.4 million, or 12%, in 2014. The seasonal category increased by $79.5 million, or 15%, in 2016, by $63.2 million, or 13%, in 2015, and by $13.8 million, or 3%, in 2014. The home products category increased by $40.8 million, or 14%, in 2016, by $12.8 million, or 5%, in 2015, and was essentially unchanged in 2014. The apparel category increased by

$9.9 million, or 3%, in 2016, decreased by $2.7 million, or 1%, in 2015, and increased by $37.1 million, or 13%, in 2014.

Cash flows from investing activities. Significant components of property and equipment purchases in 2016 included the following approximate amounts: $201 million for distribution and transportation-related projects; $168 million for improvements, upgrades, remodels and relocations of existing stores; $120 million for new leased stores; $38 million for stores purchased or built by us; and $26 million for information systems upgrades and technology-related projects. The timing of new, remodeled and relocated store openings along with other factors may affect the relationship between such openings and the related property and equipment purchases in any given period. During 2016, we opened 900 new stores and remodeled or relocated 906 stores.

Significant components of property and equipment purchases in 2015 included the following approximate amounts: $168 million for improvements, upgrades, remodels and relocations of existing stores; $144 million for distribution and transportation-related projects; $99 million for new leased stores; $53 million for stores built by us; and $34 million for information systems upgrades and technology-related projects. During 2015, we opened 730 new stores and remodeled or relocated 881 stores.

Significant components of property and equipment purchases in 2014 included the following approximate amounts: $127 million for improvements, upgrades, remodels and relocations of existing stores; $102 million for new leased stores; $64 million for distribution and transportation-related projects; $38 million for stores built by us; and $35 million for information systems upgrades and technology-related projects. During 2014, we opened 700 new stores and remodeled or relocated 915 stores.

Capital expenditures during 2017 are projected to be in the range of $650 to $700 million. We anticipate funding 2017 capital requirements with existing cash balances, cash flows from operations, availability under our Revolving Facility and the issuance of CP Notes. We plan to continue to invest in store growth and development of approximately 1,000 new stores and approximately 900 stores to be remodeled or relocated. Capital expenditures in 2017 are anticipated to support our store growth as well as our remodel and relocation initiatives, including capital outlays for leasehold improvements, fixtures and equipment; the construction of new stores; costs to support and enhance our supply chain initiatives including new and existing distribution center facilities; technology initiatives; as well as routine and ongoing capital requirements.

Cash flows from financing activities. In 2016, we repurchased 12.4 million outstanding shares of our common stock at a total cost of $990.5 million. Net repayments under the 2015 Revolving Facility during 2016 were $251.0 million. We had net commercial paper borrowings during 2016 of $490.5 million. We also paid cash dividends of $281.1 million.

In 2015, we repurchased 17.6 million outstanding shares of our common stock at a total cost of $1.3 billion. We made repayments of $500.0 million on our term loan facilities, and had proceeds of $499.2 million from the issuance of senior notes. Net borrowings under our revolving credit facilities during 2015 were $251.0 million. We also paid cash dividends of $258.3 million.

In 2014, we repurchased 14.1 million outstanding shares of our common stock at a total cost of $800.1 million. We made repayments of $75.0 million on our term loan facility. Borrowings and repayments under our revolving credit facilities during the 2014 period were the same amount, resulting in no net increase to amounts outstanding under our revolving credit facility during 2014.

Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued comprehensive new accounting standards related to the recognition of revenue, which specified an effective date for annual reporting periods beginning after December 15, 2016, with early adoption not permitted. In August 2015, the FASB deferred the effective date to annual reporting periods beginning after December 15, 2017, with earlier adoption permitted only for annual reporting periods beginning after December 15, 2016. The new guidance allows companies to use either a full retrospective or a modified retrospective approach in the adoption of this guidance. We have formed a project team to assess and implement the standard by compiling a list of the applicable revenue streams, evaluating relevant contracts and comparing our current accounting policies to the new standard. As a result of the efforts of this project team, we have identified customer incentives and gross versus net considerations as the areas in which we could most likely be affected by the new guidance. We are continuing to assess all the impacts of the new standard and the design of internal control over financial reporting, but based upon the terms of our agreements and the materiality of the transactions related to customer incentives and gross versus net considerations, we do not expect the adoption to have a material effect on our consolidated results of operations, financial position or cash flows. We expect to complete this work in 2017 and to adopt this guidance on February 3, 2018.

In February 2016, the FASB issued new guidance related to lease accounting, which when effective will require a dual approach for lessee accounting under which a lessee will account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability on its balance sheet, with differing methodology for income statement recognition. This guidance is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2018, and early adoption is permitted. A modified retrospective approach is required for all leases existing or entered into after the beginning of the earliest comparative period in the consolidated financial statements. We are currently assessing the impact that adoption of this guidance will have on our consolidated financial statements and we are anticipating a material impact because we are party to a significant number of lease contracts.

In October 2016, the FASB issued amendments to existing guidance related to accounting for intra-entity transfers of assets other than inventory. These amendments require an entity to recognize the income tax consequences of such transfers when the transfer occurs and affects our historical accounting for intra-entity transfers of certain intangible assets. This guidance is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2017, and early adoption is permitted subject to certain guidelines. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We are currently assessing the impact that adoption of this guidance will have on our consolidated financial statements, but expect such adoption will result in an increase in deferred income tax liabilities and a decrease in retained earnings.

Critical Accounting Policies and Estimates

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

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

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

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

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

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

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

Goodwill and Other Intangible Assets. The qualitative and quantitative assessments related to the valuation and any potential impairment of goodwill and other intangible assets are each subject to judgments and/or assumptions. The analysis of qualitative factors may include determining the appropriate factors to consider and the relative importance of those factors along with other assumptions. If required, judgments in the quantitative testing process may include projecting future cash flows, determining appropriate discount rates, correctly applying valuation techniques, correctly computing the implied fair value of goodwill if necessary, and other assumptions. Future cash flow projections are based on management's projections and represent best estimates taking into account recent financial performance, market trends, strategic plans and other available information, which in recent years have been materially accurate. Changes in these estimates and assumptions could materially affect the determination of fair value or impairment, however, such a conclusion is not indicated by recent analyses. Future indicators of impairment could result in an asset impairment charge. If these judgments or assumptions are incorrect or flawed, the analysis could be negatively impacted.

Our most recent evaluation of our goodwill and indefinite lived trade name intangible assets was completed during the third quarter of 2016. No indicators of impairment were evident and no assessment of or adjustment to these assets was required. We are not currently projecting a decline in cash flows that could be expected to have an adverse effect such as a violation of debt covenants or future impairment charges.

Property and Equipment. Property and equipment are recorded at cost. We group our assets into relatively homogeneous classes and generally provide for depreciation on a straight-line basis over the estimated average useful life of each asset class, except for leasehold improvements, which are amortized over the lesser of the applicable lease term or the estimated useful life of the asset. Certain store and warehouse fixtures, when fully depreciated, are removed from the cost and related accumulated depreciation and amortization accounts. The valuation and classification of these assets and the assignment of depreciable lives involves judgments and the use of estimates, which we believe have been materially accurate in recent years.

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

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

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

Contingent Liabilities - Legal Matters. We are subject to legal, regulatory and other proceedings and claims. We establish liabilities as appropriate for these claims and proceedings based upon the probability and estimability of losses and to fairly present, in conjunction with the disclosures of these matters in our financial statements and SEC filings, management's view of our exposure. We review outstanding claims and proceedings with external counsel to assess probability and estimates of loss, which includes an analysis of whether such loss estimates are probable, reasonably possible, or remote. We re-evaluate these assessments on a quarterly basis or as new and significant information becomes available to determine whether a liability should be established or if any existing liability should be adjusted. The actual cost of resolving a claim or proceeding ultimately may be substantially different than the amount of the recorded liability. In addition, because it is not permissible under U.S. GAAP to establish a litigation liability until the loss is both probable and estimable, in some cases there may be insufficient time to establish a liability prior to the actual incurrence of the loss (upon verdict and judgment at trial, for example, or in the case of a quickly negotiated settlement).

Lease Accounting and Excess Facilities. Many of our stores are subject to build-to-suit arrangements with landlords, which typically carry a primary lease term of up to 15 years with multiple renewal options. We also have stores subject to shorter-term leases and many of these leases have renewal options. Certain of our stores have provisions for contingent rentals based upon a percentage of defined sales volume. We recognize contingent rental expense when the achievement of specified sales targets is considered probable. We record minimum rental expense on a straight-line basis over the base, non-cancelable lease term commencing on the date that we take physical possession of the property from the landlord, which normally includes a period prior to store opening to make necessary leasehold improvements and install store fixtures. When a lease contains a predetermined fixed escalation of the minimum rent, we recognize the related rent expense on a straight-line basis and record the difference between the recognized rental expense and the amounts payable under the lease as deferred rent. Tenant allowances, to the extent received, are recorded as deferred incentive rent and amortized as a reduction to rent expense over the term of the lease. We reflect as a liability any difference between the calculated expense and the amounts actually paid. Improvements of leased properties are amortized over the shorter of the life of the applicable lease term or the estimated useful life of the asset.

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

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

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Risk Management

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

Interest Rate Risk

We manage our interest rate risk through the strategic use of fixed and variable interest rate debt and, from time to time, derivative financial instruments. Our principal interest rate exposure relates to outstanding amounts under our unsecured debt facilities as well as our commercial paper program. As of February 3, 2017, we had variable rate borrowings of $425 million under our 2015 Term Facility, borrowings of $490.5 million under our commercial paper program, and no borrowings outstanding under our 2015 Revolving Facility. In order to mitigate a portion of the variable rate interest exposure under the credit facilities, in prior years we have entered into various interest rate swaps. As of February 3, 2017, no such interest rate swaps were outstanding and, as a result, we are exposed to fluctuations in variable interest rates under the credit facilities and our commercial paper program. For a detailed discussion of our credit facilities and our commercial paper program, see Note 5 to the consolidated financial statements.

