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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

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

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Date of Report (Date of earliest event reported): **December 27, 2010**

**DOUGLAS DYNAMICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other  
jurisdiction of  
incorporation)

**001-34728**  
(Commission File  
Number)

**134275891**  
(IRS Employer  
Identification No.)

**7777 North 73rd Street, Milwaukee, Wisconsin 53223**  
(Address of principal executive offices, including zip code)

**(414) 354-2310**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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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 December 27, 2010, the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Douglas Dynamics, Inc. (the "Company") approved form grant notices and standard terms and conditions that it intends to use under the Company's 2010 Stock Incentive Plan for future awards of restricted stock, employee restricted stock units and director restricted stock units. These form grant notices and standard terms and conditions are attached hereto as Exhibits 10.1, 10.2 and 10.3, respectively, and incorporated herein by reference.

Item 9.01.      Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits. The following exhibits are being filed herewith:
- (10.1) Form of Restricted Stock Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan
- (10.2) Form of Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan
- (10.3) Form of Nonemployee Director Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan

SIGNATURES

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: December 30, 2010

DOUGLAS DYNAMICS, INC.

By: \_\_\_\_\_ /s/ Robert McCormick  
Robert McCormick  
Executive Vice President, Chief Financial Officer and Secretary

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DOUGLAS DYNAMICS, INC.

Exhibit Index to Current Report on Form 8-K  
Dated December 27, 2010

<u>Exhibit Number</u>	
(10.1)	Form of Restricted Stock Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan
(10.2)	Form of Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan
(10.3)	Form of Nonemployee Director Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan

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**DOUGLAS DYNAMICS, INC.  
GRANT NOTICE FOR 2010 STOCK INCENTIVE PLAN  
RESTRICTED STOCK**

FOR GOOD AND VALUABLE CONSIDERATION, Douglas Dynamics, Inc. (the "Company"), hereby grants to Participant named below the number of restricted shares of the Company's common stock, par value \$0.01 (the "Common Stock"), specified below (the "Award"), upon the terms and subject to the conditions set forth in this Grant Notice, the Douglas Dynamics, Inc. 2010 Stock Incentive Plan (the "Plan") and the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and provided to Participant, each as amended from time to time. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:

Grant Date: \_\_\_\_\_, 20

Number of Shares of Restricted Stock:

Vesting Schedule: Subject to the terms and conditions set forth in the Standard Terms and Conditions:

Shares shall vest on \_\_\_\_\_, 20  
 Shares shall vest on \_\_\_\_\_, 20  
 Shares shall vest on \_\_\_\_\_, 20

By accepting this Grant Notice, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice, the Plan and the Standard Terms and Conditions.

DOUGLAS DYNAMICS, INC.

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

\_\_\_\_\_  
 Participant Signature  
 \_\_\_\_\_  
 Address (please print)

**DOUGLAS DYNAMICS, INC.  
STANDARD TERMS AND CONDITIONS FOR  
RESTRICTED STOCK**

These Standard Terms and Conditions apply to the Award of restricted stock granted pursuant to the Douglas Dynamics, Inc. 2010 Stock Incentive Plan (the "Plan"), which are evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Terms and Conditions, the restricted stock shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

**1. TERMS OF RESTRICTED STOCK**

Douglas Dynamics, Inc., a Delaware corporation (the "Company"), has granted to the Participant named in the Grant Notice provided to said Participant herewith (the "Grant Notice") an award of a number of restricted shares (the "Award" or the "Restricted Stock") of the Company's common stock, par value \$0.01 (the "Common Stock"), specified in the Grant Notice. The Award is subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions, and the Plan, each as amended from time to time. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

**2. VESTING OF RESTRICTED STOCK**

The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested as described in the Grant Notice with respect to that number of shares of Restricted Stock as set forth in the Grant Notice. The vesting of the Restricted Stock shall accelerate, and all of the shares of Restricted Stock shall become fully vested, upon the occurrence of a Change of Control or upon the Participant's Termination of Employment by reason of death or Disability. Shares of Restricted Stock that have vested and are no longer subject to forfeiture are referred to herein as "Vested Shares." Shares of Restricted Stock awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as "Unvested Shares." Notwithstanding anything contained in these Standard Terms and Conditions to the contrary, upon the Participant's Termination of Employment for any reason other than death or Disability, any then Unvested Shares (after taking into account any accelerated vesting under any agreement between the Participant and the Company, if applicable) held by the Participant shall be forfeited and canceled as of the date of such Termination of Employment.

