

# DOLLAR GENERAL CORP

## **FORM 8-K** (Current report filing)

Filed 03/26/12 for the Period Ending 03/20/12

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

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): **March 20, 2012**

**Dollar General Corporation**

(Exact name of registrant as specified in its charter)

**Tennessee**

(State or other jurisdiction  
of incorporation)

**001-11421**

(Commission File Number)

**61-0502302**

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

**100 Mission Ridge**

**Goodlettsville, Tennessee**

(Address of principal executive offices)

**37072**

(Zip Code)

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

**n/a**

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.**

On March 20, 2012 (the “Grant Date”), the Compensation, Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors of Dollar General Corporation (the “Company”) approved grants of non-qualified stock options (“Options”), restricted stock units (“RSUs”), and performance share units (“PSUs”) to various employees of the Company, including grants of Options and PSUs to the Company’s named executive officers as described below. Also on March 20, 2012, the Committee approved a retention grant of shares of performance-based restricted stock to Mr. Dreiling, the Company’s Chairman and Chief Executive Officer.

Option Awards

On March 20, 2012, the Committee granted Options under the Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates (the “2007 Plan”) to purchase shares of the Company’s common stock, \$0.875 par value per share (“Common Stock”) to the following named executive officers in the indicated amounts:

Richard W. Dreiling	228,226
David M. Tehle	37,440
John W. Flanigan	37,440
Robert D. Ravener	37,440

The Options have a term of 10 years and, subject to earlier forfeiture or accelerated vesting under circumstances described in the award agreement, generally will vest in four equal installments on each of the first four anniversaries of the Grant Date. The exercise price of the Options is \$45.25 per share, which was the closing price of the Common Stock on the Grant Date. The Options are subject to the terms of the 2007 Plan and the terms of the Stock Option Award Agreement, a form of which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

Performance Share Unit Awards

On March 20, 2012, the Committee granted PSUs under the 2007 Plan to the following named executive officers in the indicated amounts, in each case subject to approval by the Company’s shareholders of the amended and restated 2007 Plan at the Company’s 2012 Annual Meeting of Shareholders:

	<u>Target</u>	<u>Maximum</u>
Richard W. Dreiling	39,807	79,614
David M. Tehle	6,530	13,060
John W. Flanigan	6,530	13,060
Robert D. Ravener	6,530	13,060

Each PSU represents the right to receive one share of Common Stock upon satisfaction of certain performance-based and time-based conditions. The PSUs represent a target number of units that can be earned if certain performance measures are achieved during the performance period (which is the Company’s fiscal year 2012) (the “Performance Period”) and if certain additional vesting requirements are met. The performance measures are goals related to adjusted EBITDA (weighted 90%) and adjusted ROIC (weighted 10%) as established by the Committee on the Grant Date, using the same adjusted EBITDA/ROIC-based performance criteria used to determine performance under the Company’s fiscal 2012 annual Teamshare bonus program. The number of PSUs earned will vary between 0% and 200% 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 earned.

At the conclusion of the Performance Period, the Committee will determine the level of achievement for each performance goal measure and the corresponding number of PSUs earned by each recipient. One-third of the

PSUs earned by each recipient will vest on the last day of the Performance Period and be paid immediately following the Committee's determination. The remaining two-thirds of the PSUs earned by each recipient will vest in equal installments on the second and third anniversaries of the Grant Date, in each case subject to the recipient's continued employment with us and certain accelerated vesting provisions described in the award agreement.

The PSUs are subject to the terms of the 2007 Plan and the terms of the Performance Share Unit Award Agreement, a form of which is filed herewith as Exhibit 10.2 and incorporated herein by reference. If shareholders do not approve the amended and restated 2007 Plan at the Company's 2012 Annual Meeting of Shareholders, then the PSUs will be automatically forfeited.

#### Restricted Stock Award to Mr. Dreiling

On March 20, 2012, the Committee also granted a retention award under the 2007 Plan to Mr. Dreiling of 326,037 performance-based restricted shares of Common Stock (the "Restricted Shares") which he can earn if certain earnings per share ("EPS") performance goals are met for fiscal years 2014 and 2015. The EPS goals were established by the Committee on the Grant Date based upon EPS forecasts contained in the Company's long-term strategic plan. Following each of fiscal years 2014 and 2015, the Committee will determine whether the relevant EPS goal was achieved. Half of the Restricted Shares will vest on the Committee's determination date with respect to fiscal year 2014 if the EPS goal for that year is achieved, and the other half of the Restricted Shares will vest on the Committee's determination date with respect to fiscal year 2015 if the EPS goal for that year is achieved, in each case subject to continued employment with us and certain accelerated vesting provisions described in the award agreement.

The restricted stock is subject to the terms of the 2007 Plan and the terms of the Restricted Stock Award Agreement, which is filed herewith as Exhibit 10.4 and incorporated herein by reference.

#### **ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

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

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 26, 2012

**DOLLAR GENERAL CORPORATION**

By: /s/ Susan S. Lanigan  
Susan S. Lanigan  
Executive Vice President and General Counsel

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Stock Option Award Agreement in connection with grants made to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (approved March 20, 2012)
10.2	Form of Performance Share Unit Award Agreement in connection with grants made to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (approved March 20, 2012)
10.3	Form of Restricted Stock Unit Award Agreement in connection with grants made to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (approved March 20, 2012)
10.4	Restricted Stock Award Agreement, dated March 20, 2012, between Dollar General Corporation and Richard Dreiling

**DOLLAR GENERAL CORPORATION  
STOCK OPTION AWARD AGREEMENT**

THIS AGREEMENT (the “Agreement”), dated as of the date indicated on **Schedule A** hereto (the “Grant Date”), is made by and between Dollar General Corporation, a Tennessee corporation (hereinafter referred to as the “Company”), and the individual whose name is set forth on the signature page hereof, who is an employee of the Company or a Subsidiary or Affiliate of the Company (hereinafter referred to as the “Optionee”). Any capitalized terms herein not otherwise defined in this Agreement shall have the meaning set forth in the Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates, as such Plan may be amended from time to time (the “Plan”).

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Compensation, Nominating and Governance Committee (or a duly authorized subcommittee thereof) of the Board of the Company appointed to administer the Plan (the “Committee”) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Option provided for herein to the Optionee, and has advised the Company thereof and instructed the undersigned officer to issue said Option.

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

**ARTICLE I**  
**DEFINITIONS**

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary.

**Section 1.1. Cause**

“Cause” shall mean (A) “Cause” as such term may be defined in any employment agreement between the Optionee and the Company or any of its Subsidiaries or Affiliates that is in effect at the time of termination of employment; or (B) if there is no such employment agreement in effect, “Cause” as such term may be defined in any change-in-control agreement between the Optionee and the Company or any of its Subsidiaries or Affiliates that is in effect at the time of termination of employment; or (C) if there is no such employment or change-in-control agreement, with respect to an Optionee: (i) any act of the Optionee involving fraud or dishonesty, or any willful failure to perform reasonable duties assigned to the Optionee which failure is not cured within 10 business days after receipt from the Company of written notice of such failure; (ii) any material breach by the Optionee of any securities or other law or regulation or any Company policy governing trading or dealing with stock, securities, investments or the like, or any inappropriate disclosure or “tipping” relating to any stock, securities, investments or the like; (iii) other than as required by law, the carrying out by the Optionee of any activity, or the Optionee making any public statement, which prejudices or ridicules the good name and standing of the Company or its Affiliates (including any limited partner of Buck Holdings, L.P.) or would bring such persons into public contempt or ridicule; (iv) attendance by the Optionee at work in a state of intoxication or the Optionee otherwise being

found in possession at the Optionee's place of work of any prohibited drug or substance, possession of which would amount to a criminal offense; (v) any assault or other act of violence by the Optionee; or (vi) the Optionee being indicted for any crime constituting (x) any felony whatsoever or (y) any misdemeanor that would preclude employment under the Company's hiring policy.

**Section 1.2. Disability**

"Disability" shall mean (A) "Disability" as such term may be defined in any employment agreement between the Optionee and the Company or any of its Subsidiaries or Affiliates that is in effect at the time of termination of employment; or (B) if there is no such employment agreement in effect, "Disability" as such term may be defined in any change-in-control agreement between the Optionee and the Company or any of its Subsidiaries or Affiliates that is in effect at the time of termination of employment; or (C) if there is no such employment or change-in-control agreement, "Disability" as defined in the Company's long-term disability plan.

**Section 1.3. Option**

"Option" shall mean the right and option to purchase, on the terms and conditions set forth herein, all or any part of an aggregate of the number of Shares of Common Stock set forth on **Schedule A** hereto.

**Section 1.4. Retirement**

"Retirement" shall mean the voluntary termination of the Optionee's employment with the Company or any of its Subsidiaries or Affiliates on or after (A) reaching the minimum age of sixty-two (62) and (B) achieving five (5) consecutive years of service; provided, however, that the sum of the Optionee's age plus years of service (counting whole years only) must equal at least seventy (70) and provided further that there is no basis for the Company to terminate the Optionee for Cause at the time of Optionee's voluntary termination.