A change in interest rates on variable rate debt impacts our pre-tax earnings and cash flows; whereas a change in interest rates on fixed rate debt impacts the economic fair value of debt but not our pre-tax earnings and cash flows. Based on our variable rate borrowing levels as of February 3, 2017 and January 29, 2016, the annualized effect of a one percentage point increase in variable interest rates would have resulted in a pretax reduction of our earnings and cash flows of approximately $9.2 million in 2016 and $6.9 million in 2015.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Dollar General Corporation

We have audited the accompanying consolidated balance sheets of Dollar General Corporation and subsidiaries as of February 3, 2017 and January 29, 2016, and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended February 3, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Dollar General Corporation and subsidiaries at February 3, 2017 and January 29, 2016, and the consolidated results of their operations and their cash flows for each of the three years in the period ended February 3, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Dollar General Corporation and subsidiaries' internal control over financial reporting as of February 3, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 24, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Nashville, Tennessee
March 24, 2017

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	February 3, 2017	January 29, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 187,915	$ 157,947
Merchandise inventories	3,258,785	3,074,153
Income taxes receivable	11,050	6,843
Prepaid expenses and other current assets	220,021	193,467
Total current assets	3,677,771	3,432,410
Net property and equipment	2,434,456	2,264,062
Goodwill	4,338,589	4,338,589
Other intangible assets, net	1,200,659	1,200,994
Other assets, net	20,823	21,830
Total assets	$ 11,672,298	$ 11,257,885
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term obligations	$ 500,950	$ 1,379
Accounts payable	1,557,596	1,494,225
Accrued expenses and other	500,866	467,122
Income taxes payable	63,393	32,870
Total current liabilities	2,622,805	1,995,596
Long-term obligations	2,710,576	2,969,175
Deferred income taxes	652,841	639,955
Other liabilities	279,782	275,283
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, 1,000 shares authorized	—	—
Common stock; $0.875 par value, 1,000,000 shares authorized, 275,212 and 286,694 shares issued and outstanding at February 3, 2017 and January 29, 2016, respectively	240,811	250,855
Additional paid-in capital	3,154,606	3,107,283
Retained earnings	2,015,867	2,025,545
Accumulated other comprehensive loss	(4,990)	(5,807)
Total shareholders' equity	5,406,294	5,377,876
Total liabilities and shareholders' equity	$ 11,672,298	$ 11,257,885

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	For the Year Ended February 3, 2017	January 29, 2016	January 30, 2015
Net sales	$ 21,986,598	$ 20,368,562	$ 18,909,588
Cost of goods sold	15,203,960	14,062,471	13,107,081
Gross profit	6,782,638	6,306,091	5,802,507
Selling, general and administrative expenses	4,719,189	4,365,797	4,033,414
Operating profit	2,063,449	1,940,294	1,769,093
Interest expense	97,821	86,944	88,232
Other (income) expense	—	326	—
Income before income taxes	1,965,628	1,853,024	1,680,861
Income tax expense	714,495	687,944	615,516
Net income	$ 1,251,133	$ 1,165,080	$ 1,065,345
Earnings per share:			
Basic	$ 4.45	$ 3.96	$ 3.50
Diluted	$ 4.43	$ 3.95	$ 3.49
Weighted average shares outstanding:			
Basic	281,317	294,330	304,633
Diluted	282,261	295,211	305,681
Dividends per share	$ 1.00	$ 0.88	$ —

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	For the Year Ended		
	February 3, 2017	January 29, 2016	January 30, 2015
Net income	$ 1,251,133	$ 1,165,080	$ 1,065,345
Unrealized net gain (loss) on hedged transactions, net of related income tax expense (benefit) of $527, $971, and $1,671, respectively	817	1,520	2,583
Comprehensive income	$ 1,251,950	$ 1,166,600	$ 1,067,928

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

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DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands except per share amounts)

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balances, January 31, 2014	317,058	$ 277,424	$ 3,009,226	$ 2,125,453	$ (9,910)	$ 5,402,193
Net income	—	—	—	1,065,345	—	1,065,345
Unrealized net gain (loss) on hedged transactions	—	—	—	—	2,583	2,583
Share-based compensation expense	—	—	37,338	—	—	37,338
Repurchases of common stock	(14,106)	(12,342)	—	(787,753)	—	(800,095)
Tax benefit from stock option exercises	—	—	5,047	—	—	5,047
Other equity and related transactions	495	432	(2,805)	—	—	(2,373)
Balances, January 30, 2015	303,447	$ 265,514	$ 3,048,806	$ 2,403,045	$ (7,327)	$ 5,710,038
Net income	—	—	—	1,165,080	—	1,165,080
Dividends paid, $0.88 per common share	—	—	—	(258,328)	—	(258,328)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	1,520	1,520
Share-based compensation expense	—	—	38,547	—	—	38,547
Repurchases of common stock	(17,556)	(15,361)	—	(1,284,252)	—	(1,299,613)
Tax benefit from stock option exercises	—	—	13,698	—	—	13,698
Other equity and related transactions	803	702	6,232	—	—	6,934
Balances, January 29, 2016	286,694	$ 250,855	$ 3,107,283	$ 2,025,545	$ (5,807)	$ 5,377,876
Net income	—	—	—	1,251,133	—	1,251,133
Dividends paid, $1.00 per common share	—	—	—	(281,147)	—	(281,147)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	817	817
Share-based compensation expense	—	—	36,967	—	—	36,967
Repurchases of common stock	(12,354)	(10,810)	—	(979,664)	—	(990,474)
Other equity and related transactions	872	766	10,356	—	—	11,122
Balances, February 3, 2017	275,212	$ 240,811	$ 3,154,606	$ 2,015,867	$ (4,990)	$ 5,406,294

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Year Ended		
	February 3, 2017	January 29, 2016	January 30, 2015
Cash flows from operating activities:			
Net income	$ 1,251,133	$ 1,165,080	$ 1,065,345
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	379,931	352,431	342,353
Deferred income taxes	12,359	12,126	(17,734)
Loss on debt retirement, net	—	326	—
Noncash share-based compensation	36,967	38,547	37,338
Other noncash (gains) and losses	(3,625)	7,797	8,551
Change in operating assets and liabilities:			
Merchandise inventories	(171,908)	(290,001)	(233,559)
Prepaid expenses and other current assets	(25,046)	(24,626)	(25,048)
Accounts payable	56,477	105,637	97,166
Accrued expenses and other liabilities	42,937	44,949	41,635
Income taxes	26,316	(19,675)	12,399
Other	(500)	(905)	(1,555)
Net cash provided by (used in) operating activities	1,605,041	1,391,686	1,326,891
Cash flows from investing activities:			
Purchases of property and equipment	(560,296)	(504,806)	(373,967)
Proceeds from sales of property and equipment	9,360	1,423	2,268
Net cash provided by (used in) investing activities	(550,936)	(503,383)	(371,699)
Cash flows from financing activities:			
Issuance of long-term obligations	—	499,220	—
Repayments of long-term obligations	(3,138)	(502,401)	(78,467)
Net increase in commercial paper outstanding	490,500	—	—
Borrowings under revolving credit facilities	1,584,000	2,034,100	1,023,000
Repayments of borrowings under revolving credit facilities	(1,835,000)	(1,783,100)	(1,023,000)
Debt issuance costs	—	(6,991)	—
Repurchases of common stock	(990,474)	(1,299,613)	(800,095)
Payments of cash dividends	(281,135)	(258,328)	—
Other equity and related transactions	11,110	6,934	(2,373)
Net cash provided by (used in) financing activities	(1,024,137)	(1,310,179)	(880,935)
Net increase (decrease) in cash and cash equivalents	29,968	(421,876)	74,257
Cash and cash equivalents, beginning of period	157,947	579,823	505,566
Cash and cash equivalents, end of period	$ 187,915	$ 157,947	$ 579,823
Supplemental cash flow information:			
Cash paid for:			
Interest	$ 92,952	$ 76,354	$ 82,447
Income taxes	$ 679,633	$ 697,357	$ 631,483
Supplemental schedule of noncash investing and financing activities:			
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	$ 38,914	$ 32,020	$ 31,586

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

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presentation and accounting policies

Basis of presentation

These notes contain references to the years 2016, 2015, and 2014, which represent fiscal years ended February 3, 2017, January 29, 2016, and January 30, 2015, respectively. The Company had a 53-week accounting period in 2016, while 2015 and 2014 were each 52-week accounting periods. The Company's fiscal year ends on the Friday closest to January 31. The consolidated financial statements include all subsidiaries of the Company, except for its not-for-profit subsidiary which the Company does not control. Intercompany transactions have been eliminated.

The Company sells general merchandise on a retail basis through 13,320 stores (as of February 3, 2017) in 43 states with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. The Company has owned distribution centers ("DCs") in Scottsville, Kentucky; South Boston, Virginia; Alachua, Florida; Zanesville, Ohio; Jonesville, South Carolina; Marion, Indiana; Bessemer, Alabama; Bethel, Pennsylvania; San Antonio, Texas; and Janesville, Wisconsin, and leased DCs in Ardmore, Oklahoma; Fulton, Missouri; Indianola, Mississippi; and Lebec, California.

Cash and cash equivalents

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

Payments due from processors for electronic tender transactions classified as cash and cash equivalents totaled approximately $73.9 million and $59.5 million at February 3, 2017 and January 29, 2016, respectively.

At February 3, 2017, the Company maintained cash balances to meet a $20 million minimum threshold set by insurance regulators, as further described below under "Insurance liabilities."

Investments in debt and equity securities

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

Merchandise inventories

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

The excess of current cost over LIFO cost was approximately $80.7 million and $92.9 million at February 3, 2017 and January 29, 2016, respectively. Current cost is determined using the RIM on a first-in, first-out basis. Under the LIFO inventory method, the impacts of rising or falling market price changes increase or decrease cost of sales (the LIFO provision or benefit). The Company recorded a LIFO provision (benefit) of $(12.2) million in 2016, $(2.3) million in 2015, and $4.2 million in 2014, which is included in cost of goods sold in the consolidated statements of income.

The Company purchases its merchandise from a wide variety of suppliers. The Company's largest and second largest suppliers each accounted for approximately 8% of the Company's purchases in 2016.

Vendor rebates

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

Prepaid expenses and other current assets

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

Property and equipment

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

(In thousands)	Depreciable Life	February 3, 2017	January 29, 2016
Land	Indefinite	$ 199,171	$ 188,532
Land improvements	20	74,209	66,955
Buildings	39 - 40	1,013,227	834,884
Leasehold improvements	(a)	438,711	402,997
Furniture, fixtures and equipment	3 - 10	2,797,144	2,526,843
Construction in progress		72,540	150,275
		4,595,002	4,170,486
Less accumulated depreciation and amortization		2,160,546	1,906,424
Net property and equipment		$ 2,434,456	$ 2,264,062

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

Depreciation expense related to property and equipment was approximately $378.3 million, $350.6 million and $335.9 million for 2016, 2015 and 2014, respectively. Amortization of capital lease assets is included in depreciation expense. Interest on borrowed funds during the construction of property and equipment is capitalized where applicable. Interest costs of $1.4 million, $1.4 million and $0.2 million were capitalized in 2016, 2015 and 2014, respectively.

Impairment of long-lived assets

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

The Company recorded impairment charges included in SG&A expense of approximately $6.3 million in 2016, $5.9 million in 2015 and $1.9 million in 2014, to reduce the carrying value of certain of its stores' assets. Such action was deemed necessary based on the Company's evaluation that such amounts would not be recoverable primarily due to insufficient sales or excessive costs resulting in the carrying value of the assets exceeding the estimated undiscounted future cash flows generated by the assets at these locations.

Goodwill and other intangible assets

The Company amortizes intangible assets over their estimated useful lives unless such lives are deemed indefinite. Goodwill and intangible assets with indefinite lives are tested for impairment annually or more frequently if indicators of impairment are present. Definite lived intangible assets are tested for impairment if indicators of impairment are present. Impaired assets are written down to fair value as required. No impairment of intangible assets has been identified during any of the periods presented.

