

DOLLAR GENERAL CORP
Form DEF 14A
April 12, 2017

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[TABLE OF CONTENTS](#)

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

Dollar General Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

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,

/s/ Michael M. Calbert

Michael M. Calbert
Chairman of the Board

April 12, 2017

Table of Contents

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,

/s/ 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.

Table of Contents

DOLLAR GENERAL CORPORATION

***Proxy Statement for
2017 Annual Meeting of Shareholders***

TABLE OF CONTENTS

<u>General Information</u>	<u>1</u>
<u>Voting Matters</u>	<u>3</u>
<u>Proposal 1: Election of Directors</u>	<u>6</u>
<u>Corporate Governance</u>	<u>12</u>
<u>Director Compensation</u>	<u>16</u>
<u>Director Independence</u>	<u>18</u>
<u>Transactions with Management and Others</u>	<u>20</u>
<u>Executive Compensation</u>	<u>21</u>
<u>Compensation Discussion and Analysis</u>	<u>21</u>
<u>Compensation Committee Report</u>	<u>32</u>
<u>Summary Compensation Table</u>	<u>33</u>
<u>Grants of Plan-Based Awards in Fiscal 2016</u>	<u>35</u>
<u>Outstanding Equity Awards at 2016 Fiscal Year-End</u>	<u>36</u>
<u>Option Exercises and Stock Vested During Fiscal 2016</u>	<u>37</u>
<u>Pension Benefits Fiscal 2016</u>	<u>37</u>
<u>Nonqualified Deferred Compensation Fiscal 2016</u>	<u>38</u>
<u>Potential Payments upon Termination or Change in Control</u>	<u>39</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>47</u>
<u>Compensation Risk Considerations</u>	<u>47</u>
<u>Security Ownership</u>	<u>48</u>
<u>Security Ownership of Certain Beneficial Owners</u>	<u>48</u>
<u>Security Ownership of Officers and Directors</u>	<u>49</u>
<u>Proposal 2: Vote Regarding the Amended and Restated 2007 Stock Incentive Plan</u>	<u>50</u>
<u>Proposal 3: Vote Regarding the Amended and Restated Annual Incentive Plan</u>	<u>62</u>
<u>Proposal 4: Advisory Vote on Executive Compensation</u>	<u>66</u>
<u>Proposal 5: Advisory Vote on the Frequency of Holding Future Advisory Votes on Executive Compensation</u>	<u>67</u>
<u>Audit Committee Report</u>	<u>69</u>
<u>Proposal 6: Ratification of Appointment of Auditors</u>	<u>70</u>
<u>Fees Paid to Auditors</u>	<u>71</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>72</u>
<u>Shareholder Proposals for 2018 Annual Meeting</u>	<u>72</u>
<u>Appendix A</u>	<u>A-1</u>
<u>Appendix B</u>	<u>B-1</u>
<u>Appendix C</u>	<u>C-1</u>

**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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

Table of Contents

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.

Table of Contents**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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

Table of Contents

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.