**Section 1.5. Secretary**

"Secretary" shall mean the Secretary of the Company.

**ARTICLE II  
GRANT OF OPTION**

**Section 2.1. Grant of Option**

For good and valuable consideration, on and as of the Grant Date the Company irrevocably grants to the Optionee the Option on the terms and conditions set forth in this Agreement.

**Section 2.2. Exercise Price**

Subject to Section 2.4, the exercise price of the Shares of Common Stock covered by the Option (the "Exercise Price") shall be as set forth on **Schedule A** hereto, which shall be the Fair Market Value on the Grant Date.



### **Section 2.3. No Guarantee of Employment**

Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ of the Company or any Subsidiary or Affiliate or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries or Affiliates, which are hereby expressly reserved, to terminate the employment of the Optionee at any time for any reason whatsoever, with or without cause, subject to the applicable provisions of, if any, the Optionee's employment agreement with the Company or offer letter provided by the Company to the Optionee.

### **Section 2.4. Adjustments to Option**

The Option shall be subject to the adjustment provisions of Sections 8 and 9 of the Plan, provided, however, that in the event of the payment of an extraordinary dividend by the Company to its shareholders: the Exercise Price of the Option shall be reduced by the amount of the dividend paid, but only to the extent the Committee determines it to be permitted under applicable tax laws and to not have adverse tax consequences to the Optionee under Section 409A of the Code; and, if such reduction cannot be fully effected due to such tax laws and it will not have adverse tax consequences to the Optionee, then the Company shall pay to the Optionee a cash payment, on a per Share basis, equal to the balance of the amount of the dividend not permitted to be applied to reduce the Exercise Price of the applicable Option as follows: (a) for each Share subject to a vested Option, immediately upon the date of such dividend payment; and (b) for each Share subject to an unvested Option, on the date on which such Option becomes vested and exercisable with respect to such Share.

## **ARTICLE III PERIOD OF EXERCISABILITY**

### **Section 3.1. Commencement of Exercisability**

(a) Except as otherwise provided in Section 3.1(b) or (c) below, so long as the Optionee continues to be employed by the Company or any other Service Recipient, the Option shall become vested and exercisable with respect to 25% of the Shares subject to such Option on each of the first four (4) anniversaries of the Grant Date. To the extent this vesting schedule results in the vesting of fractional shares, the fractional shares shall be combined and be exercisable on the first anniversary of the Grant Date.

(b) Notwithstanding Section 3.1(a) above, upon the earliest occurrence of (i) a Change in Control, (ii) the Optionee's death, or (iii) a termination of the Optionee's employment by reason of the Optionee's Disability, the Option shall become immediately vested and exercisable with respect to 100% of the Shares subject to such unvested Option immediately prior to such event (but only to the extent such Option has not otherwise terminated or become exercisable).

(c) Notwithstanding Section 3.1(a) above, in the event of the Optionee's Retirement, that portion of the Option that would have become vested and exercisable within the one (1) year period following the Optionee's Retirement date if the Optionee had remained employed with the Company or the applicable Service Recipient shall remain outstanding for a period of one (1) year following the Optionee's Retirement date and shall become vested and exercisable on the anniversary of the Grant Date that falls within the one (1) year period following the Optionee's Retirement date (but only to the extent such portion of the Option has not otherwise terminated or become exercisable);

provided, however, that if during such one (1) year period there occurs a Change in Control or the Optionee dies or incurs a Disability, such portion of the Option shall instead become immediately vested and exercisable (but only to the extent such portion of the Option has not otherwise terminated).

(d) No Option shall become vested or exercisable as to any additional Shares following the Optionee's termination of employment for any reason, and any Option which is unexercisable as of the Optionee's termination of employment shall immediately expire without payment therefor, in each case except as otherwise provided in Section 3.1(b) or (c) above.

**Section 3.2. Expiration of Option**

The Optionee may not exercise the Option to any extent after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date;

(b) The fifth anniversary of the date of the Optionee's termination of employment with the Company and all Service Recipients if the Optionee's employment is terminated by reason of Retirement;

(c) The first anniversary of the date of the Optionee's termination of employment with the Company and all Service Recipients if the Optionee's employment is terminated by reason of death or Disability (unless earlier terminated as provided in Section 3.2(h) below);

(d) The first anniversary of the date of the Optionee's termination of employment with the Company and all Service Recipients if the Optionee's employment terminates (1) within two (2) years following a Change in Control and (2) for any reason other than an involuntary termination with Cause or a Retirement (in the case of an involuntary termination with Cause or a Retirement, the provisions of Section 3.2 (g) and (b), as applicable, shall instead apply);

(e) Ninety (90) days after the date of the Optionee's involuntary termination of employment by the Company and all Service Recipients without Cause (for any reason other than as set forth in Section 3.2(c));

(f) Ninety (90) days after the date of the Optionee's voluntary termination of employment with the Company and all Service Recipients by the Optionee (for any reason other than as set forth in Section 3.2(b) or (c));

(g) Immediately upon the date of the Optionee's termination of employment by the Company and all Service Recipients for Cause;

(h) At the discretion of the Company, if the Committee so determines pursuant to Section 9 of the Plan.

**ARTICLE IV**  
**EXERCISE OF OPTION**

**Section 4.1. Person Eligible to Exercise**

During the lifetime of the Optionee, only the Optionee (or his or her duly authorized legal representative) may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Optionee's personal representative or by any person empowered to do so under the Optionee's will or under the then applicable laws of descent and distribution.

**Section 4.2. Partial Exercise**

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, however, that any partial exercise shall be for whole Shares of Common Stock only.

**Section 4.3. Manner of Exercise**

The Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary or his or her designee all of the following prior to the time when the Option or such portion becomes unexercisable under Section 3.2:

- (a) Notice in writing signed by the Optionee or the other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;
- (b) (i) Full payment (in cash or by check or by a combination thereof) for the Shares with respect to which such Option or portion thereof is exercised (provided, however, that full payment is deemed made if the Company receives cash in respect of the exercise price no later than the date on which the Company or its agent delivers or releases Shares to the Optionee or his or her agent, which date shall not be later than three (3) business days following the date on which the Option is exercised, in the event of a cashless exercise via a third party in a manner that is compliant with applicable law) or (ii) notice in writing that the Optionee elects to have the number of Shares that would otherwise be issued to the Optionee reduced by a number of Shares having an equivalent Fair Market Value to the payment that would otherwise be made by the Optionee to the Company pursuant to clause (i) of this subsection (b);
- (c) (i) Full payment (in cash or by check or by a combination thereof) to satisfy the minimum withholding tax obligation with respect to which such Option or portion thereof is exercised (provided, however, that full payment is deemed made if the Company receives such payment no later than the date on which the Company must remit such withholding to the Internal Revenue Service in the event of a cashless exercise via a third party in a manner that is compliant with applicable law); or (ii) notice in writing that the Optionee elects to have the number of Shares that would otherwise be issued to the Optionee reduced by a number of Shares having an equivalent Fair Market Value to the payment that would otherwise be made by the Optionee to the Company pursuant to clause (i) of this subsection (c);

(d) A bona fide written representation and agreement, in a form satisfactory to the Committee, signed by the Optionee or other person then entitled to exercise such Option or portion thereof, stating that the Shares of Common Stock are being acquired for his or her own account, for investment and without any present intention of distributing or reselling said Shares or any of them except as may be permitted under the Securities Act of 1933, as amended (the “ Act ”), and then applicable rules and regulations thereunder, and that the Optionee or other person then entitled to exercise such Option or portion thereof will indemnify the Company against and hold it free and harmless from any loss, damage, expense or liability resulting to the Company if any sale or distribution of the Shares by such person is contrary to the representation and agreement referred to above; provided, however, that the Committee may, in its reasonable discretion, take whatever additional actions it deems reasonably necessary to ensure the observance and performance of such representation and agreement and to effect compliance with the Act and any other federal or state securities laws or regulations; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Shares acquired on exercise of the Option does not violate the Act, and may issue stop-transfer orders covering such Shares. Share certificates evidencing stock issued on exercise of the Option may bear an appropriate legend referring to the provisions of subsection (d) above and the agreements herein. The written representation and agreement referred to in subsection (d) above shall, however, not be required if the Shares to be issued pursuant to such exercise have been registered under the Act, and such registration is then effective in respect of such Shares.

#### **Section 4.4. Conditions to Issuance of Stock Certificates**

The Shares deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued Shares or issued Shares, which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any certificate or certificates for Shares purchased (if certificated, or if not certificated, register the issuance of such Shares on its books and records) upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The obtaining of approval or other clearance from any state or federal governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary or advisable; and

(b) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience or as may otherwise be required by applicable law.