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

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

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

Other assets

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

Accrued expenses and other liabilities

Accrued expenses and other consist of the following:

(In thousands)	February 3, 2017	January 29, 2016
Compensation and benefits	$ 91,243	$ 111,191
Insurance	85,240	82,182
Taxes (other than taxes on income)	175,099	136,762
Other	149,284	136,987
	$ 500,866	$ 467,122

Included in other accrued expenses are liabilities for maintenance, utilities, interest, credit card processing fees and freight expense. Certain increases in accrued expenses and other reflect the 53rd week in 2016.

Insurance liabilities

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

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

Operating leases and related liabilities

Rent expense is recognized over the term of the lease. The Company records minimum rental expense on a straight-line basis over the base, non-cancelable lease term commencing on the date that the Company takes physical possession of the property from the landlord, which normally includes a period prior to the store opening to make necessary leasehold improvements and install store fixtures. When a lease contains a predetermined fixed escalation of the minimum rent, the Company recognizes the related rent expense on a straight-line basis and records the difference between the recognized rental expense and the amounts payable under the lease as deferred rent. Tenant allowances, to the extent received, are recorded as deferred incentive rent and are amortized as a reduction to rent expense over the term of the lease. The difference between the calculated expense and the amounts paid result in a liability, with the current portion in Accrued expenses and other and the long-term portion in Other liabilities in the consolidated balance sheets, and totaled approximately $61.1 million and $57.9 million at February 3, 2017 and January 29, 2016, respectively.

The Company recognizes contingent rental expense when the achievement of specified sales targets is considered probable. The amount expensed but not paid as of February 3, 2017 and January 29, 2016 was approximately $3.5 million and $4.0 million, respectively, and is included in Accrued expenses and other in the consolidated balance sheets.

Other liabilities

Noncurrent Other liabilities consist of the following:

(In thousands)	February 3, 2017	January 29, 2016
Insurance	$ 137,743	$ 137,798
Deferred rent	61,082	57,017
Deferred gain on sale leaseback	49,259	53,737
Other	31,698	26,731
	$ 279,782	$ 275,283

Fair value accounting

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

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

The valuation of derivative financial instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis takes into account the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments (or receipts) and the discounted expected variable cash receipts (or payments). The variable cash receipts (or payments) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. The Company considers the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees, to adjust the fair value of outstanding derivative contracts for the effect of nonperformance risk. In connection with accounting standards for fair value measurement, the Company has made an accounting policy election to measure the credit risk of outstanding derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

Derivative financial instruments

The Company accounts for derivative financial instruments in accordance with applicable accounting standards for such instruments and hedging activities, which require that all derivatives are recorded on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting.

Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge a certain portion of its risk, even though hedge accounting does not apply or the Company elects not to apply the hedge accounting standards.

The Company previously recorded a loss on the settlement of treasury locks associated with the issuance of long-term debt which was deferred to other comprehensive income and is being amortized as an increase to interest expense over the period of the debt's maturity in 2023.

Revenue and gain recognition

The Company recognizes retail sales in its stores at the time the customer takes possession of merchandise. All sales are net of discounts and estimated returns and are presented net of taxes assessed by governmental authorities that are imposed concurrent with those sales. The liability for retail merchandise returns is based on the Company's prior experience. The Company records gain contingencies when realized.

The Company recognizes gift card sales revenue at the time of redemption. The liability for the gift cards is established for the cash value at the time of purchase of the gift card. The liability for outstanding gift cards was approximately $3.4 million and $2.8 million at February 3, 2017 and January 29, 2016, respectively, and is recorded in Accrued expenses and other liabilities. Estimated breakage revenue, a percentage of gift cards that will never be redeemed based on historical redemption rates, is recognized over time in proportion to actual gift card redemptions. The Company recorded breakage revenue of $0.5 million and $0.6 million in 2016 and 2015, respectively.

Advertising costs

Advertising costs are expensed upon performance, "first showing" or distribution, and are reflected in SG&A expenses net of earned cooperative advertising amounts provided by vendors which are specific, incremental and otherwise qualifying expenses related to the promotion or sale of vendor products for dollar amounts up to but not exceeding actual incremental costs. Advertising costs were $82.7 million, $89.3 million and $77.3 million in 2016, 2015 and 2014, respectively. These costs primarily include promotional circulars, targeted circulars supporting new stores, television and radio advertising, in-store signage, and costs associated with the sponsorships of certain automobile racing activities in 2016. Vendor funding for cooperative advertising offset reported expenses by $35.9 million, $36.7 million and $35.0 million in 2016, 2015 and 2014, respectively.

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Share-based payments

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

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

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

Store pre-opening costs

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

Income taxes

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

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

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

Management estimates

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

Accounting standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued comprehensive new accounting standards related to the recognition of revenue, which specified an effective date for annual reporting periods beginning after December 15, 2016, with early adoption not permitted. In August 2015, the FASB deferred the effective date to annual reporting periods beginning after December 15, 2017, with earlier adoption permitted only for annual reporting periods beginning after December 15, 2016. The new guidance allows companies to use either a full retrospective or a modified retrospective approach in the adoption of this guidance. The Company formed a project team to assess and implement the standard by compiling a list of the applicable revenue streams, evaluating relevant contracts and comparing the Company's current accounting policies to the new standard. As a result of the efforts of this project team, the Company has identified customer incentives and gross versus net considerations as the areas in which it would most likely be affected by the new guidance. The Company is continuing to assess all the impacts of the new standard and the design of internal control over financial reporting, but based upon the terms of the Company's agreements and the materiality of these transactions related to customer incentives and gross versus net considerations, the Company does not expect the effect of adoption to have a material effect on the Company's consolidated results of operations, financial position or cash flows. The Company expects to complete this work in 2017 and to adopt this guidance on February 3, 2018.

In February 2016, the FASB issued new guidance related to lease accounting, which when effective will require a dual approach for lessee accounting under which a lessee will account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability on its balance sheet, with differing methodology for income statement recognition. This guidance is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2018, and early adoption is permitted. A modified retrospective approach is required for all leases existing or entered into after the beginning of the earliest comparative period in the consolidated financial statements. The Company is currently assessing the impact that adoption of this guidance will have on its consolidated financial statements and is anticipating a material impact because the Company is party to a significant number of lease contracts.

In March 2016, the FASB issued amendments to existing guidance related to accounting for employee share-based payment affecting the income tax consequences of awards, classification of awards as equity or liabilities, and classification on the statement of cash flows. This guidance is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2016, and early adoption is permitted. The Company early adopted this guidance in the first quarter of 2016. The Company has elected to continue estimating forfeitures of share-based awards. The amendments requiring recognition of excess tax benefits and tax deficiencies in the income statement were applied prospectively resulting in a benefit for the year ended February 3, 2017 of approximately $11.0 million, or $0.04 per diluted share. The Company has elected to apply the amendments related to the presentation of excess tax benefits on the statement of cash flows using a retrospective transition method, and as a result, $13.7 million and $12.1 million of excess tax benefits related to share-based awards which were previously classified as cash flows from financing activities for the years ended January 29, 2016 and January 30, 2015, respectively, have been reclassified as cash flows from operating activities.

In October 2016, the FASB issued amendments to existing guidance related to accounting for intra-entity transfers of assets other than inventory. These amendments require an entity to recognize the income tax consequences of such transfers when the transfer occurs and affects the Company's historical accounting for intra-entity transfers of certain intangible assets. This guidance is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2017, and early adoption is permitted subject to certain guidelines. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company is currently assessing the impact that adoption of this guidance will have on its consolidated financial statements, but expects such adoption will result in an increase in deferred income tax liabilities and a decrease in retained earnings.

Reclassifications

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

2. Goodwill and other intangible assets

As of February 3, 2017 and January 29, 2016, the balances of the Company's intangible assets were as follows:

(In thousands)	Remaining Life	As of February 3, 2017 Amount	Accumulated Amortization	Net
Goodwill	Indefinite	$ 4,338,589	$ —	$ 4,338,589
Other intangible assets:				
Leasehold interests	1-6 years	$ 3,658	$ 2,699	$ 959
Trade names and trademarks	Indefinite	1,199,700	—	1,199,700
		$ 1,203,358	$ 2,699	$ 1,200,659

(In thousands)	Remaining Life	As of January 29, 2016 Amount	Accumulated Amortization	Net
Goodwill	Indefinite	$ 4,338,589	$ —	$ 4,338,589
Other intangible assets:				
Leasehold interests	1-7 years	$ 4,379	$ 3,085	$ 1,294
Trade names and trademarks	Indefinite	1,199,700	—	1,199,700
		$ 1,204,079	$ 3,085	$ 1,200,994

The Company recorded amortization expense related to amortizable intangible assets for 2016, 2015 and 2014 of $0.3 million, $0.9 million and $5.8 million, respectively, all of which is included in rent expense. Expected future cash flows associated with the Company's intangible assets are not expected to be materially affected by the Company's intent or ability to renew or extend the arrangements. The Company's goodwill balance is not expected to be deductible for tax purposes.

3. Earnings per share

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

	2016		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	$ 1,251,133	281,317	$ 4.45
Effect of dilutive share-based awards		944	
Diluted earnings per share	$ 1,251,133	282,261	$ 4.43

	2015		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	$ 1,165,080	294,330	$ 3.96
Effect of dilutive share-based awards		881	
Diluted earnings per share	$ 1,165,080	295,211	$ 3.95

	2014		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	$ 1,065,345	304,633	$ 3.50
Effect of dilutive share-based awards		1,048	
Diluted earnings per share	$ 1,065,345	305,681	$ 3.49

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

Share-based awards that were outstanding at the end of the respective periods, but were not included in the computation of diluted earnings per share because the effect of exercising such options would be antidilutive, were 1.7 million, 1.3 million, and 1.2 million in 2016, 2015 and 2014, respectively.

4. Income taxes

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

(In thousands)	2016	2015	2014
Current:			
Federal	$ 613,009	$ 590,120	$ 543,089
Foreign	135	1,678	1,245
State	88,990	84,021	81,816
	702,134	675,819	626,150
Deferred:			
Federal	11,053	6,410	(7,697)
State	1,308	5,715	(2,937)
	12,361	12,125	(10,634)
	$ 714,495	$ 687,944	$ 615,516

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

(Dollars in thousands)	2016		2015		2014	
U.S. federal statutory rate on earnings before income taxes	$ 687,969	35.0 %	$ 648,558	35.0 %	$ 588,303	35.0 %
State income taxes, net of federal income tax benefit	60,168	3.1	59,700	3.2	49,819	3.0
Jobs credits, net of federal income taxes	(18,952)	(1.0)	(21,366)	(1.2)	(18,961)	(1.1)
Increase (decrease) in valuation allowances	(1,474)	(0.1)	(1,371)	(0.1)	1,453	0.1
Stock-based compensation programs	(9,915)	(0.5)	—	—	—	—
Decrease in income tax reserves	(2,161)	(0.1)	(2,037)	(0.1)	(6,449)	(0.4)
Other, net	(1,140)	(0.1)	4,460	0.3	1,351	—
	$ 714,495	36.3 %	$ 687,944	37.1 %	$ 615,516	36.6 %

The 2016 effective tax rate was an expense of 36.3%. This expense was greater than the federal statutory tax rate of 35% due primarily to the inclusion of state income taxes in the total effective tax rate. The effective income tax rate was lower in 2016 due principally to the adoption of a change in accounting guidance related to employee share-based payments, as further discussed in Note 1, requiring the recognition of excess tax benefits in the statement of income rather than in the balance sheet, as reported in prior years.