**3. RIGHTS AS STOCKHOLDER**

From and after the Grant Date, the Participant shall have all of the dividend rights and all other rights of a stockholder of the Company with respect to the Restricted Stock, except that (a) the Participant agrees not vote any Unvested Shares until such shares are vested and no longer subject to forfeiture and (b) all rights as a stockholder of the Company as to Unvested Shares shall terminate upon the forfeiture of such Unvested Shares as and to the extent specifically provided in Section 2 above.

Until the Restricted Stock vests, the record address of the holder of record shall be "c/o the Secretary of Douglas Dynamics, Inc." at the address of the Corporate Offices of the Company. The Restricted Stock will be held in escrow in the custody of the Secretary of the Company and shall contain the following legend: "THE TRANSFER AND REGISTRATION OF TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS AS PROVIDED IN A RESTRICTED STOCK AWARD AND STANDARD TERMS AND CONDITIONS DATED AS OF [DATE] BY AND BETWEEN DOUGLAS DYNAMICS, INC. AND [NAME OF PARTICIPANT]." After the Restricted Stock vests, the Participant shall be entitled, provided it has

paid any tax liability, to receive the certificate representing the Restricted Stock, which shall no longer contain the above legend.

**4. RESTRICTIONS ON REALES OF SHARES**

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Vested Shares, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

**5. TAXES**

To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the grant or vesting of the Restricted Stock. The Company shall not be required to issue shares or to recognize the disposition of such shares until such obligations are satisfied. Unless the Participant pays the withholding tax obligations to the Company by cash or check, withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the Award (provided that shares of Common Stock may be withheld only to the extent that such withholding will not result in adverse accounting treatment for the Company). The Participant acknowledges that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the Award from any amounts payable by it to the Participant (including, without limitation, future cash wages).

**6. NON-TRANSFERABILITY OF UNVESTED SHARES**

The Participant represents and warrants that the shares of Restricted Stock are being acquired by the Participant solely for the Participant's own account for investment and not with a view to or for sale in connection with any distribution thereof. The Participant further understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Administrator, the Unvested Shares may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of.

**7. OTHER AGREEMENTS SUPERSEDED**

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Restricted Stock. Any prior agreements, commitments or negotiations concerning the Restricted Stock are superseded.

**8. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK**

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment at any time for any reason.

**9. GENERAL**

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

These Standard Terms and Conditions shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Plan shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Administrator in its total and absolute discretion.

**10. ELECTRONIC DELIVERY**

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Restricted Stock via Company web site or other electronic delivery.

**DOUGLAS DYNAMICS, INC.  
GRANT NOTICE FOR 2010 STOCK INCENTIVE PLAN  
RESTRICTED STOCK UNITS**

FOR GOOD AND VALUABLE CONSIDERATION, Douglas Dynamics, Inc. (the "Company"), hereby grants to Participant named below the opportunity to earn the number of restricted stock units specified below (the "Award"), upon the terms and subject to the conditions set forth in this Grant Notice, the Douglas Dynamics, Inc. 2010 Stock Incentive Plan (the "Plan") and the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and provided to Participant, each as amended from time to time. Each restricted stock unit subject to this Award represents the right to receive one share of the Company's common stock, par value \$0.01 (the "Common Stock"), subject to the conditions set forth in this Grant Notice, the Plan and the Standard Terms and Conditions. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

Name of Participant: \_\_\_\_\_

Effective Date: \_\_\_\_\_, 20\_\_\_\_

Performance Period: \_\_\_\_\_, 20\_\_\_\_ through \_\_\_\_\_, 20\_\_\_\_

Performance Criteria: You will earn a number of Restricted Stock Units based on the Company's achievement as measured by the Performance Measure at the end of the Performance Period, as set forth below.