#### **Section 4.5. Rights as Shareholder**

Except as otherwise provided in Section 2.4 of this Agreement, the holder of an Option shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares purchasable upon the exercise of the Option or any portion thereof unless and until certificates

representing such Shares shall have been issued by the Company to such holder or the Shares have otherwise been recorded in the records of the Company as owned by such holder.

**ARTICLE V**  
**MISCELLANEOUS**

**Section 5.1. Administration**

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Optionee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Option. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

**Section 5.2. Option Not Transferable**

Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.2 shall not prevent transfers by will or by the applicable laws of descent and distribution or other transfers authorized in limited circumstances by the Committee (or its designee).

**Section 5.3. Notices**

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary or his or her designee, and any notice to be given to the Optionee shall be addressed to him or her at the address given beneath his or her signature hereto. By a notice given pursuant to this Section 5.3, either party may hereafter designate a different address for notices to be given to him or her. Any notice, which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 5.3. Any notice shall have been deemed duly given when (i) delivered in person; or, except for notice under Section 4.3 which must be received to be duly given, (ii) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service, or (iii) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with fees prepaid) in an office regularly maintained by FedEx, UPS, or comparable non-public mail carrier.

**Section 5.4. Titles; Pronouns**

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

**Section 5.5. Applicability of Plan and Management Stockholder's Agreement**

The Option and the Shares of Common Stock issued to the Optionee upon exercise of the Option shall be subject to all of the terms and provisions of the Plan to the extent applicable to an Option and Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control. The Option and the Shares of Common Stock issued to the Optionee upon exercise of the Option shall not be subject to, and hereby are expressly exempted from, all of the terms and provisions of any Management Stockholder's Agreement between the Optionee and the Company in existence on the Grant Date.

**Section 5.6. Amendment**

This Agreement may only be amended pursuant to Section 10 of the Plan.

**Section 5.7. Governing Law**

The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

**Section 5.8. Arbitration**

In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules, by a single independent arbitrator. Such arbitration process shall take place within the Nashville, Tennessee metropolitan area. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator.

**Section 5.9. Clawback**

As a condition of receiving the Option, the Optionee acknowledges and agrees that the Optionee's rights, payments, and benefits with respect to the Option 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 any rule or regulation of the Securities and Exchange Commission or by any applicable national exchange, or by any other applicable law, rule or regulation.

**Section 5.10 Signature in Counterparts**

This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[ *Signatures on next pages* ]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

DOLLAR GENERAL CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ADDRESS:

Dollar General Corporation  
100 Mission Ridge  
Goodlettsville, TN 37072

*[Signature Page of Stock Option Award Agreement]*



OPTIONEE:

---

[name]

ADDRESS:

---

---

*[Signature Page of Stock Option Award Agreement]*

**Schedule A to Stock Option Award Agreement**

**Grant Date :** [ ]

**Exercise Price (per Share) :** \$[ ]

**Option Grant :**

Aggregate number of Shares of Common Stock for which the Option granted hereunder is exercisable:

[ ]

**DOLLAR GENERAL CORPORATION  
PERFORMANCE SHARE UNIT AWARD AGREEMENT**

THIS AGREEMENT (the “Agreement”), dated as of the date indicated on **Schedule A** hereto (the “Grant Date”), is made between Dollar General Corporation, a Tennessee corporation (hereinafter, together with all Service Recipients unless the context indicates otherwise, called the “Company”), and the individual whose name is set forth on the signature page hereof, who is an employee of the Company (hereinafter referred to as the “Grantee”). Capitalized terms not otherwise defined herein shall have the same meanings as in the Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates, as amended from time to time (the “Plan”), the terms of which are hereby incorporated by reference and made a part of this Agreement.

WHEREAS, the Company desires to grant the Grantee a performance share unit award as provided for hereunder, ultimately payable in shares of Common Stock of the Company, par value \$0.875 per Share (the “Performance Share Unit Award”), pursuant to the terms and conditions of this Agreement and the Plan; and

WHEREAS, the Compensation, Nominating and Governance Committee (or a duly authorized subcommittee thereof) of the Company’s Board appointed to administer the Plan (the “Committee”) has determined that it would be to the advantage and in the best interest of the Company and its shareholders to grant the Performance Share Unit Award provided for herein to the Grantee, [subject to the approval by the Company’s shareholders of the Plan at the annual shareholders’ meeting to be held on or about June 1, 2012 (the “2012 Annual Shareholders’ Meeting”),] and has advised the Company thereof and instructed the undersigned officer to issue said Performance Share Unit Award;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. **Grant of Performance Share Unit Award.** Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, the Company hereby grants to the Grantee a certain number of performance units (referred to as “Performance Share Units”) which the Grantee will have an opportunity to earn over a Performance Period of one year if certain performance goal measures are met in accordance with Section 4 and to receive if additional time-based vesting conditions are met in accordance with Section 5. A Performance Share Unit represents the right to receive one Share of Common Stock upon satisfaction of the performance, vesting and other conditions set forth in Agreement.
2. **Target Number of Performance Share Units.** The target number of Performance Share Units awarded is set forth on **Schedule A** hereto. At the end of the Performance Period, and subject to additional time-based vesting, the Grantee can earn up to [200%] of the target number of Performance Share Units or as little as no Performance Share Units, depending upon actual performance compared to the performance goal measures established by the Committee.
3. **Performance Period.** The period during which the performance goal measures apply (the “Performance Period”) begins and ends as set forth on **Schedule A** hereto.

4. **Performance Goal Measures** .

(a) The performance goal measures and the levels of performance for each of the performance goal measures that is required to earn Performance Share Units were established by the Committee on the Grant Date. Performance goals are based on Adjusted EBITDA (weighted [90%]) and ROIC (weighted [10%]), each as defined below and as established by the Committee, for the Performance Period, with the method for determining the number of Performance Share Units that can be earned (including the threshold, target and maximum number of Performance Share Units) set forth on **Schedule A** hereto, subject to the additional time-based vesting requirements that extend beyond the end of the Performance Period as provided in Section 5. If the performance level for a performance goal measure is below the established threshold, no Performance Share Units shall be earned. If the performance level for a performance goal measure is above the established maximum, no additional Performance Share Units shall be earned above the associated maximum payout level. Within sixty (60) days following the end of the Performance Period, the Committee will determine the extent to which the performance goal measures have been met and the number of Performance Share Units earned (subject to the additional time-based vesting requirements that extend beyond the end of the Performance Period as provided in Section 5) and will interpolate on a straight-line basis all stated levels between the performance results and Performance Share Units to be earned and will round to the nearest whole Performance Share Unit. The Performance Share Units are intended to be Performance-Based Awards under the Plan, and the provision of Section 6(c)(ii) of the Plan shall apply. The Committee must certify the performance results for each of the performance goal measures following the end of the Performance Period. The Committee may exercise its discretion to reduce the number of Performance Share Units earned in its assessment of performance in relation to the performance goal measures or in light of other considerations that the Committee deems relevant. Except as provided in Section 5(h) in the event of a Change in Control during the Performance Period, any Performance Share Units that are not, based on the Committee's determination, earned by performance during the Performance Period, including Performance Share Units that had been potentially earnable by performance in excess of the actual performance levels achieved, shall be cancelled and forfeited as of the last day of the Performance Period. The number of Performance Share Units earned as determined by the Committee (but subject to the additional pro-ratio provisions and vesting provisions set forth in Section 5) shall be divided into three equal and separate installments as provided in Section 5. To the extent allocation of the Performance Share Units to the three installments results in fractional shares, the vesting of the fractional shares shall be combined and be a part of the first installment.

(b) The following terms have the following meaning for purposes hereof:

(i) "Adjusted EBITDA" shall have the meaning set forth in the Company's credit agreements without regard to any changes to such credit agreements following the Grant Date, but (1) shall exclude the impact of (a) all consulting, accounting, legal, valuation, banking, filing, disclosure and similar costs, fees and expenses directly related to the consideration, negotiation, approval and consummation of the proposed acquisition and related financing of the Company by affiliates of Kohlberg Kravis Roberts & Co. (including without limitation any costs, fees and expenses relating to the filing and maintenance of a market maker registration statement or to any refinancings) and any litigation or settlement of any litigation related thereto; (b) any costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any asset sale, merger or other transaction that results in a Change in Control (within the meaning of the Plan) of the Company or any primary or secondary offering of Company common stock or other security; (c) share-based compensation charges; (d) any gain or loss recognized as a result of

derivative instrument transactions or other hedging activities; (e) any gains or losses associated with the early retirement of debt obligations; (f) charges resulting from significant natural disasters; and (g) any significant gains or losses associated with the Company's LIFO computation; and (2) unless the Committee disallows any such item, shall also exclude (a) non-cash asset impairments; (b) any significant loss as a result of an individual litigation, judgment or lawsuit settlement (including a collective or class action lawsuit and security holder lawsuit, among others); (c) charges for business restructurings; (d) losses due to new or modified tax or other legislation or accounting changes enacted after the beginning of the Performance Period; (e) significant tax settlements; and (f) any significant unplanned items of a non-recurring or extraordinary nature.