The 2015 effective tax rate was an expense of 37.1%. This expense was greater than the federal statutory tax rate of 35% due primarily to the inclusion of state income taxes in the total effective tax rate. The 2015 effective income tax rate increased from 2014 due principally to federal and state reserve releases in 2014 that did not reoccur, to the same extent, in 2015.

The 2014 effective tax rate was an expense of 36.6%. This expense was greater than the federal statutory tax rate of 35% due primarily to the inclusion of state income taxes in the total effective tax rate.

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

(In thousands)	February 3, 2017	January 29, 2016
Deferred tax assets:		
Deferred compensation expense	$ 7,626	$ 8,200
Accrued expenses	6,958	8,139
Accrued rent	24,077	20,793
Accrued insurance	72,990	72,676
Accrued incentive compensation	15,170	19,902
Share based compensation	18,908	17,988
Interest rate hedges	3,175	3,702
Tax benefit of income tax and interest reserves related to uncertain tax positions	746	1,371
Deferred gain on sale-leaseback	20,872	22,637
Other	12,591	9,440
State tax credit carry forwards, net of federal tax	8,765	10,711
	191,878	195,559
Less valuation allowances	—	(1,474)
Total deferred tax assets	191,878	194,085
Deferred tax liabilities:		
Property and equipment	(334,430)	(320,619)
Inventories	(65,844)	(72,456)
Trademarks	(434,045)	(433,548)
Other	(10,400)	(7,417)
Total deferred tax liabilities	(844,719)	(834,040)
Net deferred tax liabilities	$ (652,841)	$ (639,955)

The Company has state tax credit carry forwards of approximately $13.5 million that will expire beginning in 2022 through 2026.

The Company reversed the remaining valuation allowance for state tax credit carry forwards in the amount of $1.5 million, which was recorded as a reduction in income tax expense in 2016. Based upon expected future income, management believes that it is more likely than not that the results of operations will generate sufficient taxable income to realize the deferred tax assets. The 2015 decrease of $1.4 million and 2014 increase of $1.5 million were recorded as a reduction and an increase in income tax expense, respectively.

The Company's 2012 and earlier tax years are not open for further examination by the Internal Revenue Service ("IRS"). The IRS, at its discretion, may choose to examine the Company's 2013 through 2015 fiscal year income tax filings. The Company has various state income tax examinations that are currently in progress. Generally, the Company's 2012 and later tax years remain open for examination by the various state taxing authorities.

As of February 3, 2017, accruals for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were $3.1 million, $0.8 million and $0.9 million, respectively, for a total of $4.8 million. This total amount is reflected in noncurrent Other liabilities in the consolidated balance sheet.

As of January 29, 2016, accruals for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were $7.0 million, $0.9 million and $0.8 million, respectively, for a total of $8.7 million. This total amount is reflected in noncurrent Other liabilities in the consolidated balance sheet.

The Company believes that it is reasonably possible that the reserve for uncertain tax positions may be reduced by approximately $2.2 million in the coming twelve months principally as a result of the expiration of applicable statutes of limitations. Also, as of February 3, 2017, approximately $3.1 million of the uncertain tax positions would impact the Company's effective income tax rate if the Company were to recognize the tax benefit for these positions.

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

(In thousands)	2016	2015	2014
Income tax expense (benefit)	$ (3,795)	$ (2,379)	$ (9,497)
Income tax related interest expense (benefit)	(31)	(23)	(1,445)
Income tax related penalty expense (benefit)	50	373	51

A reconciliation of the uncertain income tax positions from January 31, 2014 through February 3, 2017 is as follows:

(In thousands)	2016	2015	2014
Beginning balance	$ 6,964	$ 9,343	$ 19,583
Increases—tax positions taken in the current year	41	214	198
Increases—tax positions taken in prior years	52	17	62
Decreases—tax positions taken in prior years	(1,435)	(106)	(8,636)
Statute expirations	(2,453)	(2,504)	(1,121)
Settlements	(52)	—	(743)
Ending balance	$ 3,117	$ 6,964	$ 9,343

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5. Current and long-term obligations

Current and long-term obligations consist of the following:

(In thousands)	February 3, 2017	January 29, 2016
Senior unsecured credit facilities		
Term Facility	$ 425,000	$ 425,000
Revolving Facility	—	251,000
4.125% Senior Notes due July 15, 2017	500,000	500,000
1.875% Senior Notes due April 15, 2018 (net of discount of $111 and $203)	399,889	399,797
3.250% Senior Notes due April 15, 2023 (net of discount of $1,552 and $1,775)	898,448	898,225
4.150% Senior Notes due November 1, 2025 (net of discount of $700 and $764)	499,300	499,236
Unsecured commercial paper notes	490,500	—
Capital lease obligations	3,643	4,806
Tax increment financing due February 1, 2035	8,840	10,590
Debt issuance costs, net	(14,094)	(18,100)
	3,211,526	2,970,554
Less: current portion	(500,950)	(1,379)
Long-term portion	$ 2,710,576	$ 2,969,175

At February 3, 2017, the Company's senior unsecured credit facilities (the "2015 Facilities") consisted of a $425.0 million senior unsecured term loan facility (the "2015 Term Facility") and a $1.0 billion senior unsecured revolving credit facility (the "2015 Revolving Facility") which provided for the issuance of letters of credit up to $175.0 million. The 2015 Facilities were scheduled to mature on October 20, 2020, but were replaced by an amended and restated credit facility on February 22, 2017 as described below.

Borrowings under the 2015 Facilities bore interest at a rate equal to an applicable interest rate margin plus, at the Company's option, either (a) LIBOR or (b) a base rate (which is usually equal to the prime rate). The applicable interest rate margin for borrowings as of February 3, 2017 was 1.10% for LIBOR borrowings and 0.10% for base-rate borrowings. The Company was also required to pay a facility fee, payable on any used and unused commitment amounts of the 2015 Facilities, and customary fees on letters of credit issued under the 2015 Revolving Facility. As of February 3, 2017, the commitment fee rate was 0.15%. The applicable interest rate margins for borrowings, the facility fees and the letter of credit fees under the 2015 Facilities were subject to adjustment from time to time based on the Company's long-term senior unsecured debt ratings. The weighted average all-in interest rate for borrowings under the 2015 Facilities was 1.9% as of February 3, 2017.

The 2015 Facilities could be voluntarily prepaid in whole or in part at any time without penalty. There was no required principal amortization under the 2015 Facilities. The 2015 Facilities contained a number of customary affirmative and negative covenants that, among other things, restricted, subject to certain exceptions, the Company's and its subsidiaries' ability to: incur additional liens; sell all or substantially all of the Company's assets; consummate certain fundamental changes or change in the Company's lines of business; and incur additional subsidiary indebtedness. The 2015 Facilities also contained financial covenants which required the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of February 3, 2017, the Company was in compliance with all such covenants. The 2015 Facilities also contained customary events of default.

As of February 3, 2017, under the 2015 Revolving Facility, the Company had borrowing availability of $986.2 million that, due to its intention to maintain borrowing availability under such facility related to the commercial paper program described below, could contribute incremental liquidity of $495.7 million. In addition, the Company had outstanding letters of credit of $13.8 million which were issued under the 2015 Revolving Facility and $29.4 million which were issued pursuant to separate agreements.

On February 22, 2017, the Company entered into an unsecured amended and restated credit agreement for a $175.0 million senior unsecured term loan facility and a $1.25 billion senior unsecured revolving credit facility that provides for the issuance of letters of credit up to $175.0 million. The amended and restated credit facilities replaced the 2015 Facilities, and have terms similar to the 2015 Facilities, but the revolving credit facility maturity date was extended to February 22, 2022.

On August 1, 2016, the Company established a commercial paper program under which the Company may issue unsecured commercial paper notes (the “CP Notes”). Under this program, the Company may issue the CP Notes from time to time in an aggregate amount not to exceed $1.0 billion outstanding at any time. The CP Notes have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of the Company’s other unsecured and unsubordinated indebtedness. The Company intends to maintain available commitments under the amended and restated revolving credit facilities in an amount at least equal to the amount of CP Notes outstanding at any time. As of February 3, 2017, the Company had outstanding CP notes of $490.5 million classified as long-term obligations on the consolidated balance sheet due to its intent and ability to refinance these obligations as long-term debt. The weighted average interest rate for borrowings under the commercial paper program was 1.0% as of February 3, 2017.

On October 20, 2015, the Company issued $500.0 million aggregate principal amount of 4.150% senior notes due 2025 (the “2025 Senior Notes”), net of discount of $0.8 million, which are scheduled to mature on November 1, 2025. Interest on the 2025 Senior Notes is payable in cash on May 1 and November 1 of each year, commencing on May 1, 2016. The Company incurred $4.4 million of debt issuance costs associated with the issuance of the 2025 Senior Notes. The net proceeds from the sale of the 2025 Senior Notes were used, together with borrowings under the 2015 Facilities, to repay all of the outstanding borrowings under a previous credit agreement and for general corporate purposes. Collectively, the 2025 Senior Notes and the Company’s other Senior Notes due 2017, 2018 and 2023 as reflected in the table above comprise the “Senior Notes”, each of which were issued pursuant to an indenture as supplemented and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the “Senior Indenture”).

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

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

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

Scheduled debt maturities at February 3, 2017, including capital lease obligations, for the Company’s fiscal years listed below are as follows (in thousands): 2017 - $991,450; 2018 - $400,892; 2019 - $1,020; 2020 - $425,980; 2021 - $883; thereafter - $1,407,758.

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6. Assets and liabilities measured at fair value

The following table presents the Company's assets and liabilities required to be measured at fair value as of February 3, 2017, aggregated by the level in the fair value hierarchy within which those measurements are classified.

(In thousands)	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value at February 3, 2017
Liabilities:				
Long-term obligations (a)	$ 2,315,204	$ 929,845	$ —	$ 3,245,049
Deferred compensation (b)	19,612	—	—	19,612

(a) Included in the consolidated balance sheet at book value as Current portion of long-term obligations of $500,950 and Long-term obligations of $2,710,576.

(b) Reflected at fair value in the consolidated balance sheet as a component of Accrued expenses and other current liabilities of $905 and a component of noncurrent Other liabilities of $18,707.

The carrying amounts reflected in the consolidated balance sheets for cash, cash equivalents, short-term investments, receivables and payables approximate their respective fair values. The Company does not have any recurring fair value measurements using significant unobservable inputs (Level 3) as of February 3, 2017.

7. Commitments and contingencies

Leases

As of February 3, 2017, the Company was committed under operating lease agreements for most of its retail stores. Many of the Company's stores are subject to build-to-suit arrangements with landlords which typically carry a primary lease term of up to 15 years with multiple renewal options. The Company also has stores subject to shorter-term leases and many of these leases have renewal options. Certain of the Company's leased stores have provisions for contingent rent based upon a specified percentage of defined sales volume.