- The Targeted Performance Value of this Award is \$ \_\_\_\_\_. The actual number of Restricted Stock Units earned is derived by multiplying the Targeted Performance Value by the actual percentage of RSU Target (as defined below) earned, then dividing that total by the average of the closing sale price of the Common Stock on each trading day during the 90-day period ending on the last day of the performance period and rounding down to the nearest whole number.
- The "Performance Measure" for the Performance Period is the free cash flow of the Company ("Free Cash Flow"), defined as cash generated by operating activities less net cash used in investing activities, adjusted for non-recurring items, as determined and approved by the Administrator.
- The Target Free Cash Flow (the "FCF Target") is \$ \_\_\_\_\_ million.
- If actual Free Cash Flow for the Performance Period equals the FCF Target, 100% of the target number of Restricted Stock Units (the "RSU Target") is earned.
- If actual Free Cash Flow for the Performance Period is less than the FCF Target, the percentage of the RSU Target earned is reduced by 1% for each \$ \_\_\_\_\_ shortfall in actual Free Cash Flow below the FCF Target.

- If actual Free Cash Flow for the Performance Period falls below 53.3% of the FCF Target, no Restricted Stock Units are earned.
- If actual Free Cash Flow for the Performance Period is greater than the FCF Target, the percentage of the RSU Target earned is increased by 1% for each \$ \_\_\_\_\_ increase in actual Free Cash Flow above the FCF Target, up to a maximum of 150% of the RSU Target.

By accepting this Grant Notice, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice, the Plan and the Standard Terms and Conditions.

DOUGLAS DYNAMICS, INC.

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

\_\_\_\_\_  
Participant Signature  
\_\_\_\_\_  
Address (please print)

**DOUGLAS DYNAMICS, INC.  
STANDARD TERMS AND CONDITIONS FOR  
RESTRICTED STOCK UNITS**

These Standard Terms and Conditions apply to the Award of restricted stock units granted pursuant to the Douglas Dynamics, Inc. 2010 Stock Incentive Plan (the "Plan"), which are evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Terms and Conditions, the restricted stock units shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

**1. TERMS OF RESTRICTED STOCK UNITS**

Douglas Dynamics, Inc., a Delaware corporation (the "Company"), has granted to the Participant named in the Grant Notice provided to said Participant herewith (the "Grant Notice") the opportunity to earn the number of restricted stock units (the "Award" or the "Restricted Stock Units") specified in the Grant Notice. Each Restricted Stock Unit represents the right to receive one share of the Company's common stock, \$0.01 par value per share (the "Common Stock"), upon the terms and subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions, and the Plan, each as amended from time to time. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

**2. EARNING OF RESTRICTED STOCK UNITS**

The Award shall not be earned as of the Effective Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise earned pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Effective Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become earned as described in the Grant Notice with respect to that number of Restricted Stock Units as set forth in the Grant Notice. The earning of the Restricted Stock Units shall accelerate, and all of the Restricted Stock Units shall become fully earned, upon the occurrence of a Change of Control. Notwithstanding anything contained in these Standard Terms and Conditions to the contrary, upon the Participant's Termination of Employment for any reason (including by reason of death or Disability), any then unearned Restricted Stock Units (after taking into account any accelerated earning under any agreement between the Participant and the Company, if applicable) held by the Participant shall be forfeited and canceled as of the date of such Termination of Employment.

**3. SETTLEMENT OF RESTRICTED STOCK UNITS**

Earned Restricted Stock Units shall be settled by the delivery to the Participant or a designated brokerage firm of one share of Common Stock per earned Restricted Stock Unit as soon as reasonably practicable following the earning of such Restricted Stock Units, and in all events no later than March 15 of the year following the year in which such Restricted Stock Units are earned (unless delivery is deferred pursuant to a nonqualified deferred compensation plan in accordance with the requirements of Section 409A of the Code).

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**4. RIGHTS AS STOCKHOLDER**

The Participant shall not have voting rights or dividend rights with respect to shares of Common Stock underlying Restricted Stock Units unless and until such shares of Common Stock are reflected as issued and outstanding shares on the Company's stock ledger.

**5. HOLDING PERIOD; RESTRICTIONS ON REALES OF SHARES**

Except as otherwise permitted by the Company, the Participant shall not sell, transfer, alienate, hypothecate or otherwise dispose of any Common Stock issued in respect of earned Restricted Stock Units, other than the amount of such Common Stock necessary to pay withholding or other tax obligations arising in connection with the earning of the Restricted Stock Units, until after the end of the calendar year in which such Common Stock is issued.

