

**CORPORATE GOVERNANCE GUIDELINES
OF
FAMILY DOLLAR STORES, INC.**

The following Corporate Governance Guidelines have been approved by the Board of Directors (the “Board”) of Family Dollar Stores, Inc. (the “Company”). These guidelines are intended to provide a flexible policy for the Board’s conduct of its business in combination with the Company’s Certificate of Incorporation, Bylaws and committee charters (the “Charters”) and not to interpret applicable laws or regulations. These Guidelines are subject to modification by the Board and the Board may, as it deems appropriate, deviate from these Guidelines.

Board’s Role and Responsibilities

The primary function of the Board is to oversee the affairs of the Company for the benefit of the Company’s shareholders, while day-to-day operation of the corporation is the responsibility of management. Consistent with that function, the following are the primary responsibilities of the Board, some of which may be delegated to committees:

- Providing general strategic guidance and oversight to the Company’s management, including with respect to the Company’s current performance, its long-term strategic plans and financial objectives and the principal risk exposures of the Company.
- Evaluating the performance of the Company and its senior management, by (i) overseeing the management in the conduct of the Company’s business to evaluate whether it is being effectively managed, including through regular meetings of the outside Directors without the presence of management; and (ii) selecting, regularly evaluating and planning for the succession of the Chief Executive Officer (“CEO”) and other members of senior management as the Board deems appropriate, including fixing the compensation of such individuals;
- Assisting management in the oversight of processes designed to ensure compliance by the Company with applicable laws and regulations, including in connection with the public reporting obligations of the Company;
- Overseeing management with a goal of ensuring that the assets of the Company are safeguarded through the maintenance of appropriate accounting, financial and other controls;
- Evaluating the overall effectiveness of the Board, as well as selecting and recommending to shareholders for election an appropriate slate of Director nominees for election to the Board.

In discharging their responsibilities, Directors must exercise their business judgment to act in a manner they genuinely believe to be in the best interests of the Company’s shareholders. Directors are entitled to rely on the honesty and integrity of the Company’s officers and the Company’s outside advisors and auditors, to the fullest extent permitted by law.

Director Independence

The majority of the Board's members must be independent. In order to be considered independent, a Director must meet the specific minimum independence requirements established by the New York Stock Exchange ("NYSE") corporate governance listing standards and the categorical standards of independence as established by the Board and set forth below. In addition the Board must determine that the Director otherwise has no material relationship with the Company that impairs such independence.

- A director shall not be considered independent if the director does not meet the following categorical standards:
 - A director has not been employed by the Company or its subsidiaries or affiliates within the last four years;
 - A director has not received, during the current year, or any of the three immediately preceding years, remuneration, directly or indirectly, other than *de minimis* remuneration (as defined below), as a result of service (other than as a director of a customer or supplier) as (i) an advisor, consultant, or legal counsel to the Company or to a member of the Company's senior management; or (ii) a significant customer or supplier of the Company;
 - A director has no personal services contracts with the Company, or any member of the Company's senior management;
 - A director is not an officer or employee of a not-for-profit entity that receives significant contributions from the Company and does not serve any such entity in any capacity for which remuneration is received;
 - A director is not employed by a public company at which an executive officer of the Company serves on the compensation committee of the board of directors;
 - A director does not have any investment in any entity in which the Company also has an investment, other than equity or debt investments that are available to the public in public or governmental entities, or investments in any other entity in which neither the director nor the Company or any of its parents, subsidiaries, or affiliates own an interest of 5% or more or exercises managerial control;
 - A director has not had any of the relationships described above with any affiliate of the Company; and
 - A director is not a member of the immediate family of any person who fails to satisfy the qualifications described in this section.
- A director shall be deemed to have received remuneration (other than remuneration as a director, including remuneration provided to a non-executive Chairman of the Board, Committee Chairman, or Lead Director), directly or indirectly, if remuneration, other than *de minimis* remuneration, was paid by

the Company, its subsidiaries or affiliates, to any entity in which the director has a beneficial ownership interest of 5% percent of equity or more, or to an entity by which the director is employed or self-employed other than as a director. Remuneration is deemed *de minimis* remuneration if such remuneration is \$60,000 or less in any fiscal year, or if such remuneration is paid to an entity, it (i) did not for the fiscal year exceed the lesser of \$1 million, or 5% of the gross revenues of the entity; and (ii) did not directly result in a material increase in the compensation received by the director from that entity.

- Board members should inform the Board of any additional circumstances or any change in circumstances that could impair their independence.