The land and buildings of the Company's DCs in Missouri, Mississippi and California are subject to operating lease agreements and the leased Oklahoma DC is subject to a financing arrangement. Certain leases contain restrictive covenants, and as of February 3, 2017, the Company is not aware of any material violations of such covenants.

The Company is accounting for the Oklahoma DC as a financing obligation as a result of, among other things, the lessor's ability to put the property back to the Company under certain circumstances. The property and equipment, along with the related lease obligation associated with this transaction are recorded in the consolidated balance sheets. The Company is the owner of a secured promissory note (the "Ardmore Note") which represents debt issued by the third party entity from which the Company leases the Oklahoma DC and therefore the Company holds the debt instrument pertaining to its lease financing obligation. Because a legal right of offset exists, the Company is accounting for the Ardmore Note as a reduction of its outstanding financing obligation in its consolidated balance sheets.

Future minimum payments as of February 3, 2017 for operating leases are as follows:

(In thousands)	
2017	$ 961,786
2018	924,169
2019	870,751
2020	792,435
2021	718,300
Thereafter	3,856,187
Total minimum payments	$ 8,123,628

Total future minimum payments for capital leases were $4.5 million, with a present value of $3.6 million, as of February 3, 2017. The gross amount of property and equipment recorded under capital leases and financing obligations at both February 3, 2017 and January 29, 2016, was $29.8 million. Accumulated depreciation on property and equipment under capital leases and financing obligations at February 3, 2017 and January 29, 2016, was $14.3 million and $12.4 million, respectively.

Rent expense under all operating leases is as follows:

(In thousands)	2016	2015	2014
Minimum rentals (a)	$ 935,663	$ 849,115	$ 776,103
Contingent rentals	6,748	7,793	9,099
	$ 942,411	$ 856,908	$ 785,202

(a) Excludes amortization of leasehold interests of $0.3 million, $0.9 million and $5.8 million included in rent expense for the years ended February 3, 2017, January 29, 2016, and January 30, 2015, respectively.

Legal proceedings

From time to time, the Company is a party to various legal matters involving claims incidental to the conduct of its business, including actions by employees, consumers, suppliers, government agencies, or others. The Company has recorded accruals with respect to these matters, where appropriate, which are reflected in the Company's consolidated financial statements. For some matters, a liability is not probable or the amount cannot be reasonably estimated and therefore an accrual has not been made.

Except as described below, the Company believes, based upon information currently available, that such matters, both individually and in the aggregate, will be resolved without a material adverse effect on the Company's consolidated financial statements as a whole. However, litigation and other legal matters involve an element of uncertainty. Future developments could cause these actions or claims to have a material adverse effect on the Company's results of operations, cash flows, or financial position. In addition, certain of these matters, if decided adversely to the Company or settled by the Company, may result in liability material to the Company's financial position or may negatively affect operating results if changes to the Company's business operation are required.

Employment Litigation

The Company is defending a lawsuit filed by the Equal Employment Opportunity Commission (the "Commission") in which the Commission alleges that the Company's criminal background check policy has a disparate impact on "Black Applicants" in violation of Title VII and seeks to recover monetary damages and injunctive relief on behalf of a class of "Black Applicants." The Company believes that its background check process is both lawful and necessary to a safe environment for its employees and customers and the protection of its assets. The Company is vigorously defending this matter, which has been tendered to, and accepted by, the Company's Employment Practices Liability Insurance carrier. The Company has met its self-insured retention, and does not expect a material loss at this time.

The Company also is defending litigation in California (the “California Wage/Hour Litigation”) in which the plaintiffs allege that they and a putative statewide class of other “key carriers” were not provided with meal and rest periods and were provided inaccurate wage statements and termination pay in violation of California law, including California’s Private Attorney General Act (the “PAGA”). The plaintiffs in the California Wage/Hour Litigation seek to recover alleged unpaid wages, injunctive relief, consequential damages, pre-judgment interest, statutory penalties and attorneys’ fees and costs.

The Company is vigorously defending the California Wage/Hour Litigation and believes that its policies and practices comply with California law and that these actions are not appropriate for class or similar treatment. At this time, however, it is not possible to predict whether any of the actions comprising the California Wage/Hour Litigation ultimately will be permitted to proceed as a class, and no assurances can be given that the Company will be successful in its defense of these actions on the merits or otherwise. Similarly, at this time the Company cannot estimate either the size of any potential class or the value of the claims asserted in these actions and consequently is unable to estimate any potential loss or range of loss in these matters. If the Company is not successful in its defense efforts, the resolution of these actions could have a material adverse effect on the Company’s consolidated financial statements as a whole.

The Company also is defending a lawsuit in which the plaintiff alleges that she and other similarly situated California Dollar General Market store managers were improperly classified as exempt employees and were not provided with meal and rest breaks and accurate and appropriate wage statements in violation of California law, including the PAGA. The plaintiff in this matter seeks to recover unpaid wages, including overtime pay, civil and statutory penalties, interest, injunctive relief, restitution, and attorneys’ fees and costs. The parties reached an agreement to settle this matter for an amount not material to the Company’s consolidated financial statements as a whole, and the settlement has received final approval by the Court.

Consumer/Product Litigation

In December 2015 and February, March, May and June 2016, the Company was notified of several lawsuits in which the plaintiffs allege violation of state consumer protection laws relating to the labeling, marketing and sale of Dollar General private-label motor oil. Each of the 22 lawsuits was filed in, or removed to, various federal district courts of the United States (collectively “the Motor Oil Lawsuits”).

On June 2, 2016, the United States Judicial Panel on Multidistrict Litigation granted the Company’s motion to centralize the Motor Oil Lawsuits in a matter styled *In re Dollar General Corp. Motor Oil Litigation*, Case MDL No. 2709, before the United States District Court for the Western District of Missouri (“Motor Oil MDL”). Subsequently, the plaintiffs in the Motor Oil MDL filed a consolidated amended complaint, in which they seek to certify two nationwide classes and 16 statewide sub-classes and for each putative class member some or all of the following relief: compensatory damages, injunctive relief, statutory damages, punitive damages and attorneys’ fees. The Company’s motion to dismiss the allegations raised in the consolidated amended complaint remains pending.

The Company believes that the labeling, marketing and sale of its private-label motor oil comply with applicable federal and state requirements and are not misleading. The Company further believes that this matter is not appropriate for class or similar treatment. The Company intends to vigorously defend this action; however, at this time, it is not possible to predict whether the Motor Oil MDL will be permitted to proceed as a class or the size of any putative class or classes. Likewise, at this time, it is not possible to estimate the value of the claims asserted, and no assurances can be given that the Company will be successful in its defense of this action on the merits or otherwise. For these reasons, the Company is unable to estimate the potential loss or range of loss in this matter; however if the Company is not successful in its defense efforts, the resolution of the Motor Oil MDL could have a material adverse effect on the Company’s consolidated financial statements as a whole.

Shareholder Litigation

The Company is defending litigation filed in January and February 2017 in which the plaintiffs, on behalf of themselves and a putative class of shareholders, allege that between March 10, 2016 and December 1, 2016, the

Company violated federal securities laws by misrepresenting the impact to sales of changes to certain federal programs that provide supplemental nutritional assistance to individuals. (*Iron Workers Local Union No. 405 Annuity Fund v. Dollar General Corporation, et al.*, M.D. Tenn. Case No. 3:17-cv-00063; *Julia Askins v. Dollar General Corporation, et al*., M.D. Tenn., Case No. 3:17-cv-00276; *Bruce Velan v. Dollar General Corporation, et al*., M.D. Tenn., Case No. 3:17-cv-00275)(collectively "the Shareholder Litigation"). Applications for lead plaintiff designation in the Shareholder Litigation must be filed on or before March 20, 2017, after which time the court is expected to designate a lead plaintiff and counsel for the putative class. Until such designation, neither the plaintiffs nor the Company is expected to make additional substantive filings in this matter.

The Company believes that the statements at issue in the Shareholder Litigation complied with federal securities laws and intends to vigorously defend this matter. At this time, it is not possible to predict whether this matter will be permitted to proceed as a class or the size of any putative class. Likewise, at this time, it is not possible to estimate the value of the claims asserted, and no assurances can be given that the Company will be successful in its defense of this action on the merits or otherwise. For these reasons, the Company is unable to estimate the potential loss or range of loss in this matter; however if the Company is not successful in its defense efforts, the resolution of this matter could have a material adverse effect on the Company's consolidated financial statements as a whole.

Environmental Matter

In February 2014, certain California District Attorneys' Offices ("California DAs"), representing California's county environmental authorities, informed the Company that they were investigating the Company's hazardous waste handling and disposal practices in certain of its California stores and its California distribution center. On September 22, 2016, the California DAs provided a settlement demand to the Company that included a proposed civil penalty and certain injunctive relief. The Company continues to work with the California DAs towards a resolution of this matter and does not believe that any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations. Nonetheless, SEC regulations require disclosures of certain environmental matters when a governmental authority is a party to the proceeding unless the Company reasonably believes the proceeding will result in no monetary sanctions or in monetary sanctions, exclusive of interest and costs, of less than $100,000. As noted above, it now appears that this matter is likely to result in monetary sanctions, which the Company expects to exceed $100,000.

8. Benefit plans

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

A participant's right to claim a distribution of his or her account balance is dependent on the plan, ERISA guidelines and Internal Revenue Service regulations. All active participants are fully vested in all contributions to the 401(k) plan. During 2016, 2015 and 2014, the Company expensed approximately $16.0 million, $15.0 million and $13.7 million, respectively, for matching contributions.

The Company also has a nonqualified supplemental retirement plan ("SERP") and compensation deferral plan ("CDP"), known as the Dollar General Corporation CDP/SERP Plan, for a select group of management and other key employees. The Company incurred compensation expense for these plans of approximately $0.7 million, $1.1 million and $0.8 million in 2016, 2015 and 2014, respectively.

The CDP/SERP Plan assets are invested in accounts selected by the Company's Compensation Committee or its delegate, and the associated deferred compensation liability is reflected in the consolidated balance sheets as further disclosed in Note 6.

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9. Share-based payments

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

On July 6, 2007, the Company's Board of Directors adopted the 2007 Stock Incentive Plan, which plan was subsequently amended and restated on several occasions (as so amended and restated, the "Plan"). The Plan allows the granting of stock options, stock appreciation rights, and other stock-based awards or dividend equivalent rights to key employees, directors, consultants or other persons having a service relationship with the Company, its subsidiaries and certain of its affiliates. The number of shares of Company common stock authorized for grant under the Plan is 31,142,858. As of February 3, 2017, 17,691,607 of such shares are available for future grants.

Since May 2011, most of the share-based awards issued by the Company have been in the form of stock options, restricted stock, restricted stock units and performance share units. With limited exceptions, stock options and restricted stock units granted to employees generally vest ratably on an annual basis over four-year and three-year periods, respectively. Awards granted to board members generally vest over a one-year period. Performance share units generally vest ratably over a three-year period, provided that certain minimum performance criteria are met in the year of grant. With limited exceptions, the performance share unit and restricted stock unit awards are payable in shares of common stock on the vesting date.