(ii) "ROIC" shall mean (a) the result of (x) the sum of (i) the Company's 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 (with all of the foregoing terms as determined per the Company's financial statements), but (1) shall exclude the impact of (a) all consulting, accounting, legal, valuation, banking, filing, disclosure and similar costs, fees and expenses directly related to the consideration, negotiation, approval and consummation of the proposed acquisition and related financing of the Company by affiliates of Kohlberg Kravis Roberts & Co. (including without limitation any costs, fees and expenses relating to the filing and maintenance of a market maker registration statement or to any refinancings) and any litigation or settlement of any litigation related thereto; (b) any costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any asset sale, merger or other transaction that results in a Change in Control (within the meaning of the Plan) of the Company or any primary or secondary offering of Company common stock or other security; (c) any gain or loss recognized as a result of derivative instrument transactions or other hedging activities; (d) any gains or losses associated with the early retirement of debt obligations; (e) charges resulting from significant natural disasters; and (f) any significant gains or losses associated with the Company's LIFO computation; and (2) unless the Committee disallows any such item, shall also exclude (a) non-cash asset impairments; (b) any significant loss as a result of an individual litigation, judgment or lawsuit settlement (including a collective or class action lawsuit and security holder lawsuit, among others); (c) charges for business restructurings; (d) losses due to new or modified tax or other legislation or accounting changes enacted after the beginning of the Performance Period; (e) significant tax settlements; and (f) any significant unplanned items of a non-recurring or extraordinary nature.

#### 5. Vesting and Payment.

(a) Vesting and Payment of One-Third of Earned Performance Share Units. One-third of the Performance Share Units earned based on the Committee's determination of the level of achievement for each of the performance goal measures in accordance with Section 4 (such one-third installment being the "Initial Earned Performance Share Units") shall become vested and nonforfeitable as of the last day of the Performance Period but only if the Grantee has remained continuously employed through such date. If the Grantee does not remain continuously employed through the last day of the Performance Period because of Grantee's Retirement, death or Disability during the Performance Period, then a Pro-Rata Portion of the Initial Earned Performance Share Units (rounded to the nearest whole share) shall become vested and nonforfeitable as of the last day of the Performance Period and all remaining Initial Earned Performance Share Units shall be automatically forfeited to the Company and cancelled. For purposes of this Section 5(a) only, a "Pro

Rata Portion” is determined by a fraction (not to exceed one), the numerator of which is the number of months in the Performance Period during which the Grantee was continuously in the employment of the Company and the denominator of which is the number of months in the Performance Period. Grantee will be deemed to be employed for a month if the Grantee’s Retirement, death or Disability occurs after the fifteenth (15<sup>th</sup>) day of a month. If the Grantee does not remain continuously employed through the last day of the Performance Period for any other reason, then all Initial Earned Performance Share Units shall be automatically forfeited to the Company and cancelled on the date the Grantee’s employment terminates. The Initial Earned Performance Share Units that become vested under this Section 5(a) shall be paid following the Performance Period once performance has been certified by the Committee but in no event later than the fifteenth (15<sup>th</sup>) day of the third month following the end of the Performance Period. Notwithstanding the above, no Initial Earned Performance Share Units shall be paid if the Grantee is terminated for Cause prior to the date of payment.

(b) Vesting and Payment of Additional One-Third of Earned Performance Share Units. An additional one-third of the Performance Share Units earned based on the Committee’s determination of the level of achievement for each of the performance goal measures in accordance with Section 4 (such one-third installment being the “Additional Earned Performance Share Units”) shall become vested and nonforfeitable and shall be paid on the second anniversary of the Grant Date but only if the Grantee has remained continuously employed through such date. If the Grantee does not remain continuously employed through the second anniversary of the Grant Date because of Grantee’s earlier Retirement, but only if Grantee remained continuously employed through the first day following the first anniversary of the Grant Date, then the Additional Earned Performance Share Units shall become vested and nonforfeitable and shall be paid on the date of Grantee’s Retirement. If the Grantee does not remain continuously employed through the second anniversary of the Grant Date because of Grantee’s death or Disability, but only if the Grantee does not die or become Disabled prior to the first day following the first anniversary of the Grant Date, then the Additional Earned Performance Share Units shall become vested and nonforfeitable as of the date of Grantee’s death or Disability. The Additional Earned Performance Share Units that become vested and nonforfeitable on the date of Grantee’s death or Disability as provided above shall be paid within thirty (30) days following such death or Disability but in all events no later than the Latest Payment Date, as defined in Section 5(j). If the Grantee does not remain continuously employed until the second anniversary of the Grant Date under any other circumstances, then all Additional Earned Performance Share Units that are not vested as of the date of the Grantee’s termination of employment shall be automatically forfeited to the Company and cancelled on the date of the Grantee’s termination of employment.

(c) Vesting and Payment of Remaining Earned Performance Share Units. The remaining one-third Performance Share Units earned based on the Committee’s determination of the level of achievement for each of the performance goal measures in accordance with Section 4 (such one-third installment being the “Remaining Earned Performance Share Units”) shall become vested and nonforfeitable and shall be paid on the third anniversary of the Grant Date but only if the Grantee has remained continuously employed through such date. If the Grantee does not remain continuously employed through the third anniversary of the Grant Date because of Grantee’s earlier Retirement, but the Grantee has remained continuously employed through the first day following the second anniversary of the Grant Date, then the Remaining Earned Performance Share Units shall become vested and nonforfeitable and shall be paid on the date of Grantee’s Retirement. If the Grantee does not remain continuously employed through the third anniversary of the Grant Date because of Grantee’s death or Disability, but only if the Grantee does not die or become Disabled prior to the

first day following the first anniversary of the Grant Date, then the Remaining Earned Performance Share Units shall become vested and nonforfeitable as of the date of Grantee's death or Disability. All Remaining Earned Performance Share Units that become vested and nonforfeitable on the date of Grantee's death or Disability shall be paid within thirty (30) days following such death or Disability but in no event later than the Latest Payment Date, as defined in Section 5(j). If the Grantee does not remain continuously employed through the third anniversary of the Grant Date under any other circumstances, then all Remaining Performance Share Units that are not vested as of the date of the Grantee's termination of employment shall be automatically forfeited to the Company and cancelled on the date of the Grantee's termination of employment.

(d) Transfers and Reemployment. For purposes of this Agreement, transfer of employment among the Company and another Service Recipient shall not be considered a termination or interruption of employment. Upon reemployment following a termination of employment for any reason, the Grantee shall have no rights to any Performance Share Units previously forfeited and cancelled under this Agreement.

(e) Retirement. For purposes of this Agreement, Retirement shall mean the voluntary termination of Grantee's employment with the Company on or after (i) reaching the minimum age of sixty-two (62) and (ii) achieving five (5) consecutive years of service; provided, however, that the sum of the Grantee's age plus years of service (counting whole years only) must equal at least seventy (70) and provided further that there is no basis for the Company to terminate the Grantee for Cause at the time of Grantee's voluntary termination.

(f) Disability. For the purposes of this Agreement, Disability shall mean the Grantee's termination of employment by the Company due to Grantee's "Disability" (i) as defined in any employment agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (ii) if there is no such employment agreement in effect or no definition therein, as defined in any change-in-control agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (iii) if there is no such employment or change-in-control agreement or definitions therein, as defined in the Company's long-term disability plan.

(g) Cause. For the purposes of this Agreement, Cause shall mean (i) "Cause" as such term may be defined in any employment agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (ii) if there is no such employment agreement in effect, "Cause" as such term may be defined in any change-in-control agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (iii) if there is no such employment or change-in-control agreement, with respect to a Grantee: (A) any act of the Grantee involving fraud or dishonesty, or any willful failure to perform reasonable duties assigned to the Grantee which failure is not cured within 10 business days after receipt from the Company of written notice of such failure; (B) any material breach by the Grantee of any securities or other law or regulation or any Company policy governing trading or dealing with stock, securities, investments or the like, or any inappropriate disclosure or "tipping" relating to any stock, securities, investments or the like; (C) other than as required by law, the carrying out by the Grantee of any activity, or the Grantee making any public statement, which prejudices or ridicules the good name and standing of the Company or its Affiliates (including any limited partner of Buck Holdings, L.P.) or would bring such persons into public contempt or ridicule; (D) attendance by the Grantee at work in a state of intoxication or the Grantee otherwise being found in possession at the Grantee's place of work of any prohibited drug or substance, possession of which would amount to a criminal

offense; (E) any assault or other act of violence by the Grantee; or (F) the Grantee being indicted for any crime constituting (I) any felony whatsoever or (II) any misdemeanor that would preclude employment under the Company's hiring policy.