Director Qualifications and Nominations

- The Nominating/Corporate Governance Committee shall make recommendations to the Board of candidates to fill existing or newly created seats on the Board. The Board proposes a slate of nominees to the shareholders for election to the Board, using the information provided by the Nominating/Corporate Governance Committee. Shareholders may propose nominees for election as Directors by complying with the Director nomination procedures of the Company's Bylaws.
- Among the criteria to be used by the Nominating/Corporate Governance Committee to select Board candidates are: integrity in business and personal affairs; objectivity and independence in making informed business decisions; professional experience and specific areas of expertise; willingness to devote the time necessary to fulfill a director's duties; the ability to contribute to the diversity of perspectives present in Board deliberations; and requirements of applicable law and listing standards. The Nominating/Corporate Governance Committee may consider such other criteria as it considers appropriate.
- Invitations to join or stand for election to the Board will be extended by the Nominating/Corporate Governance Committee after approval by the Board.

Election of Directors

- In an uncontested election, any Director nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall tender his or her resignation for consideration by the Board promptly after certification of the shareholder vote. The Nominating/Corporate Governance Committee shall evaluate the best interests of the Company and its shareholders and shall recommend to the Board the action to be taken with respect to such tendered resignation.

Service on Other Boards

- Board members who are not officers or employees of the Company (“Non-Management Directors”) may not serve on the boards of more than three other public companies without approval from the Board. A Non-Management Director must provide advance notice to the Chairman of the Board of his or her acceptance of an invitation to serve on the board of directors of any other for-profit company.
- Other Directors and executive officers of the Company must obtain approval from the Board to serve on the board of any other for-profit company.
- Members of the Company’s Audit Committee may not concurrently serve on the audit committees of more than two other public companies without approval from the Board.

Change in Director Occupation

- If a Director’s principal occupation or business associations change substantially during his or her tenure as a Director, the Director shall provide information regarding such change to the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee will consider whether such change is a modification requiring the Director to promptly tender his or her resignation for consideration of the Nominating/Corporate Governance Committee, in which case the Director will offer to tender such resignation. The Committee will recommend to the Board whether to accept or reject such resignation.

Director Orientation and Education

- New Board members should complete an orientation program provided by the Company’s management as approved by the Company’s Nominating/Corporate Governance Committee which shall cover topics including, but not limited to, the Company’s long term strategic goals, the Company’s current and foreseen business environments, the Company’s compliance programs and codes of conduct, and managerial, accounting, legal and financial issues facing the Company.
- New Board members should meet with the Company’s General Counsel to discuss legal responsibilities of Board members and should tour the Company’s corporate facilities, a Company store, and a Company distribution center to gain a better understanding of the Company’s operations and culture.
- Board members are expected to maintain a level of knowledge sufficient to perform their respective duties. To assist this process, the Company

encourages and pays for Non-Management Directors' education. Additional presentations and materials will be provided to the Directors from time to time on an individual basis or collectively, as appropriate, to familiarize the Directors with new developments, as necessary to allow them to carry out their responsibilities.

Board Meetings

- The Board will meet at least four times a year and will hold additional meetings as needed. Insofar as practicable, information to inform the Directors about the Company's business, performance and prospects and regarding recommendations for action by the Board will be made available to the Board a reasonable period of time before meetings.
- Board members are expected to attend Board meetings on a regular basis, attend the Annual Meeting of Stockholders and expend the necessary time to prepare for such meetings, including the advance review of materials provided to the Board from time to time.
- Non-Management Directors will meet in regularly scheduled executive sessions at least twice each year. In addition, if the Board includes Non-Management Directors who are not independent in accordance with these Corporate Governance Guidelines, the independent Directors shall meet at least annually. Company management will not attend such meetings unless requested.
- The Board will address some matters at least annually, including the Company's strategic plan and objectives and the principal current and future risk exposures of the Company.

Chairman of the Board and Lead Director

- The Board shall elect a Chairman of the Board (the "Chairman") annually at the time of election of corporate officers of the Company, who shall preside at all Board meetings.
- The offices of Chairman of the Board and CEO may at times be combined and at times be separated, as the Board deems appropriate in light of prevailing circumstances. The Board believes that the combination or separation of these offices should continue to be considered as part of the Company's succession planning. The Board further believes that it is in the best interests of the Company for the Board to make a determination as to the combination or separation of the offices of Chairman and CEO when it elects a new CEO.
- If the Chairman is not an independent Director, the Board shall annually elect an independent Director to serve as Lead Director. If the Chairman is an

independent Director, the Chairman shall serve in the role of the Lead Director as set forth in these Guidelines.