From July 2007 through May 2011, a significant majority of the Company's share-based awards were a combination of stock options that vested solely upon the continued employment of the recipient ("MSA Time Options") and options that vested upon the achievement of predetermined annual or cumulative financial-based targets ("MSA Performance Options") (collectively, the "MSA Options"). MSA Options generally vested ratably on an annual basis over a period of approximately five years, with limited exceptions. The MSA Options have a contractual term of 10 years and an exercise price equal to the fair value of the underlying common stock on the date of grant.

The weighted average for key assumptions used in determining the fair value of all stock options granted in the years ended February 3, 2017, January 29, 2016, and January 30, 2015, and a summary of the methodology applied to develop each assumption, are as follows:

	February 3, 2017	January 29, 2016	January 30, 2015
Expected dividend yield	1.3 %	1.2 %	0 %
Expected stock price volatility	25.4 %	25.3 %	25.6 %
Weighted average risk-free interest rate	1.6 %	1.8 %	1.9 %
Expected term of options (years)	6.3	6.4	6.3

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

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

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

Expected term of options - This is the period of time over which the options granted are expected to remain outstanding. The Company has estimated the expected term as the mid-point between the vesting date and the contractual term of the option. An increase in the expected term will increase compensation expense.

A summary of the Company's stock option activity, exclusive of MSA Options, during the year ended February 3, 2017 is as follows:

(Intrinsic value amounts reflected in thousands)	Options Issued	Average Exercise Price	Remaining Contractual Term in Years	Intrinsic Value
Balance, January 29, 2016	2,429,965	$ 61.19		
Granted	996,984	84.73		
Exercised	(524,129)	51.64		
Canceled	(204,162)	75.69		
Balance, February 3, 2017	2,698,658	$ 70.64	7.9	$ 18,842
Exercisable at February 3, 2017	675,234	$ 54.40	6.4	$ 12,849

The weighted average grant date fair value per share of non-MSA options granted was $20.06, $18.48, and $17.26 during 2016, 2015 and 2014, respectively. The intrinsic value of non-MSA options exercised during 2016, 2015, and 2014 was $17.3 million, $20.8 million and $2.5 million, respectively.

The number of performance share unit awards earned is based upon the Company's annual financial performance in the year of grant as specified in the award agreement. A summary of performance share unit award activity during the year ended February 3, 2017 is as follows:

(Intrinsic value amounts reflected in thousands)	Units Issued	Intrinsic Value
Balance, January 29, 2016	144,097	
Granted	121,246	
Converted to common stock	(69,393)	
Canceled	(21,567)	
Balance, February 3, 2017	174,383	$ 12,754

The weighted average grant date fair value per share of performance share units granted was $84.67, $74.72 and $57.91 during 2016, 2015, and 2014, respectively.

A summary of restricted stock unit award activity during the year ended February 3, 2017 is as follows:

(Intrinsic value amounts reflected in thousands)	Units Issued	Intrinsic Value
Balance, January 29, 2016	640,910	
Granted	282,828	
Converted to common stock	(340,916)	
Canceled	(80,861)	
Balance, February 3, 2017	501,961	$ 36,713

The weighted average grant date fair value per share of restricted stock units granted was $84.56, $74.67, and $57.87 during 2016, 2015 and 2014, respectively.

At February 3, 2017, 90,467 MSA Time Options were outstanding, all of which were exercisable, with an average exercise price of $19.06, an average remaining contractual term of 2.7 years, and an aggregate intrinsic value of $4.9 million. The intrinsic value of MSA Time Options exercised during 2016, 2015, and 2014 was $5.3 million, $6.6 million and $6.8 million, respectively.

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At February 3, 2017, 66,290 MSA Performance Options were outstanding, all of which were exercisable, with an average exercise price of $19.15, an average remaining contractual term of 2.7 years, and an aggregate intrinsic value of $3.6 million. The intrinsic value of MSA Performance Options exercised during 2016, 2015 and 2014 was $5.5 million, $4.9 million and $4.9 million, respectively.

At February 3, 2017, the total unrecognized compensation cost related to unvested stock-based awards was $53.7 million with an expected weighted average expense recognition period of 1.6 years.

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

(In thousands)	Stock Options	Performance Share Units	Restricted Stock Units	Restricted Stock	Total
Year ended February 3, 2017					
Pre-tax	$ 12,008	$ 7,258	$ 17,701	$ —	$ 36,967
Net of tax	$ 7,325	$ 4,427	$ 10,798	$ —	$ 22,550
Year ended January 29, 2016					
Pre-tax	$ 11,113	$ 4,856	$ 22,578	$ —	$ 38,547
Net of tax	$ 6,779	$ 2,962	$ 13,772	$ —	$ 23,513
Year ended January 30, 2015					
Pre-tax	$ 8,533	$ 5,461	$ 15,968	$ 7,376	$ 37,338
Net of tax	$ 5,206	$ 3,332	$ 9,742	$ 4,500	$ 22,780

10. Segment reporting

The Company manages its business on the basis of one reportable operating segment. See Note 1 for a brief description of the Company's business. As of February 3, 2017, all of the Company's operations were located within the United States with the exception of certain subsidiaries in Hong Kong and China and a liaison office in India, which collectively are not material with regard to assets, results of operations or otherwise, to the consolidated financial statements. The following net sales data is presented in accordance with accounting standards related to disclosures about segments of an enterprise.

(in thousands)	2016	2015	2014
Classes of similar products:			
Consumables	$ 16,798,881	$ 15,457,611	$ 14,321,080
Seasonal	2,674,319	2,522,701	2,344,993
Home products	1,373,397	1,289,423	1,205,373
Apparel	1,140,001	1,098,827	1,038,142
Net sales	$ 21,986,598	$ 20,368,562	$ 18,909,588

11. Common stock transactions

On August 29, 2012, the Company's Board of Directors authorized a common stock repurchase program, which the Board has since increased on several occasions. Most recently, on August 24, 2016, the Company's Board of Directors authorized a $1.0 billion increase to the existing common stock repurchase program. As of February 3, 2017, a cumulative total of $5.0 billion had been authorized under the program since its inception and approximately $933.3 million remained available for repurchase. The repurchase authorization has no expiration date and allows repurchases from time to time in the open market or in privately negotiated transactions. The timing and number of shares purchased depends on a variety of factors, such as price, market conditions, compliance with the covenants and restrictions under the Company's debt agreements and other factors. Repurchases under the program may be funded from available cash or borrowings including under the Company's amended and restated credit facilities and issuance of CP Notes discussed in further detail in Note 5.

During the years ended February 3, 2017, January 29, 2016, and January 30, 2015, the Company repurchased approximately 12.4 million shares of its common stock at a total cost of $1.0 billion, approximately 17.6 million shares of its common stock at a total cost of $1.3 billion and approximately 14.1 million shares of its common stock at a total cost of $0.8 billion, respectively, pursuant to its common stock repurchase programs.

The Company paid quarterly cash dividends of $0.25 per share during each of the four quarters of 2016. On March 15, 2017, the Company's Board of Directors approved a quarterly cash dividend of $0.26 per share, which is payable on April 25, 2017 to shareholders of record as of April 11, 2017. The amount and declaration of future cash dividends is subject to the discretion of the Company's Board of Directors and will depend upon, among other things, the Company's results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Board may deem relevant in its sole discretion.

12. Quarterly financial data (unaudited)

The following is selected unaudited quarterly financial data for the fiscal years ended February 3, 2017 and January 29, 2016. Each quarterly period listed below was a 13-week accounting period, with the exception of the fourth quarter of 2016, which was a 14-week accounting period. The sum of the four quarters for any given year may not equal annual totals due to rounding.

(In thousands)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016:				
Net sales	$ 5,265,432	$ 5,391,891	$ 5,320,029	$ 6,009,246
Gross profit	1,612,614	1,681,767	1,587,510	1,900,747
Operating profit	480,743	509,097	392,991	680,618
Net income	295,124	306,518	235,315	414,176
Basic earnings per share	1.03	1.08	0.84	1.50
Diluted earnings per share	1.03	1.08	0.84	1.49

(In thousands)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2015:				
Net sales	$ 4,918,672	$ 5,095,904	$ 5,067,048	$ 5,286,938
Gross profit	1,498,705	1,588,155	1,536,962	1,682,269
Operating profit	428,194	475,812	423,859	612,429
Net income	253,235	282,349	253,321	376,175
Basic earnings per share	0.84	0.95	0.87	1.30
Diluted earnings per share	0.84	0.95	0.86	1.30

In 2016, the Company acquired 42 former Walmart Express locations and closed 40 of its own locations as part of relocating stores to the purchased locations. As a result, the Company incurred expenses, primarily related to lease termination costs, of $11.0 million ($6.7 million net of tax, or $0.02 per diluted share), which was recognized in Selling, general, and administrative expense in the third quarter of 2016.

In the fourth quarter of 2016, the Company sold or assigned the leases for 12 of its own locations which were closed as part of the relocation process to the Walmart Express locations. As a result, the Company incurred a reduction of expenses of $4.5 million ($2.8 million net of tax, or $0.01 per diluted share), which was recognized in Selling, general, and administrative expense.

In the third quarter of 2015, the Company implemented a restructuring of its corporate support functions. As a result, the Company incurred expenses, primarily related to severance-related benefits, of $6.1 million ($3.7 million net of tax, or $0.01 per diluted share), which was recognized in Selling, general, and administrative expense.

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

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

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

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

To comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, management designed and implemented a structured and comprehensive assessment process to evaluate the effectiveness of its internal control over financial reporting. Such assessment was based on criteria established in *Internal Control—Integrated Framework* (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Management regularly monitors our internal control over financial reporting, and actions are taken to correct any deficiencies as they are identified. Based on its assessment, management has concluded that our internal control over financial reporting is effective as of February 3, 2017.

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

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

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Dollar General Corporation

We have audited Dollar General Corporation and subsidiaries' internal control over financial reporting as of February 3, 2017, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Dollar General Corporation and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

In our opinion, Dollar General Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of February 3, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Dollar General Corporation and subsidiaries as of February 3, 2017 and January 29, 2016, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended February 3, 2017, of Dollar General Corporation and subsidiaries and our report dated March 24, 2017, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Nashville, Tennessee
March 24, 2017

(d) Changes in Internal Control Over Financial Reporting. There have been no changes during the quarter ended February 3, 2017 in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) or Rule 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On December 13, 2016, Mr. James W. Thorpe, Executive Vice President and Chief Merchandising Officer, advised the Company of his intention to resign, which will be effective April 15, 2017.

On March 22, 2017, the Company's Compensation Committee (the "Committee") awarded 161,512 non-qualified stock options ("Options") and 40,290 performance share units ("PSUs") to Mr. Vasos, 37,686 Options and 9,401 PSUs to Messrs. Garratt, Owen and Thorpe, and 39,032 Options and 9,737 PSUs to Ms. Taylor on the terms and subject to the conditions set forth in the form of Option award agreement and form of PSU award agreement attached hereto as Exhibit 10.7 and Exhibit 10.13, respectively (collectively, the "Form Award Agreements"), and subject to the terms and conditions of the previously filed Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan.