(h) **Change in Control**. Notwithstanding any other provision of this Section 5 (other than Section 5(i)), in the event of a Change in Control, vesting and payment of the Performance Share Units that have not previously become vested and nonforfeitable, or have not previously been forfeited, under Section 4, 5(a), 5(b), or 5(c) shall be determined under this Section 5(h). If a Change in Control occurs on or before the end of the Performance Period and provided the Grantee is continuously employed until the Change in Control, the target number of the Performance Share Units shall be deemed earned and shall become vested and nonforfeitable and shall be paid upon the Change in Control. In the event of a Change in Control occurs following the end of the Performance Period and provided the Grantee is continuously employed until the Change in Control, all of the Performance Share Units previously earned based on the Committee's determination of performance in accordance with Section 4 shall become vested and nonforfeitable and shall be paid upon the Change in Control.

(i) **[No Shareholder Approval]**. Notwithstanding any other provision in this Agreement, the Performance Share Units shall be forfeited to the Company and cancelled on the day following the 2012 Annual Shareholders' Meeting if the Company's shareholders do not approve the material terms of the performance-based compensation under the Plan.]

(j) **Delivery of Shares**. Shares of Common Stock corresponding to the number of Performance Share Units that have been earned and become vested and nonforfeitable ("**Performance Shares**") shall be paid to the Grantee, or, if deceased, to the Grantee's estate, in settlement of the Performance Share Units at the times provided in Sections 5(a), 5(b), 5(c), and 5(h). However, notwithstanding any other payment timing provision, in all events, payment and delivery of the Performance Shares shall be made no later than the later of the 15<sup>th</sup> day of the third month following the end of the Grantee's first taxable year (usually the calendar year) in which the right to the payment is no longer subject to a substantial risk of forfeiture (upon the fixed payment date, death, Disability, or a Change in Control or when the Grantee who is eligible for Retirement has met all service requirements for vesting) or the 15<sup>th</sup> day of the third month following the end of the Company's first taxable year (usually the fiscal year) in which the right to the payment is no longer subject to such substantial risk of forfeiture (the latest such date, the "**Latest Payment Date**"). Such payment shall be accomplished either by delivering a share certificate or by providing evidence of electronic delivery, and the Performance Shares shall be registered in the name of the Grantee or, if deceased, Grantee's estate. The Performance Shares may be either previously authorized but unissued Shares or issued Shares, which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable.

6. **No Dividend Equivalents**. The Grantee shall have no right to dividend equivalents or dividends on the Performance Share Units.

7. **Transferability**. Neither the Performance Shares prior to delivery pursuant to Section 5 nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Grantee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted



disposition thereof shall be null and void and of no effect; provided, however, that this Section 7 shall not prevent transfers by will or by the applicable laws of descent and distribution.

8. **No Guarantee of Employment**. Nothing in this Agreement or in the Plan shall confer upon the Grantee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to terminate the employment of the Grantee at any time for any reason whatsoever, with or without cause, subject to the applicable provisions of, if any, the Grantee's employment agreement with the Company or offer letter provided by the Company to the Grantee.

9. **Change in Capitalization; Change in Control**. If any event described in Section 8 or 9 of the Plan occurs, this Agreement and the Performance Shares shall be adjusted to the extent required or permitted, as applicable, pursuant to Sections 8 and 9 of the Plan.

10. **Taxes**. The Grantee shall have full responsibility, and the Company shall have no responsibility (except as to applicable tax withholdings), for satisfying any liability for any federal, state or local income or other taxes required by law to be paid with respect to the Performance Shares. The Grantee is hereby advised to seek his or her own tax counsel regarding the taxation of the Performance Shares hereunder. Unless otherwise determined by the Committee, at the time of vesting the Company shall withhold from any Performance Shares deliverable in payment of the Performance Share Units the number of shares of Performance Shares having a value equal to the minimum amount of income and employment taxes required to be withheld under applicable laws and regulations, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. Any fractional shares resulting from the payment of the withholding amounts shall be liquidated and paid in cash to the U.S. Treasury as additional federal income tax withholding for the Grantee. Grantee shall be responsible for any withholding taxes not satisfied by means of such mandatory withholding and for all taxes in excess of such withholding taxes that may be due upon vesting of the Performance Share Units.

11. **Limitation on Obligations**. This Performance Share Unit Award shall not be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Grantee for damages relating to any delays in issuing the share certificates or electronic delivery thereof to him (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance or registration of the certificates or in the certificates themselves.

12. **Securities Laws**. The Company may require the Grantee to make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws. The Performance Share Units and Performance Shares shall be subject to all applicable laws, rules and regulations and to such approvals of any governmental agencies as may be required.

13. **Notices**. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary or his or her designee, and any notice to be given to the Grantee shall be addressed to him at the address given beneath his signature hereto. By a notice given pursuant to this Section 13, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Grantee shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative

has previously informed the Company of his status and address by written notice under this Section 13. Any notice shall have been deemed duly given when delivered by hand or courier or when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

14. **Governing Law**. The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

15. **Section 409A of the Code**. This Agreement is intended to be exempt from Section 409A of the Code as a short-term deferral. Each installment payment under this Agreement will be treated as a separate payment. Notwithstanding the foregoing, the Company shall not be liable to the Grantee in the event this Agreement fails to be exempt from, or comply with, Section 409A of the Code.

16. **Arbitration**. In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules, by a single independent arbitrator. Such arbitration process shall take place within the Nashville, Tennessee metropolitan area. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator.

17. **Clawback**. As a condition of receiving the Performance Share Units, the Grantee acknowledges and agrees that the Grantee's rights, payments, and benefits with respect to the Performance Share Units 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 any rule or regulation of the Securities and Exchange Commission or by any applicable national exchange, or by any other applicable law, rule or regulation.

18. **[Applicability of Plan and Management Stockholder's Agreement]**. The Performance Share Units and the Performance Shares issued to the Grantee upon payment of the Performance Share Units shall be subject to all terms and provisions of the Plan to the extent applicable to performance share units and Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control. The Performance Share Units and the Performance Shares issued to the Grantee shall not be subject to, and hereby are expressly exempted from, all of the terms and provisions of any Management Stockholder's Agreement between the Grantee and the Company in existence on the Grant Date.]

19. **Amendment and Termination**. This Agreement may be modified in any manner consistent with Section 10 of the Plan.

20. **Administration**. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and

all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Performance Share Unit Award. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

21. **Rights as Shareholder.** The holder of a Performance Share Unit Award shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Performance Shares issuable upon the payment of a vested Performance Share Unit unless and until a certificate or certificates representing such Performance Shares shall have been issued by the Company to such holder or, if the Common Stock is listed on a national securities exchange, a book entry representing such Performance Shares has been made by the registrar of the Company.

22. **Signature in Counterparts.** This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

DOLLAR GENERAL CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

GRANTEE

\_\_\_\_\_  
[name]

ADDRESS:

\_\_\_\_\_

\_\_\_\_\_

**Schedule A to Performance Share Unit Award Agreement**

**Grant Date :** [ ]

**Target Number of Performance Share Units Awarded :** [ ]

**Performance Period :** Begins on [ ] and ends on [ ]

**Threshold, Target and Maximum Calculation Chart:** See attached Exhibit 1

**Exhibit 1 to Schedule A to Performance Share Unit Award Agreement**

[     ] PSU Performance Share Matrix

Performance Level	EBITDA Based Shares Earned				ROIC Based Shares Earned				Total Shares Earned
	EBITDA Result Vs. Target	EBITDA Based Shares	EBITDA Weight	Shares Earned	ROIC Result Vs. Target	ROIC Shares	ROIC Weight	Shares Earned	
Threshold									
Target									
Maximum									

Note: Interpolate between all EBITDA & ROIC results and award levels

**DOLLAR GENERAL CORPORATION  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AGREEMENT (the “Agreement”), dated as of the date indicated on **Schedule A** hereto (the “Grant Date”), is made between Dollar General Corporation, a Tennessee corporation (hereinafter, together with all Service Recipients unless the context indicates otherwise, called the “Company”), and the individual whose name is set forth on the signature page hereof, who is an employee of the Company (hereinafter referred to as the “Grantee”). Capitalized terms not otherwise defined herein shall have the same meanings as in the Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates, as amended from time to time (the “Plan”), the terms of which are hereby incorporated by reference and made a part of this Agreement.