The Company may impose such additional restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Common Stock issued in respect of earned Restricted Stock Units, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

**6. INCOME TAXES**

The Company shall not deliver shares in respect of any Restricted Stock Units unless and until the Participant has made arrangements satisfactory to the Administrator to satisfy applicable withholding tax obligations. Unless the Participant pays the withholding tax obligations to the Company by cash or check in connection with the delivery of the Common Stock, withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the earning or settlement of the Restricted Stock Units (provided that shares of Common Stock may be withheld only to the extent that such withholding will not result in adverse accounting treatment for the Company). The Participant acknowledges that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the delivery of the Restricted Stock Units from any amounts payable by it to the Participant (including, without limitation, future cash wages).

**7. NON-TRANSFERABILITY OF AWARD**

The Participant represents and warrants that the Restricted Stock Units are being acquired by the Participant solely for the Participant's own account for investment and not with a view to or for sale in connection with any distribution thereof. The Participant further understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Administrator, the Restricted Stock Units may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of.

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**8. OTHER AGREEMENTS SUPERSEDED**

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Restricted Stock Units. Any prior agreements, commitments or negotiations concerning the Restricted Stock Units are superseded.

**9. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK UNITS**

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon earning of the Restricted Stock Units. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment at any time for any reason.

**10. GENERAL**

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

These Standard Terms and Conditions shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

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In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Plan shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Administrator in its total and absolute discretion.

**11. ELECTRONIC DELIVERY**

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Restricted Stock Units via Company web site or other electronic delivery.

**DOUGLAS DYNAMICS, INC.  
GRANT NOTICE FOR 2010 STOCK INCENTIVE PLAN  
RESTRICTED STOCK UNITS  
(NONEMPLOYEE DIRECTOR)**

FOR GOOD AND VALUABLE CONSIDERATION, Douglas Dynamics, Inc. (the "Company"), hereby grants to Participant named below the number of restricted stock units specified below (the "Award"), upon the terms and subject to the conditions set forth in this Grant Notice, the Douglas Dynamics, Inc. 2010 Stock Incentive Plan (the "Plan") and the Standard Terms and Conditions (the "Standard Terms and Conditions") adopted under such Plan and provided to Participant, each as amended from time to time. Each restricted stock unit subject to this Award represents the right to receive one share of the Company's common stock, par value \$0.01 (the "Common Stock"), subject to the conditions set forth in this Grant Notice, the Plan and the Standard Terms and Conditions. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:

Grant Date: \_\_\_\_\_, 20

Number of restricted stock units subject to the Award:

Vesting Schedule: Subject to the terms and conditions set forth in the Standard Terms and Conditions:

restricted stock units shall vest on \_\_\_\_\_, 20

restricted stock units shall vest on \_\_\_\_\_, 20

restricted stock units shall vest on \_\_\_\_\_, 20

By accepting this Grant Notice, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice, the Plan and the Standard Terms and Conditions.

DOUGLAS DYNAMICS, INC.

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

\_\_\_\_\_  
Participant Signature

\_\_\_\_\_  
Address (please print)

**DOUGLAS DYNAMICS, INC.  
STANDARD TERMS AND CONDITIONS FOR  
RESTRICTED STOCK UNITS  
(NONEMPLOYEE DIRECTOR)**

These Standard Terms and Conditions apply to the Award of restricted stock units granted pursuant to the Douglas Dynamics, Inc. 2010 Stock Incentive Plan (the "Plan"), which are evidenced by a Grant Notice that specifically refers to these Standard Terms and Conditions. In addition to these Terms and Conditions, the restricted stock units shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

**1. TERMS OF RESTRICTED STOCK UNITS**

Douglas Dynamics, Inc., a Delaware corporation (the "Company"), has granted to the Participant named in the Grant Notice provided to said Participant herewith (the "Grant Notice") an award of a number of restricted stock units (the "Award" or the "Restricted Stock Units") specified in the Grant Notice. Each Restricted Stock Unit represents the right to receive one share of the Company's common stock, \$0.01 par value per share (the "Common Stock"), upon the terms and subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions, and the Plan, each as amended from time to time. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