The Options, which were granted on terms substantially similar to the prior year, have a term of ten years and, subject to earlier forfeiture or accelerated vesting under certain circumstances described in the form of Option award agreement, generally will vest in four equal annual installments beginning on April 1, 2018.

The PSUs represent a target number of units that can be earned if certain performance measures are achieved during the applicable performance periods and if certain additional vesting requirements are met. Fifty percent of the target number of PSUs are subject to an adjusted EBITDA performance measure with a performance period of the Company's fiscal year 2017. The other fifty percent of the target number of PSUs are divided into three equal parts, each subject to a different adjusted ROIC performance measure with a different performance period: (i) adjusted ROIC for the Company's fiscal year 2017, (ii) the average of adjusted ROIC for the Company's fiscal years 2017 and 2018, and (iii) the average of adjusted ROIC for the Company's fiscal years 2017, 2018 and 2019. All performance measures were established by the Committee on the grant date. The number of PSUs earned will vary between 0% and 300% of the target amount based on actual performance compared to target performance on a graduated scale, with performance at the target level resulting in 100% of the target number of PSUs being earned. At the conclusion of each applicable performance period, the Committee will determine the level of achievement of each performance goal measure and the corresponding number of PSUs earned by each grantee. Subject to certain pro-rata vesting conditions, one-third of the PSUs earned by each grantee for adjusted EBITDA performance will vest in equal installments on April 1, 2018, April 1, 2019 and April 1, 2020, in each case subject to the grantee's continued employment with the Company and certain accelerated vesting provisions described in the form of PSU award agreement. Subject to certain pro-rata vesting conditions, the PSUs earned by each grantee for adjusted ROIC performance during the first performance period will vest on April 1, 2018, the PSUs earned by each grantee for adjusted ROIC performance during the second performance period will vest on April 1, 2019 and the PSUs earned by each grantee for adjusted ROIC performance during the third performance period will vest on April 1, 2020, in each case subject to the grantee's continued employment with the Company and certain accelerated vesting provisions described in the form of PSU award agreement.

The foregoing descriptions of all Options and PSU awards and the forms of award agreements are summaries only, do not purport to be complete, and are qualified in their entirety by reference to the filed forms of award agreement attached hereto as Exhibits 10.7 and 10.13.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

(a) Information Regarding Directors and Executive Officers. The information required by this Item 10 regarding our directors and director nominees is contained under the captions "Who are the nominees this year," "What are the backgrounds of this year's nominees," "Are there any familial relationships between any of the nominees," "How are directors identified and nominated," "How are nominees evaluated; what are the minimum qualifications," and "What particular experience, qualifications, attributes or skills led the Board of Directors to conclude that each nominee should serve as a director of Dollar General," all under the heading "Proposal 1: Election of Directors" in our definitive Proxy Statement to be filed for our Annual Meeting of Shareholders to be held on May 31, 2017 (the "2017 Proxy Statement"), which information under such captions is incorporated herein by reference. Information required by this Item 10 regarding our executive officers is contained in Part I of this Form 10-K under the caption "Executive Officers of the Registrant," which information under such caption is incorporated herein by reference.

(b) Compliance with Section 16(a) of the Exchange Act. Information required by this Item 10 regarding compliance with Section 16(a) of the Exchange Act is contained under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the 2017 Proxy Statement, which information under such caption is incorporated herein by reference.

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

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

(e) Audit Committee Information. Information required by this Item 10 regarding our audit committee and our audit committee financial experts is contained under the captions "Corporate Governance—Does the Board of Directors have standing Audit, Compensation and Nominating Committees" and "—Does Dollar General have an audit committee financial expert serving on its Audit Committee" in the 2017 Proxy Statement, which information under such captions is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 regarding director and executive officer compensation, the Compensation Committee Report, the risks arising from our compensation policies and practices for employees, and compensation committee interlocks and insider participation is contained under the captions "Director Compensation" and "Executive Compensation" in the 2017 Proxy Statement, which information under such captions is incorporated herein by reference.

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

(a) Equity Compensation Plan Information. The information required by this Item 12 regarding securities authorized for issuance under our compensation plans (including individual compensation arrangements) as of February 3, 2017 is contained under the caption "Proposal 2: Vote Regarding the Amended and Restated 2007 Stock Incentive Plan—Equity Compensation Plan Table" in the 2017 Proxy Statement, which information under such caption is incorporated herein by reference.

(b) Other Information. The information required by this Item 12 regarding security ownership of certain beneficial owners and our management is contained under the caption "Security Ownership" in the 2017 Proxy Statement, which information under such caption is incorporated herein by reference.

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

The information required by this Item 13 regarding certain relationships and related transactions is contained under the caption "Transactions with Management and Others" in the 2017 Proxy Statement, which information under such caption is incorporated herein by reference.

The information required by this Item 13 regarding director independence is contained under the caption "Director Independence" in the 2017 Proxy Statement, which information under such caption is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 regarding fees we paid to our principal accountant and the pre-approval policies and procedures established by the Audit Committee of our Board of Directors is contained under the caption "Fees Paid to Auditors" in the 2017 Proxy Statement, which information under such caption is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)

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

(c) Exhibits: See Exhibit Index immediately following the signature pages hereto, which Exhibit Index is incorporated by reference as if fully set forth herein.

ITEM 16. FORM 10-K SUMMARY

None

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SIGNATURES

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

DOLLAR GENERAL CORPORATION

Date: March 24, 2017

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

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

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

Name	Title	Date
/s/ Todd J. Vasos TODD J. VASOS	Chief Executive Officer & Director (Principal Executive Officer)	March 24, 2017
/s/ John W. Garratt JOHN W. GARRATT	Executive Vice President & Chief Financial Officer (Principal Financial Officer)	March 24, 2017
/s/ Anita C. Elliott ANITA C. ELLIOTT	Senior Vice President & Chief Accounting Officer (Principal Accounting Officer)	March 24, 2017
/s/ Warren F. Bryant WARREN F. BRYANT	Director	March 24, 2017
/s/ Michael M. Calbert MICHAEL M. CALBERT	Director	March 24, 2017
/s/ Sandra B. Cochran SANDRA B. COCHRAN	Director	March 24, 2017
/s/ Patricia D. Fili-Krushel PATRICIA D. FILI-KRUSHEL	Director	March 24, 2017
/s/ Paula A. Price PAULA A. PRICE	Director	March 24, 2017
/s/ William C. Rhodes, III WILLIAM C. RHODES, III	Director	March 24, 2017
/s/ David B. Rickard DAVID B. RICKARD	Director	March 24, 2017

EXHIBIT INDEX

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

3.2 Bylaws of Dollar General Corporation (as amended and restated on March 23, 2017)

4.1 Form of Stock Certificate for Common Stock (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Registration Statement on Form S-1 (file no. 333-161464))

4.2 Form of 4.125% Senior Notes due 2017 (included in Exhibit 4.7)

4.3 Form of 1.875% Senior Notes due 2018 (included in Exhibit 4.8)

4.4 Form of 3.250% Senior Notes due 2023 (included in Exhibit 4.9)

4.5 Form of 4.150% Senior Notes due 2025 (included in Exhibit 4.10)

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

4.7 First Supplemental Indenture, dated as of July 12, 2012, among Dollar General Corporation, as issuer, the subsidiary guarantors named therein, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Dollar General Corporation's Current Report on Form 8-K dated July 12, 2012, filed with the SEC on July 17, 2012 (file no. 001-11421))

4.8 Third Supplemental Indenture, dated as of April 11, 2013, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 8, 2013 and filed with the SEC on April 11, 2013 (file no. 001-11421))

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

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

4.11 Amended and Restated Credit Agreement, dated as of February 22, 2017, among Dollar General Corporation, as borrower, Citibank, N.A., as administrative agent, and the other credit parties and lenders party thereto (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated February 22, 2017, filed with the SEC on February 22, 2017 (file no. 001-11421))

10.1 Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates (effective June 1, 2012) (incorporated by reference to Appendix A to Dollar General Corporation's Definitive Proxy Statement filed with the SEC on April 5, 2012 (file no. 001-11421))*

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

10.3 Form of Stock Option Award Agreement (approved May 24, 2011) for awards made prior to December 2014 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2011, filed with the SEC on June 1, 2011 (file no. 001-11421))*

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

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

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

10.7 Form of Stock Option Award Agreement (approved March 22, 2017) for awards beginning March 2017 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan*

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

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

10.10 Form of Stock Option Award Agreement (approved March 22, 2017) for awards beginning March 2017 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan*

10.11 Form of Performance Share Unit Award Agreement (approved August 26, 2014) for annual awards beginning March 2015 and prior to March 2016 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))*

10.12 Form of Performance Share Unit Award Agreement (approved March 16, 2016) for awards beginning March 2016 and prior to March 2017 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.10 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))*

10.13 Form of Performance Share Unit Award Agreement (approved March 22, 2017) for awards beginning March 2017 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan*

10.14 Form of Restricted Stock Unit Award Agreement (approved March 17, 2015) for awards beginning March 2015 and prior to March 2016 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 1, 2015, filed with the SEC on June 2, 2015 (file no. 001-11421))*

10.15 Form of Restricted Stock Unit Award Agreement (approved March 16, 2016) for awards beginning March 2016 and prior to March 2017 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.13 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))*

10.16 Form of Restricted Stock Unit Award Agreement (approved March 22, 2017) for awards beginning March 2017 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan*

10.17 Waiver of Certain Limitations Set Forth in Option Agreements Pertaining to Options Previously Granted under the Amended and Restated 2007 Stock Incentive Plan, effective August 26, 2010 (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended July 30, 2010, filed with the SEC on August 31, 2010 (file no. 001-11421))*

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

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

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

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

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

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

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

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

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

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

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

10.29 Amended and Restated Dollar General Corporation Annual Incentive Plan (effective June 1, 2012) (incorporated by reference to Appendix B to the Dollar General Corporation's Definitive Proxy Statement filed with the SEC on April 5, 2012 (file no. 001-11421))*

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

10.31 Dollar General Corporation 2016 Teamshare Bonus Program for Named Executive Officers (incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2016, filed with the SEC on May 26, 2016 (file no. 001-11421))*

10.32 Summary of Dollar General Corporation Life Insurance Program as Applicable to Executive Officers (incorporated by reference to Exhibit 10.19 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2007, filed with the SEC on March 29, 2007) (file no. 001-11421))*

10.33 Dollar General Corporation Executive Relocation Policy, as amended (effective September 22, 2015) (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 30, 2015, filed with the SEC on December 3, 2015 (file no. 001-11421))*

10.34 Summary of Non-Employee Director Compensation effective January 30, 2016 (incorporated by reference to Exhibit 10.31 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))

10.35 Employment Agreement, effective June 3, 2015, between Dollar General Corporation and Todd J. Vasos (incorporated by reference to Exhibit 99.3 to Dollar General Corporation's Current Report on Form 8-K dated May 27, 2015, filed with the SEC on May 28, 2015 (file no. 001-11421))*

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

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

10.38 Employment Agreement, effective December 2, 2015, between Dollar General Corporation and John W. Garratt (incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated December 2, 2015, filed with the SEC on December 3, 2015 (file no. 001-11421))*