- The Lead Director's role shall be: (i) to consult with and act as a liaison between the Board and the CEO; (ii) to preside over Board meetings in the absence of the CEO (if Chairman) including executive sessions of other Non-Management Directors and independent Directors; (iii) to coordinate the activities of the other Non-Management Directors, including the establishment of the agenda for executive sessions of the Non-Management Directors and independent Directors; and (iv) serve as a contact for interested parties to express opinions and concerns to the Non-Management Directors. The Lead Director shall be authorized to call meetings of the Non-Management Directors or independent Directors.
- At the beginning of each fiscal year, the CEO and Lead Director will consult with each other for the purpose of establishing and approving the yearly schedule and agendas for the meetings of the Board (with a view to ensuring that there is sufficient time for discussion of all agenda items at meetings), recognizing that business needs arising during the year may require revisions to such schedules and agendas. Board members may raise subjects at meetings that are not on the agenda.

Interactions with Third Parties

- Company management shall be the primary communicator of Company matters to third parties including, but not limited to, the media and analyst communities. Board members should, barring unusual circumstances, consult first with Company management before communicating Company matters with such third parties.
- Directors may freely communicate with any member of Company management but, absent unusual circumstances, will keep executive management generally advised of such communications in order to avoid disruption of the business.
- In no event will any Director disclose any material non-public information concerning the Company. Questions about such information should be directed to the General Counsel. If a Director inadvertently discloses information that may be material and non-public, he or she should immediately so advise the General Counsel.

Engagement of Advisors

- The Board and each Board committee shall have the power to hire independent advisors, as they deem necessary, and shall have authority to communicate with legal, accounting, compensation or other consultants without prior consultation with Company management.

Management Succession

- In consultation with the Leadership Development and Compensation Committee, the Non-Management Directors will meet with the CEO at least once each year to discuss matters relating to management succession (including temporary delegations of authority in emergency situations) and management development and to evaluate other executive officers. In addition, the agenda for at least one of the executive sessions of the Non-Management Directors each year will include discussion of matters relating to management succession and development.

Board Compensation

- The Board believes that an alignment of Director interests with those of shareholders is important. The Company's Leadership Development and Compensation Committee should recommend to the Board for approval the compensation of the Company's Non-Management Directors which should generally consist of a combination of cash and equity and shall be both competitive and reasonable.
- Company officers or employees who serve as Directors will not receive compensation for such service.

Board Committees

- The Board has established four standing committees: the Audit Committee, the Nominating/Corporate Governance Committee, the Leadership Development and Compensation Committee and the Equity Award Committee. The Board may create additional committees as it deems necessary.
- Each Board committee will operate under the Bylaws, its Charter, as approved by the Board, and any other applicable resolution of the Board.
- Committee Chairpersons and members will be recommended by the Nominating/Corporate Governance Committee for approval by the Board.
- All Board committee members shall be independent, except for the member(s) of the Equity Award Committee. Committee membership is governed by the committee membership guidelines set forth in the respective Charters.
- Committee Chairpersons are required to report to the Board significant issues facing, and significant findings of, the committees.

Board and Committee Evaluations

- The Board shall conduct an annual self-evaluation and evaluation of the Board's committees, which shall be overseen by the Nominating/Corporate Governance Committee.
- Each standing committee shall conduct an annual self-evaluation.

Stock Ownership Guidelines

- Board members shall be required to maintain a level of equity interest in the Company at least equal to one-half of the cumulative number of shares of common stock of the Company awarded under the Family Dollar 2000 Outside Directors Plan, commencing upon the adoption of these Guidelines as of August 18, 2005, and one-half of the cumulative number of shares of common stock of the Company awarded under the 2006 Incentive Plan. The Company encourages but does not require that Directors maintain an equity interest in the Company in excess of such minimum amounts. For the purposes of these stock ownership guidelines, stock ownership of Directors shall include common stock owned directly by the Director, his or her spouse and/or children in his or her household and common stock held in trust for the benefit of the Director or his or her immediate family which is considered to be beneficially owned by the Director.
- Designated officers of the Company shall be required to retain equity interests granted in consideration of services rendered to or employment with the Company in an amount equal to a multiple of the officer's annual base compensation, in accordance with an executive stock ownership program established by the Board.

Adopted: August 17, 2004

Amended: August 18, 2005; August 17, 2006; August 28, 2007; October 22, 2010; January 20, 2011; and January 19, 2012