

DOLLAR GENERAL CORPORATION

COMPENSATION COMMITTEE CHARTER

(As Adopted by the Board of Directors on January 25, 2006)

I. Membership

The Compensation Committee (the “Committee”) shall consist of at least three directors. All members of the Committee shall be Independent Directors (as defined in the Company’s Corporate Governance Principles) and shall otherwise meet the membership qualification requirements contained in the Company’s Corporate Governance Principles. Committee members shall be appointed annually by the Board and may be removed by the Board at any time.

II. Purpose

The Committee’s primary purposes are to:

- Assist the Board in discharging its responsibilities relating to compensation of the Company’s Board members and executive officers.
- Review and evaluate the Company’s overall compensation philosophy and oversee the Company’s equity, incentive and other compensation and benefits plans.
- Prepare the executive officer compensation report required by the Securities and Exchange Commission for inclusion in the Company’s annual proxy statement.

III. Structure and Operations

Unless the Board appoints a Chairman, the Committee members may designate a Chairman by a majority vote of the full Committee membership. The Committee shall meet at such times as it determines to be necessary or appropriate, but not less than four times each year, and shall report to the Board at the next Board meeting following each such Committee meeting. A majority of the Committee members shall constitute a quorum for the conduct of business at Committee meetings. The affirmative vote of a majority of the Committee members participating in any Committee meeting is necessary for the adoption of any resolution. The Committee may invite the Chairman of the Board, the Chief Executive Officer (“CEO”) or others to attend all or a portion of the Committee meetings. Management should, however, be absent from any discussion or review where compensation of such persons is determined. The Committee shall have the opportunity at each regularly scheduled meeting to meet in executive session without the presence of management. In addition, the Committee shall have the opportunity at each quarterly meeting to meet in separate private sessions with each of the outside compensation consultant, the head of the Human Resources Department and the Company’s General Counsel. The Committee may delegate any of its responsibilities to one or more subcommittees as the Committee may deem appropriate.

IV. Authority and Resources

The Committee shall have the sole authority to select, retain and terminate any consulting firm engaged to assist in the evaluation of director, CEO or other executive officer compensation, and to approve the consulting firm’s fees and other retention terms. In addition, the Committee may conduct or authorize studies and investigations into any matters within the scope of its responsibilities, and to retain outside legal or other advisors to assist in the conduct of any such study or investigation or for any other reason as the Committee determines to be necessary or advisable in

connection with the discharge of its responsibilities. The Company shall pay such consulting firm or outside legal or other advisor retained by the Committee such compensation, including without limitation usual and customary expenses and charges, as shall be determined by the Committee.

V. Responsibilities

The Committee's responsibilities shall include the following, along with any other matters as the Board may delegate to the Committee from time to time:

1. Review and Approve CEO Goals and Objectives. The Committee shall annually review and approve the annual and long-term performance goals and objectives relating to CEO compensation, and shall report to the Board regarding those goals and objectives. The goals and objectives shall include financial performance measures and qualitative performance measures.

2. Evaluate CEO Performance. The Committee shall annually evaluate the CEO's performance in light of the previously established performance goals and objectives. The Committee shall report the evaluation results to the Board and the CEO.

3. Recommend CEO Compensation. The Committee shall annually recommend to the Independent Directors (as defined in the Company's Corporate Governance Principles) of the Board the CEO's compensation level (including salary, bonus, incentive and equity compensation), based on the evaluation of the CEO's performance. The Independent Directors of the Board shall have sole authority to approve the CEO's compensation. The CEO's compensation should be determined in accordance with (a) the compensation principles set forth on **Exhibit A**, (b) the Company's performance and relative shareholder return, (c) in the case of incentives, the value of similar incentive awards to CEOs at comparable companies, and (d) the awards given to the Company's CEO in past years.

4. Recommend Director Compensation. The Committee shall review annually, and recommend to the Board any changes to, the form and amount of compensation for directors in light of the following principles: (a) compensation should fairly pay directors for their time and effort, as evidenced at least in part through competitive benchmarking; and (b) compensation should align directors' interests with the long-term interests of shareholders by including some form of equity (such as restricted stock units). The Company's management shall report annually to the Committee on the status of director compensation in relation to comparable companies. The Committee shall periodically review the principles underlying director compensation and make recommendations to the Board when appropriate. The Committee and the Board should be aware that directors' independence may be questioned when directors' fees and emoluments exceed what is customary. Similar concerns may be raised when the Company makes substantial charitable contributions to organizations in which a director is affiliated, or enters into consulting contracts with or provides other indirect forms of compensation to a director. These matters should be critically evaluated when determining director compensation.