10.39 Employment Agreement, effective June 15, 2015, between Dollar General Corporation and Jeffery C. Owen (incorporated by reference to Exhibit 10.7 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 30, 2015, filed with the SEC on December 3, 2015 (file no. 001-11421))*

10.40 Employment Agreement, effective August 10, 2015, between Dollar General Corporation and Robert D. Ravener (incorporated by reference to Exhibit 10.5 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2015, filed with the SEC on August 27, 2015 (file no. 001-11421))*

10.41 Stock Option Agreement, dated as of August 28, 2008, between Dollar General Corporation and Robert D. Ravener (incorporated by reference to Exhibit 10.40 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2011, filed with the SEC on March 22, 2011 (file no. 001-11421))*

10.42 Stock Option Agreement, dated as of December 19, 2008, between Dollar General Corporation and Robert D. Ravener (incorporated by reference to Exhibit 10.41 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2011, filed with the SEC on March 22, 2011 (file no. 001-11421))*

10.43 Stock Option Agreement, dated as of March 24, 2010, between Dollar General Corporation and Robert D. Ravener (incorporated by reference to Exhibit 10.42 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2011, filed with the SEC on March 22, 2011 (file no. 001-11421))*

10.44 Employment Agreement, effective August 10, 2015, between Dollar General Corporation and Rhonda M. Taylor (incorporated by reference to Exhibit 10.4 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2015, filed with the SEC on August 27, 2015 (file no. 001-11421))*

10.45 Stock Option Agreement, dated March 24, 2010, between Dollar General Corporation and Rhonda M. Taylor (incorporated by reference to Exhibit 10.48 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))*

10.46 Employment Agreement, effective August 7, 2015, between Dollar General Corporation and James W. Thorpe (incorporated by reference to Exhibit 10.6 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 30, 2015, filed with the SEC on December 3, 2015 (file no. 001-11421))*

10.47 Employment Agreement, effective December 2, 2015, between Dollar General Corporation and Anita C. Elliott (incorporated by reference to Exhibit 99.3 to Dollar General Corporation's Current Report on Form 8-K dated December 2, 2015, filed with the SEC on December 3, 2015 (file no. 001-11421))*

10.48 Employment Agreement, effective June 1, 2015, between Dollar General Corporation and Michael J. Kindy*

10.49 Omnibus Limited Waiver by Dollar General Corporation to the Employment Agreement and Employment Transition Agreement with certain employees of Dollar General Corporation, effective January 28, 2016 (incorporated by reference to Exhibit 10.52 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))*

10.50 Employment Transition Agreement, effective March 10, 2015, between Dollar General Corporation and Richard W. Dreiling (incorporated by reference to Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated March 10, 2015, filed with the SEC on March 13, 2015 (file no. 001-11421))*

10.51 Employment Agreement, effective April 1, 2012, between Dollar General Corporation and David M. Tehle (incorporated by reference to Exhibit 99.1 to Dollar General Corporation's Current Report on Form 8-K dated April 16, 2012, filed with the SEC on April 19, 2012 (file no. 001-11421))*

10.52 Employment Agreement, effective November 1, 2013, between Dollar General Corporation and David W. D'Arezzo (incorporated by reference to Exhibit 10.37 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 31, 2014, filed with the SEC on March 20, 2014 (file no. 001-11421))*

10.53 Employment Agreement, effective August 10, 2015, between Dollar General Corporation and John W. Flanigan (incorporated by reference to Exhibit 10.6 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2015, filed with the SEC on August 27, 2015 (file no. 001-11421))*

10.54 Employment Agreement, effective March 19, 2012, between Dollar General Corporation and Gregory A. Sparks (incorporated by reference to Exhibit 10.4 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 4, 2012, filed with the SEC on June 4, 2012 (file no. 001-11421))*

12 Calculation of Fixed Charge Ratio

21 List of Subsidiaries of Dollar General Corporation

23	Consent of Independent Registered Public Accounting Firm
24	Powers of Attorney (included as part of the signature pages hereto)
31	Certifications of CEO and CFO under Exchange Act Rule 13a-14(a)
32	Certifications of CEO and CFO under 18 U.S.C. 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Management Contract or Compensatory Plan

DIRECTORS

Michael M. Calbert (1)†
Retired Member
Kohlberg Kravis Roberts & Co.

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

Sandra B. Cochran (2)(4)†
President & Chief Executive Officer
Cracker Barrel Old Country Store, Inc.

Patricia D. Fili-Krushel (3)(4)†
Former Executive Vice President
NBCUniversal

Paula A. Price (2)†
Senior Lecturer
Harvard Business School

William C. Rhodes, III (3)(4)*†
Chairman, President &
Chief Executive Officer
AutoZone, Inc.

David B. Rickard (2)*†
Retired Executive Vice President,
Chief Financial Officer &
Chief Administrative Officer
CVS Health Corporation

Todd J. Vasos†
Chief Executive Officer
Dollar General Corporation

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

OFFICERS

Todd J. Vasos†
Chief Executive Officer

Executive Vice Presidents

John W. Garratt†
Chief Financial Officer

Jeffery C. Owen†
Store Operations

Robert D. Ravener†
Chief People Officer

Rhonda M. Taylor†
General Counsel

James W. Thorpe†‡
Chief Merchandising Officer

Senior Vice Presidents

Ryan G. Boone
Chief Information Officer

Steven R. Deckard
Corporate Store Operations

Anita C. Elliott†
Chief Accounting Officer

Lawrence J. Gatta
General Merchandise Manager
Consumables

Stephen P. Jacobson
Global Sourcing Operations

Michael J. Kindy†
Global Supply Chain

Daniel J. Nieser
Real Estate & Store Development

Mary Winn Pilkington
Investor Relations &
Public Relations

Steven G. Sunderland
Store Operations

Emily C. Taylor
General Merchandise Manager
Non-Consumables

† Indicates person subject to the provisions of Section 16 of the Securities and Exchange Act of 1934. ‡ Resignation effective April 15, 2017.

CORPORATE INFORMATION

Transfer Agent

Wells Fargo Bank, N.A., Shareowner Services
PO Box 64854, St. Paul, MN 55164-0854
www.wellsfargo.com/shareownerservices

Inquiries regarding stock transfers, lost certificates or address changes should be directed to the transfer agent at the address or website noted above or by calling (800) 468-9716.

Direct Stock Purchase Plan

Wells Fargo Shareowner Services sponsors and administers a direct purchase plan for the shares of Dollar General Corporation. Information on the plan, a copy of the prospectus and enrollment forms are located at www.shareowneronline.com, or you may contact our transfer agent by calling (866) 927-3314 or at our transfer agent's mailing address above.

Independent Registered Public Accounting Firm

Ernst & Young LLP, Nashville, Tennessee

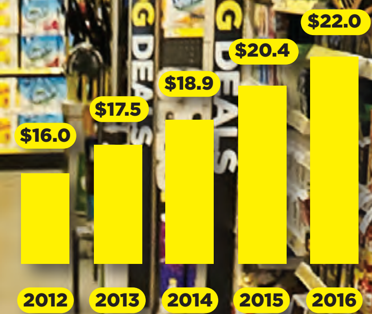
Form 10-K; SEC Certifications

A copy of the Form 10-K filed by the Company with the Securities and Exchange Commission (the "SEC") for the fiscal year ended February 3, 2017, which includes as exhibits the Chief Executive Officer and Chief Financial Officer Certifications required to be filed with the SEC pursuant to Section 302 of the Sarbanes-Oxley Act, is available on our website at www.dollargeneral.com in the Investor Information section or on the SEC's website.

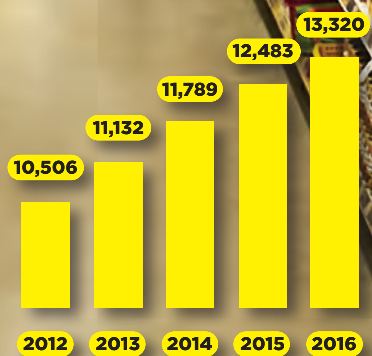
A printed copy of the Form 10-K, and a list of all its exhibits, will be supplied without charge to any shareholder upon written request. Exhibits to the Form 10-K are available for a reasonable fee. For a printed copy of the Form 10-K, please contact:

Dollar General Corporation
Investor Relations
100 Mission Ridge, Goodlettsville, Tennessee 37072
(615) 855-4000

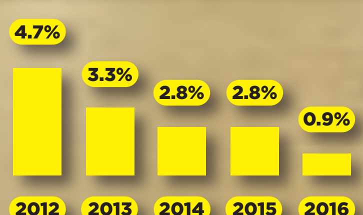
NET SALES (IN BILLIONS)



ENDING STORE COUNT



SAME-STORE SALES GROWTH



CUMULATIVE CASH FROM OPERATIONS (IN MILLIONS)

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

ANNUAL MEETING

Dollar General Corporation's annual meeting of shareholders is scheduled for 9 a.m. Central Time on Wednesday, May 31, 2017, at:

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

Shareholders of record as of March 23, 2017 are entitled to vote at the meeting.

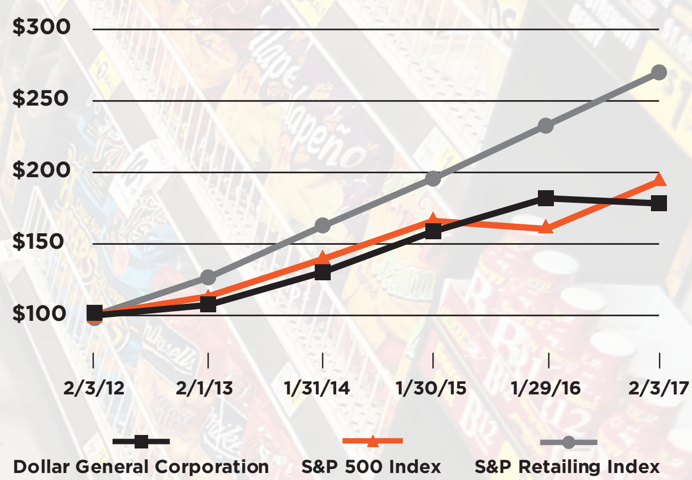
NYSE: DG

The common stock of Dollar General Corporation is traded on the New York Stock Exchange under the trading symbol "DG." The number of shareholders of record as of March 23, 2017 was 2,145.

STOCK PERFORMANCE GRAPH

The graph below compares Dollar General Corporation's cumulative total shareholder return on common stock with the cumulative total returns of the S&P 500 index and the S&P Retailing index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from February 3, 2012 to February 3, 2017.

COMPARISON OF CUMULATIVE TOTAL RETURN



	2/3/12	2/1/13	1/31/14	1/30/15	1/29/16	2/3/17
Dollar General	$100	$110.35	$134.29	$159.90	$181.13	$178.72
S&P 500 Index	$100	$116.78	$141.91	$162.09	$161.01	$193.28
S&P Retailing Index	$100	$129.41	$163.38	$196.45	$230.90	$273.54

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

WWW.DOLLARGENERAL.COM

615-855-4000

100 MISSION RIDGE
GOODLETTSVILLE, TN 37072

DOLLAR GENERAL