WHEREAS, the Company desires to grant the Grantee a restricted stock unit award as provided for hereunder, ultimately payable in shares of Common Stock of the Company, par value \$0.875 per Share (the “Restricted Stock Unit Award”), pursuant to the terms and conditions of this Agreement and the Plan; and

WHEREAS, the Compensation, Nominating and Governance Committee (or a duly authorized subcommittee thereof) of the Company’s Board appointed to administer the Plan (the “Committee”) has determined that it would be to the advantage and in the best interest of the Company and its shareholders to grant the Restricted Stock Unit Award provided for herein to the Grantee, and has advised the Company thereof and instructed the undersigned officer to issue said Award;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. **Grant of the Restricted Stock Unit.** Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, the Company hereby grants to the Grantee the number of Restricted Stock Units set forth on **Schedule A** hereto. A “Restricted Stock Unit” represents the right to receive one Share of Common Stock upon satisfaction of the vesting and other conditions set forth in this Agreement. The Restricted Stock Units shall vest and become nonforfeitable in accordance with Section 2 hereof.

2. **Vesting.**

(a) **Vesting Date and Forfeiture.** The Restricted Stock Units shall become vested and nonforfeitable in three equal installments on each of the first, second, and third anniversaries of the Grant Date (each such date, a “Vesting Date”), so long as the Grantee continues to be an employee of the Company through each such Vesting Date. To the extent the application of this vesting schedule results in the vesting of fractional shares, the fractional shares shall be combined and be a part of the first installment. If the Grantee’s employment with the Company terminates prior to a Vesting Date and Section 2(b) does not apply or has not applied, or to the extent Section 2(b) cannot apply, then any unvested Restricted Stock Units at the date of such termination of employment shall be automatically forfeited to the Company.

(b) Accelerated Vesting Events. Notwithstanding the foregoing, to the extent such Restricted Stock Units have not previously terminated or become vested and nonforfeitable, (i) if the Grantee terminates his employment with the Company due to the Grantee's Retirement (as defined below), then that one-third of the Restricted Stock Units that would have become vested and nonforfeitable on the next immediately following Vesting Date if the Grantee had remained employed through such date shall become vested and nonforfeitable upon such Retirement, provided, however, that, if the Grantee retires on a Vesting Date, no accelerated vesting shall occur but rather Grantee shall be entitled only to the portion of the Restricted Stock Units that were scheduled to vest on such Vesting Date; and (ii) in the event of the Grantee's death or Disability (as defined below), one hundred percent (100%) of the Restricted Stock Units shall become vested and nonforfeitable upon such death or Disability; and (iii) upon a Change in Control, one hundred percent (100%) of the Restricted Stock Units shall become vested and nonforfeitable.

(c) Transfer and Reemployment. For purposes of this Agreement, transfer of employment among the Company and another Service Recipient shall not be considered a termination or interruption of employment. Upon reemployment following a termination of employment for any reason, the Grantee shall have no rights to any Restricted Stock Units previously forfeited and cancelled under this Agreement.

(d) Retirement. For purposes of this Agreement, Retirement shall mean the voluntary termination of Grantee's employment with the Company on or after (i) reaching the minimum age of sixty-two (62) and (ii) achieving five (5) consecutive years of service; provided, however, that (i) the sum of the Grantee's age plus years of service (counting whole years only) must equal at least seventy (70); (ii) there is no basis for the Company to terminate the Grantee for Cause at the time of Grantee's voluntary termination; and (iii) the termination also constitutes a "separation from service" within the meaning of Section 409A of the Code.

(e) Disability. For the purposes of this Agreement, Disability shall have the meaning as provided under Section 409A(a)(2)(C)(i) of the Code.

(f) Cause. For the purposes of this Agreement, Cause shall mean (i) "Cause" as such term may be defined in any employment agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (ii) if there is no such employment agreement in effect, "Cause" as such term may be defined in any change-in-control agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (iii) if there is no such employment or change-in-control agreement, with respect to a Grantee: (A) any act of the Grantee involving fraud or dishonesty, or any willful failure to perform reasonable duties assigned to the Grantee which failure is not cured within 10 business days after receipt from the Company of written notice of such failure; (B) any material breach by the Grantee of any securities or other law or regulation or any Company policy governing trading or dealing with stock, securities, investments or the like, or any inappropriate disclosure or "tipping" relating to any stock, securities, investments or the like; (C) other than as required by law, the carrying out by the Grantee of any activity, or the Grantee making any public statement, which prejudices or ridicules the good name and standing of the Company or its Affiliates (including any limited partner of Buck Holdings, L.P.) or would bring such persons into public contempt or ridicule; (D) attendance by the Grantee at work in a state of intoxication or the Grantee otherwise being found in possession at the Grantee's place of work of any prohibited drug or substance, possession of which would amount to a criminal offense; (E) any assault or other act of violence by the Grantee; or (F) the Grantee being indicted for



any crime constituting (I) any felony whatsoever or (II) any misdemeanor that would preclude employment under the Company's hiring policy.

(g) Change in Control . For purposes of this Agreement, a Change in Control (as defined in the Plan) will be deemed to have occurred with respect to the Grantee only if an event relating to the Change in Control constitutes a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Treas. Reg. Section 1.409A-3(i)(5).

3. **Payment of Common Stock** .

(a) Payment and Delivery . Shares of Common Stock corresponding to the number of Restricted Stock Units that become vested and nonforfeitable in accordance with Section 2 ("RSU Shares") shall be paid to the Grantee, or, if deceased, the Grantee's estate, either through delivery of a share certificate or by providing evidence of electronic delivery, and such RSU Shares shall be registered in the name of the Grantee or, if deceased, the Grantee's estate. The RSU Shares shall be paid on the Vesting Date unless vesting is accelerated under Section 2(b) prior to such Vesting Date. In the event vesting is accelerated under Section 2(b), the RSU Shares shall be paid as follows (based on the first to occur of Retirement, death, Disability or Change in Control): (i) six (6) months and one (1) day following the date of termination of employment due to Retirement; (ii) within thirty (30) days following the date of the Grantee's death or Disability; or (iii) upon a Change in Control. If the Grantee dies prior to payment under Section 3(a)(i), payment of the RSU Shares shall occur within thirty (30) days following the Grantee's death.

(b) Authorized Shares. The RSU Shares may be either previously authorized but unissued Shares or issued Shares, which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable.

4. **No Dividend Equivalents** . The Grantee shall have no right to dividend equivalents or dividends on the Restricted Stock Units.

5. **Transferability** . Neither the Restricted Stock Units prior to becoming vested pursuant to Section 2 nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Grantee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5 shall not prevent transfers by will or by the applicable laws of descent and distribution.

6. **No Guarantee of Employment** . Nothing in this Agreement or in the Plan shall confer upon the Grantee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to terminate the employment of the Grantee at any time for any reason whatsoever, with or without cause, subject to the applicable provisions of, if any, the Grantee's employment agreement with the Company or offer letter provided by the Company to the Grantee.

7. **Change in Capitalization; Change in Control**. If any event described in Section 8 or 9 of the Plan occurs, this Agreement and the Restricted Stock Units shall be adjusted to the extent required or permitted, as applicable, pursuant to Sections 8 and 9 of the Plan.

8. **Mandatory Tax Withholding**. Unless otherwise determined by the Committee, at the time of vesting, the Company shall withhold from any RSU Shares deliverable in payment of the Restricted Stock Units the number of RSU Shares having a value equal to the minimum amount of income and employment taxes required to be withheld under applicable laws and regulations, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. Any fractional shares resulting from the payment of the withholding amounts shall be liquidated and paid in cash to the U.S. Treasury as additional federal income tax withholding for the Grantee. Grantee shall be responsible for any withholding taxes not satisfied by means of such mandatory withholding and for all taxes in excess of such withholding taxes that may be due upon vesting of the Restricted Stock Units.

9. **Limitation on Obligations**. This Restricted Stock Unit Award shall not be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Grantee for damages relating to any delays in issuing the share certificates or electronic delivery thereof to him (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance or registration of the certificates or in the certificates themselves.

10. **Securities Laws**. The Company may require the Grantee to make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws. The Restricted Stock Units and RSU Shares shall be subject to all applicable laws, rules and regulations and to such approvals of any governmental agencies as may be required.

11. **Notices**. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary or his or her designee, and any notice to be given to the Grantee shall be addressed to him at the address given beneath his signature hereto. By a notice given pursuant to this Section 11, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Grantee shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 11. Any notice shall have been deemed duly given when delivered by hand or courier or when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

12. **Governing Law**. The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

13. **Section 409A of the Code**. The provisions of Section 10(c) of the Plan are hereby incorporated by reference. Notwithstanding the foregoing, the Company shall not be liable to the Grantee in the event this Agreement fails to be exempt from, or comply with, Section 409A of the Code.

14. **Arbitration** . In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules, by a single independent arbitrator. Such arbitration process shall take place within the Nashville, Tennessee metropolitan area. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator.

15. **Clawback** . As a condition of receiving the Restricted Stock Units, the Grantee acknowledges and agrees that the Grantee's rights, payments, and benefits with respect to the Restricted Stock Units 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 any rule or regulation of the Securities and Exchange Commission or by any applicable national exchange, or by any other applicable law, rule or regulation.