**2. VESTING OF RESTRICTED STOCK UNITS**

The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested as described in the Grant Notice with respect to that number of Restricted Stock Units as set forth in the Grant Notice. The vesting of the Restricted Stock Units shall accelerate, and all of the Restricted Stock Units shall become fully vested, upon the occurrence of a Change of Control or upon the Participant's Termination of Employment by reason of death or Disability. Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as "Vested Restricted Stock Units." Restricted Stock Units awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as "Unvested Restricted Stock Units." Notwithstanding anything contained in these Standard Terms and Conditions to the contrary, upon the Participant's Termination of Employment for any reason other than death or Disability, any then Unvested Restricted Stock Units (after taking into account any accelerated vesting under any agreement between the Participant and the Company, if applicable) held by the Participant shall be forfeited and canceled as of the date of such Termination of Employment.

**3. SETTLEMENT OF RESTRICTED STOCK UNITS**

Vested Restricted Stock Units shall be settled by the delivery to the Participant or a designated brokerage firm of one share of Common Stock per Vested Restricted Stock Unit as soon as reasonably practicable following a Termination of Employment of the Participant that constitutes a "Separation from Service" (as defined in authoritative guidance under Section 409A of the Code), and in all events no later than the end of the calendar year in which such Termination of Employment occurs or, if later, two and one-half months after such Termination of Employment (unless delivery is subsequently deferred pursuant to a nonqualified deferred compensation plan in accordance with the requirements of Section 409A of the Code).



#### **4. RIGHTS AS STOCKHOLDER; DIVIDEND EQUIVALENTS**

The Participant shall not have voting rights with respect to shares of Common Stock underlying Restricted Stock Units unless and until such shares of Common Stock are reflected as issued and outstanding shares on the Company's stock ledger.

The Participant shall receive a cash payment equivalent to any dividends or other distributions paid with respect to the shares of Common Stock underlying the Restricted Stock Units, so long as the applicable record date occurs before such Restricted Stock Units are forfeited. If, however, any dividends or distributions with respect to the Common Stock underlying the Restricted Stock Units are paid in Shares rather than cash, the Participant shall be credited with additional restricted stock units equal to the number of Shares that the Participant would have received had the Restricted Stock Units been actual Shares, and such restricted stock units shall be deemed Restricted Stock Units subject to the same risk of forfeiture and other terms of the Grant Notice, these Standard Terms and Conditions and the Plan as are the other Restricted Stock Units granted under this Award. Any amounts due to the Participant under this provision shall be paid to the Participant, in cash, no later than the end of the calendar year in which the dividend or other distribution is paid to stockholders of the Company or, if later, the 15th day of the third month following the date the dividends are paid to stockholders; provided that, in the case of any distribution with respect to which the Participant is credited with additional Restricted Stock Units, distribution shall be made at the same time as payment is made in respect of the other Restricted Stock Units granted under this Award.

#### **5. RESTRICTIONS ON REALES OF SHARES**

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Common Stock issued in respect of Vested Restricted Stock Units, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

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#### **6. TAXES**

The Company shall not deliver shares in respect of any Restricted Stock Units unless and until the Participant has made arrangements satisfactory to the Company for the satisfaction of any applicable withholding tax obligations. The Company shall not be required to issue shares or to recognize the disposition of such shares until such obligations are satisfied. Unless the Participant pays the withholding tax obligations to the Company by cash or check in connection with the delivery of the Common Stock, withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the Award (provided that shares of Common Stock may be withheld only to the extent that such withholding will not result in adverse accounting treatment for the Company). The Participant acknowledges that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the Award from any amounts payable by it to the Participant (including, without limitation, future cash wages).

#### **7. NON-TRANSFERABILITY OF AWARD**

The Participant represents and warrants that the Restricted Stock Units are being acquired by the Participant solely for the Participant's own account for investment and not with a view to or for sale in connection with any distribution thereof. The Participant further understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Administrator, the Restricted Stock Units may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of.

#### **8. OTHER AGREEMENTS SUPERSEDED**

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Restricted Stock Units. Any prior agreements, commitments or negotiations concerning the Restricted Stock Units are superseded.

#### **9. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK UNITS**

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment at any time for any reason.

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#### **10. GENERAL**

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

These Standard Terms and Conditions shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Plan shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Administrator in its total and absolute discretion.

#### **11. ELECTRONIC DELIVERY**

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Restricted Stock Units via Company web site or other