5. Evaluate Officers, Recommend Elections, and Determine Compensation. The Committee shall annually oversee the evaluation of the performance of the Company's officers and shall approve, after consultation with the CEO, the annual compensation, including salary, bonus, incentive and equity compensation, for executive officers in accordance with the compensation principles set forth on **Exhibit A**. In addition, the Committee shall review and approve employment agreements, severance/termination agreements, retirement arrangements, change in control arrangements and provisions, and any special or supplemental benefit arrangements entered into with

individual executive officers. The Committee also shall make recommendations to the Board regarding executive officer elections and shall annually recommend to the Board the election of the full officer slate.

6. Recommend Compensation Principles and Philosophy. The Committee shall periodically review the principles underlying the compensation of the CEO and the other officers of the Company and shall recommend to the Board changes to those principles when appropriate. The Committee shall establish and periodically review the Company's general employee compensation philosophy to ensure it is competitive within the market and closely related to both personal and corporate performance. The Committee shall utilize data from other companies in the Company's industry, and such other data as the Committee determines is appropriate, when evaluating and establishing these compensation principles and the overall compensation philosophy. These benchmark companies shall be selected according to their similarity to the Company's operations, services, revenues and markets.

7. Oversee Compensation and Benefits Programs. The Committee shall oversee the Company's overall compensation and benefits programs. Named fiduciary responsibility and responsibility for day-to-day administration of such programs is delegated to the Benefits Administration Committee (or successor committee). The authority includes the making of certain limited amendments, modifications or supplements to the Company's benefit plans, trusts and related documents. Amendment or modification authority not delegated to the Benefits Administration Committee remains with the Compensation Committee or the Board, as appropriate. The Board shall approve a Charter that governs the Benefits Administration Committee and sets forth delegated responsibilities. The Committee shall appoint and remove the members of the Benefits Administration Committee. The Benefits Administration Committee shall report directly to the Committee at least annually.

8. Oversee Incentive Compensation Plans and Equity-Based Plans. The Committee shall make recommendations to the Board from time to time regarding the design of the Company's incentive compensation and equity-based plans that are subject to Board approval, and shall oversee the administration of these plans and discharge any responsibilities imposed on the Committee by any of these plans. The Committee shall determine the stock options and/or other forms of equity-based compensation to be awarded to directors, officers and employees. The Committee may delegate any such authority to the CEO as authorized in the Company's stock incentive plans.

9. Prepare Report for Proxy Statement. The Committee shall annually prepare a report on executive officer compensation as required by SEC rules and regulations to be included in the Company's annual proxy statement for the annual meeting of shareholders.

10. Conduct Self-Evaluation. The Committee shall conduct an annual evaluation of the performance and effectiveness of the Committee. The Committee shall report the results of this evaluation to the Board.

11. Evaluate Shareholder Proposals. The Committee shall evaluate and make recommendations to the Board regarding shareholder proposals that relate to executive compensation or other matters over which the Committee has expertise.

12. Review Committee Charter. The Committee shall review and reassess the adequacy of this Charter at least once every two years.

Exhibit A

Compensation Principles

The goals of the Company's executive compensation strategy are to attract, retain and motivate persons with superior ability, to reward outstanding performance, and to align the long-term interests of our officers with those of our shareholders. The Company's compensation principles for such persons include, but are not limited to, the following:

- Generally, total compensation should be targeted at the median total compensation of comparable positions at peer companies. However, because comparisons occasionally can be difficult due to the unique job description of some of the Company's officers and the Company's unique niche in the retail sector, the Committee may fairly account for distinct circumstances not reflected in the market data. In addition, competition for new talent may require total compensation, or any component of total compensation, to exceed the median.
- Base salary should be reflective of the responsibilities of the position, the experience and contributions of the individual and the salaries for comparable positions in the competitive marketplace. The Committee should be aware that the base salaries of certain officers are subject to minimums set forth in individual employment agreements.
- Compensation arrangements shall emphasize pay for performance and encourage retention of those officers who enhance the Company's performance.
- Compensation arrangements shall promote ownership of the Company's stock to align the interests of management and shareholders.
- Compensation arrangements shall maintain an appropriate balance between base salary and long-term and annual incentive compensation.
- In approving compensation, the recent compensation history of the officer, including special or unusual compensation payments, shall be taken into consideration.
- Cash incentive compensation plans for officers shall link pay to achievement of financial goals set in advance by the Compensation Committee. Awards of incentive bonuses generally should be based on achieving corporate goals and on a subjective evaluation of the contributions of individual executives to the achievement of the Company's business goals.