16. **Applicability of Plan and Management Stockholder's Agreement** . The Restricted Stock Units and the RSU Shares issued to the Grantee upon payment of the Restricted Stock Units shall be subject to all terms and provisions of the Plan to the extent applicable to restricted stock units and Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control. The Restricted Stock Units and the RSU Shares issued to the Grantee shall not be subject to, and hereby are expressly exempted from, all of the terms and provisions of any Management Stockholder's Agreement between the Grantee and the Company in existence on the Grant Date.

17. **Amendment and Termination** . This Agreement may be modified in any manner consistent with Section 10 of the Plan.

18. **Administration** . The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Restricted Stock Unit Award. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

19. **Rights as Shareholder** . The holder of a Restricted Stock Unit Award shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any RSU Shares issuable upon the payment of a vested Restricted Stock Unit unless and until a certificate or certificates representing such RSU Shares shall have been issued by the Company to such holder or, if the Common Stock is listed on a national securities exchange, a book entry representing such RSU Shares has been made by the registrar of the Company.

20. **Signature in Counterparts.** This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

*[ Signatures on next page.]*

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

DOLLAR GENERAL CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

GRANTEE

\_\_\_\_\_  
[name]

ADDRESS:

\_\_\_\_\_

\_\_\_\_\_

**Schedule A to Restricted Stock Unit Award Agreement**

**Grant Date :** [ ]  
**Number of Restricted Stock Units Awarded :** [ ]

**DOLLAR GENERAL CORPORATION  
RESTRICTED STOCK AWARD AGREEMENT**

THIS AGREEMENT (the “Agreement”), dated as of the date indicated on **Schedule A** hereto (the “Grant Date”), is made between Dollar General Corporation, a Tennessee corporation (hereinafter, together with all Service Recipients unless the context indicates otherwise, called the “Company”), and the individual whose name is set forth on the signature page hereof, who is an employee of the Company (hereinafter referred to as the “Grantee”). Capitalized terms not otherwise defined herein shall have the same meanings as in the Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates, as amended from time to time (the “Plan”), the terms of which are hereby incorporated by reference and made a part of this Agreement.

WHEREAS, the Company desires to grant to the Grantee performance-based restricted shares of Common Stock of the Company, par value \$0.875 per Share, pursuant to the terms and conditions of this Agreement and the Plan (the “Restricted Stock Award”); and

WHEREAS, the Compensation, Nominating and Governance Committee (or a duly authorized subcommittee thereof) of the Company’s Board appointed to administer the Plan (the “Committee”) has determined that it would be to the advantage and in the best interest of the Company and its shareholders to grant the Restricted Stock Award provided for herein to the Grantee, and has advised the Company thereof and instructed the undersigned officer to issue said Restricted Stock Award;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. **Grant of Restricted Stock Award**. Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, the Company hereby grants to the Grantee the number of restricted shares of Common Stock (referred to as “Restricted Shares”) as set forth on **Schedule A** hereto, which the Grantee will have an opportunity to earn upon satisfaction of each of the relevant EPS Performance Targets set forth in Section 2 and the other conditions set forth in Section 3 of this Agreement. The Restricted Shares shall vest and become nonforfeitable in accordance with Section 3 hereof.

2. **EPS Performance Targets**.

(a) Each “EPS Performance Target”, as defined below and as set forth on **Schedule B** attached hereto, that is required to be achieved in each “Applicable Fiscal Year” as set forth on **Schedule B** attached hereto in order for the Grantee to earn the Restricted Shares was established by the Committee on the Grant Date for each such Applicable Fiscal Year. If neither of the EPS Performance Targets is achieved in the Applicable Fiscal Year, no Restricted Shares shall be earned. Within ninety (90) days following the end of each of the Applicable Fiscal Years, the Committee will determine whether the applicable EPS Performance Target for such year has been met and the Restricted Shares will vest in accordance with Section 3 (each such date of determination, a “Determination Date”). The Restricted Shares are intended to be a Performance-Based Award under the Plan, and the provision of Section 6(c)(ii) of the Plan shall apply. The Committee must certify the performance results for the EPS Performance Target following the end of each Applicable Fiscal Year. The number of Restricted Shares earned (but subject to the additional pro-ratio provisions and vesting provisions set forth in Section 3) shall be divided into two equal and separate installments as provided in Section 3. To the extent allocation of the Restricted Shares to the two

installments results in fractional shares, the vesting of the fractional shares shall be combined and be a part of the first installment.

(b) The “EPS Performance Target” for each Applicable Fiscal Year has been calculated by dividing (x) net income assumed earned in the Applicable Fiscal Year (as calculated in accordance with generally accepted accounting principles applicable to the Company at the relevant time) by (y) an assumed weighted average number of shares of Common Stock outstanding during the Applicable Fiscal Year, *but* in each case the net income calculation excluded the items set forth in i. and ii. below:

- i. the impact of (A) all consulting, accounting, legal, valuation, banking, filing, disclosure and similar costs, fees and expenses directly related to the consideration, negotiation, approval and consummation of the proposed acquisition and related financing of the Company by affiliates of Kohlberg Kravis Roberts & Co. (including without limitation any costs, fees and expenses relating to the filing and maintenance of a market maker registration statement or to any refinancings) and any litigation or settlement of any litigation related thereto; (B) any costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any asset sale, merger or other transaction that results in a Change in Control (within the meaning of the Amended and Restated 2007 Dollar General Corporation Stock Incentive Plan) of the Company or any primary or secondary offering of Company common stock or other security; (C) any gain or loss recognized as a result of derivative instrument transactions or other hedging activities; (D) share-based compensation charges; (E) any gains or losses associated with the early retirement of debt obligations; (F) charges resulting from significant natural disasters; and (G) any significant gains or losses associated with the Company’s LIFO computation; and
- ii. unless the Committee disallows any such item, (A) non-cash asset impairments; (B) any significant loss as a result of an individual litigation, judgment or lawsuit settlement (including a collective or class action lawsuit and security holder lawsuit, among others); (C) charges for business restructurings; (D) any material and demonstrable impact resulting from changes in tax or other legislation or accounting changes enacted after the beginning of the 2012 fiscal year not contemplated in the Company’s 2012-2016 financial plan; (E) significant tax settlements; and (F) any significant unplanned items of a non-recurring or extraordinary nature.

### 3. Vesting.

(a) Vesting of One-Half of Restricted Shares. One-half of the Restricted Shares earned based on the Committee’s determination that the Actual EPS (as such term is defined in **Schedule B** attached hereto) for the First Fiscal Year is equal to or greater than the EPS Performance Target for the First Fiscal Year (as such term is defined in **Schedule B** attached hereto) in accordance with Section 2 (such one-half installment so earned being the “Initial Earned Restricted Shares”) shall become vested and nonforfeitable on the “First Determination Date” (as such term is defined in **Schedule B** attached hereto), but only if the Grantee has remained continuously employed through such date. If the Grantee does not remain continuously employed through the First Determination Date because of Grantee’s death or Disability before such date, then a Pro-Rata Portion of the Initial Earned Restricted Shares (rounded to the nearest whole share) shall become vested and nonforfeitable as of the First Determination Date and all remaining Initial Earned Restricted Shares shall be automatically forfeited to the Company and cancelled. For purposes of this Section 3(a) only, a “Pro Rata Portion” is determined by a fraction (not to exceed one), the numerator of which is



the number of calendar months in the “Initial Service Period” as set forth on **Schedule B** hereto during which the Grantee was continuously in the employment of the Company and the denominator of which is the number of calendar months in the Initial Service Period. The Grantee will be deemed to be employed for a full calendar month if the Grantee’s death or Disability occurs after the fifteenth (15<sup>th</sup>) day of a calendar month. If the Grantee does not remain continuously employed through the First Determination Date for any other reason, then all Restricted Shares shall be automatically forfeited to the Company and cancelled on the date the Grantee’s employment terminates. Notwithstanding the above, no Restricted Shares shall vest if the Grantee is terminated for Cause.

(b) Vesting of Remaining Earned Restricted Shares. The remaining one-half Restricted Shares based on the Committee’s determination that the Actual EPS for the Second Fiscal Year is equal to or greater than the EPS Performance Target for the Second Fiscal Year (as such term is defined in **Schedule B** attached hereto) in accordance with Section 2 (such one-half installment so earned being the “Remaining Earned Restricted Shares”) shall become vested and nonforfeitable on the “Second Determination Date” (as such term is defined in **Schedule B** attached hereto), but only if the Grantee has remained continuously employed through such date. If the Grantee does not remain continuously employed through the Second Determination Date because of Grantee’s death or Disability, *but* only if the Grantee does not die or become Disabled prior to the expiration of the Initial Service Period, then the Remaining Earned Restricted Shares shall become vested and nonforfeitable as of the date of Grantee’s death or Disability as if the EPS Performance Target for such Second Fiscal Year had been achieved. If the Grantee does not remain continuously employed through the fourth anniversary of the Grant Date under any other circumstances, then all Restricted Shares that are not vested as of the date of the Grantee’s termination of employment shall be automatically forfeited to the Company and cancelled on the date of the Grantee’s termination of employment.

(c) Transfers and Reemployment. For purposes of this Agreement, transfer of employment among the Company and another Service Recipient shall not be considered a termination or interruption of employment. Upon reemployment following a termination of employment for any reason, the Grantee shall have no rights to any Restricted Shares previously forfeited and cancelled under this Agreement.

(d) Disability. For the purposes of this Agreement, Disability shall mean the Grantee’s termination of employment due to Grantee’s “Disability” (i) as defined in any employment agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (ii) if there is no such employment agreement in effect or no definition therein, as defined in any change-in-control agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (iii) if there is no such employment or change-in-control agreement or definitions therein, as defined in the Company’s long-term disability plan.

(e) Cause. For the purposes of this Agreement, Cause shall mean (i) “Cause” as such term may be defined in any employment agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (ii) if there is no such employment agreement in effect, “Cause” as such term may be defined in any change-in-control agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (iii) if there is no such employment or change-in-control agreement, with respect to a Grantee: (A) any act of the Grantee involving fraud or dishonesty, or any willful failure to perform reasonable duties assigned to the Grantee which failure is not cured within 10 business days after receipt from the Company of written notice of such failure; (B) any material breach by the Grantee of any securities or other law or regulation or any Company policy governing trading or dealing with stock, securities, investments or the like, or any inappropriate disclosure or “tipping” relating to any stock, securities, investments or the like; (C) other than as required by law, the carrying out by the Grantee of any activity, or the Grantee making any public statement, which prejudices or ridicules the good

name and standing of the Company or its Affiliates (including any limited partner of Buck Holdings, L.P.) or would bring such persons into public contempt or ridicule; (D) attendance by the Grantee at work in a state of intoxication or the Grantee otherwise being found in possession at the Grantee's place of work of any prohibited drug or substance, possession of which would amount to a criminal offense; (E) any assault or other act of violence by the Grantee; or (F) the Grantee being indicted for any crime constituting (I) any felony whatsoever or (II) any misdemeanor that would preclude employment under the Company's hiring policy.

(f) **Change in Control**. Notwithstanding any other provision of this Section 3, in the event of a Change in Control, vesting of the Restricted Shares that have not previously become vested and nonforfeitable, or have not previously been forfeited, under Section 2, 3 (a), or 3(b) hereof shall be determined under this Section 3(f). If a Change in Control occurs on or before any Determination Date and provided the Grantee is continuously employed until the Change in Control, any then unvested Restricted Shares shall be deemed earned and shall become vested and nonforfeitable upon the Change in Control.

4. **Rights as a Shareholder; Dividends**. The Grantee shall be the record owner of the Restricted Shares until or unless such Restricted Shares are forfeited pursuant to Section 2 or 3 hereof, and as record owner shall be entitled to all rights of a common shareholder of the Company, including, without limitation, voting rights with respect to the Restricted Shares; *provided*, that any cash or in-kind dividends paid with respect to the Restricted Shares prior to becoming vested hereunder shall be withheld by the Company and shall be delivered to the Grantee only when, and if, such Restricted Shares shall become fully vested pursuant to Section 2 and/or 3, as applicable. As soon as practicable following the vesting of any Restricted Shares hereunder, either certificates for the Restricted Shares which shall have vested shall be delivered to the Participant or to the Participant's legal guardian or representative along with the stock powers relating thereto, or the book entry representing such Restricted Shares that shall have been made by the registrar of the Company at the time of the Grant Date shall be updated to reflect such vesting.

5. **Transferability**. Neither the Restricted Shares prior to vesting pursuant to Section 3 nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Grantee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5 shall not prevent transfers by will or by the applicable laws of descent and distribution.

6. **No Guarantee of Employment**. Nothing in this Agreement or in the Plan shall confer upon the Grantee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to terminate the employment of the Grantee at any time for any reason whatsoever, with or without cause, subject to the applicable provisions of, if any, the Grantee's employment agreement with the Company or offer letter provided by the Company to the Grantee.

7. **Change in Capitalization; Change in Control**. If any event described in Section 8 or 9 of the Plan occurs, this Agreement and the Restricted Shares shall be adjusted to the extent required or permitted, as applicable, pursuant to Sections 8 and 9 of the Plan.

8. **Taxes**. The Grantee shall have full responsibility, and the Company shall have no responsibility (except as to applicable tax withholdings), for satisfying any liability for any

federal, state or local income or other taxes required by law to be paid with respect to the Restricted Shares. The Grantee is hereby advised to seek his or her own tax counsel regarding the taxation of the Restricted Shares hereunder. Unless otherwise determined by the Committee, at the time of vesting the Company shall withhold from the Restricted Shares the number of Restricted Shares having a value equal to the minimum amount of income and employment taxes required to be withheld under applicable laws and regulations, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. Any fractional shares resulting from the payment of the withholding amounts shall be liquidated and paid in cash to the U.S. Treasury as additional federal income tax withholding for the Grantee. Grantee shall be responsible for any withholding taxes not satisfied by means of such mandatory withholding and for all taxes in excess of such withholding taxes that may be due upon vesting of the Restricted Shares.

9. **Limitation on Obligations**. Other than the Restricted Shares issued hereunder, no assets of the Company shall be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Grantee for damages relating to any delays in issuing the share certificates or electronic delivery thereof to him (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance or registration of the certificates or in the certificates themselves.

10. **Securities Laws**. The Company may require the Grantee to make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws. The Restricted Shares shall be subject to all applicable laws, rules and regulations and to such approvals of any governmental agencies as may be required.

11. **Notices**. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary or his or her designee, and any notice to be given to the Grantee shall be addressed to him at the address given beneath his signature hereto. By a notice given pursuant to this Section 11, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Grantee shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 11. Any notice shall have been deemed duly given when delivered by hand or courier or when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

12. **Governing Law**. The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

13. **Arbitration**. In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules, by a single independent arbitrator. Such arbitration process shall take place within the Nashville, Tennessee metropolitan area. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator.

14. **Clawback**. As a condition of receiving the Restricted Shares, the Grantee acknowledges and agrees that the Grantee's rights, payments, and benefits with respect to the Restricted Shares 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 any rule or regulation of the Securities and Exchange Commission or by any applicable national exchange, or by any other applicable law, rule or regulation.

15. **Applicability of Plan and Management Stockholder's Agreement**. The Restricted Shares issued to the Grantee shall be subject to all terms and provisions of the Plan to the extent applicable. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control. The Restricted Shares issued to the Grantee shall not be subject to, and hereby are expressly exempted from, all of the terms and provisions of any Management Stockholder's Agreement between the Grantee and the Company in existence on the Grant Date.

16. **Amendment and Termination**. This Agreement may be modified in any manner consistent with Section 10 of the Plan.

17. **Administration**. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Restricted Stock Award. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

18. **Signature in Counterparts**. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

DOLLAR GENERAL CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

GRANTEE

\_\_\_\_\_  
Richard W. Dreiling

ADDRESS:

\_\_\_\_\_

\_\_\_\_\_

**Schedule A to Restricted Share Award Agreement**

**Grant Date :** March 20, 2012

**Number of Restricted Shares Awarded :** 326,037

**Schedule B to Restricted Stock Award Agreement**

<b><u>EPS Performance Target for First Fiscal Year :</u></b>	\$[ ]
<b><u>EPS Performance Target for Second Fiscal Year :</u></b>	\$[ ]
<b><u>EPS Performance Target:</u></b>	Either of the EPS Performance Target for the First Fiscal Year or the EPS Performance Target for the Second Fiscal Year, as applicable.
<b><u>First Fiscal Year:</u></b>	The Company's 2014 fiscal year.
<b><u>Second Fiscal Year:</u></b>	The Company's 2015 fiscal year.
<b><u>Applicable Fiscal Year:</u></b>	Either of the First Fiscal Year or Second Fiscal Year, as applicable.
<b><u>Actual EPS:</u></b>	" <u>Actual EPS</u> " for any Applicable Fiscal Year shall be equal to the quotient of (x) net income earned in the Applicable Fiscal Year (as calculated in accordance with generally accepted accounting principles applicable to the Company at the relevant time), with such net income calculation to exclude the items referenced in Section 2(b) i. and ii. of the Agreement, by (y) the weighted average number of shares of Common Stock outstanding during the Applicable Fiscal Year.
<b><u>First Determination Date:</u></b>	The Determination Date occurring in respect of the First Fiscal Year.
<b><u>Second Determination Date:</u></b>	The Determination Date occurring in respect of the Second Fiscal Year.
<b><u>Initial Service Period :</u></b>	The period beginning on the first day of the Company's 2012 fiscal year and ending and including the last day of the First Fiscal Year.