

Amended and Restated Charter
of the Compensation and Talent Committee of
the Board of Directors of
Sally Beauty
Holdings, Inc.

As Amended and Restated by the Board of Directors
on July 23, 2020

This Charter sets forth, among other things, the purpose, membership and duties and responsibilities of the Compensation and Talent Committee (“Committee”) of the Board of Directors (“Board”) of Sally Beauty Holdings, Inc. (“Company”).

1. Purpose

The Committee is appointed by the Board of the Company to discharge the Board’s responsibilities relating to the oversight of the Company’s compensation and talent programs, policies and practices to ensure alignment with our business strategies in order to drive long-term shareholder value.

2. Membership

The Committee shall consist of at least three members appointed by the Board. Members of the Committee shall be appointed for one-year terms and serve for such term or terms as the Board may determine. If any vacancy shall occur in the Committee, by reason of disqualification, death, resignation, removal or otherwise, the remaining members (and any alternate members) of the Committee shall continue to act, and any such vacancy may be filled by the Board.

Each member of the Committee shall satisfy the director and committee independence requirements of the New York Stock Exchange. Each Committee member shall be a “Non-Employee Director” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time, and an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time.

3. Structure and Operations

The chairperson of the Committee may be any Committee member designated by the Board. The presence of members constituting a majority of the total authorized membership of the Committee shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee at which a quorum is present is necessary for the adoption of any resolution. In the event the number of Committee members voting in favor of a proposal and the number of Committee members voting against such proposal are equal, the proposal shall be submitted to a vote of the Board. The Committee may create one or more subcommittees and may delegate, in its discretion, all or a portion of its duties and responsibilities to such subcommittees.

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter, at such times and places as shall be determined by the Committee chairperson. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications arrangements by means of which all persons participating in the meeting can hear each other. The Committee may invite such members of management to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of Committee discussions.

4. Duties and Responsibilities

Compensation

The Committee shall:

- Establish the Company’s compensation philosophy and objectives, and, in consultation with management, oversee the development and implementation of compensation programs, policies and practices;
- Annually review compensation programs, policies and practices to ensure there are no risks reasonably likely to have a material adverse effect on the Company, compliance with applicable law and regulations and consistency with market trends and practices, and approve any changes based on this review;
- Annually review and approve the Company’s compensation peer group used for benchmarking;
- Annually review and approve overall incentive compensation targets, performance objectives and pools for the Company (including review of the Company’s business strategies, Company’s performance, incentive compensation cost to the Company, market trends and practices, and share dilution);
- Annually review and approve incentive compensation performance results as measured against objectives, payouts, and grants of long-term incentive awards;
- Periodically review equity ownership guidelines and annually review compliance with such guidelines;
- Annually, (i) review and approve Company goals and objectives relevant to the compensation of the Chief Executive Officer (“CEO”), (ii) evaluate the performance of the CEO in light of those goals and objectives, (iii) report the results of such evaluation to the Board and (iv) have the sole authority to determine the CEO’s compensation level (and forms thereof) based on this evaluation;
- Annually review and approve all compensation for all other executive officers including base salaries, annual incentive targets and payouts, long-term incentives, severance arrangements and change in control agreements/provisions, and any special or supplemental benefits/perquisites (ensuring compensation decisions take into consideration performance evaluations and stockholder advisory votes); and

- Biennially review and approve compensation of the Company’s non-employee, independent directors.

Talent

The Committee shall:

- Establish the Company’s talent philosophy and objectives, and, in consultation with management, oversee the development and implementation of talent programs, policies and practices;
- Establish the Company’s diversity and inclusion (“D&I”) philosophy and objectives, and, in consultation with management, oversee the development and implementation of D&I programs, policies and practices;
- Annually review talent and D&I programs, policies and practices to ensure alignment with business priorities and consistency with market trends and practices, and approve any changes based on this review;
- Annually review succession planning to identify key roles and ensure succession plans, as well as related development plans, are in place for these roles;
- Annually review the Company’s culture and learning and development programs and the results of the Company’s employee engagement survey; and
- Annually review D&I strategy, initiatives and demographics.

Disclosure

The Committee shall:

- Review and discuss the Compensation Discussion and Analysis with management, and based on its review and discussions with management, determine whether or not to recommend to the Board that the Compensation Discussion and Analysis be included in the Company’s annual report and annual proxy statement in accordance with applicable SEC rules and regulations; and
- Provide an annual Compensation and Talent Committee report required by applicable SEC rules and regulations.

Shareholder Engagement

The Committee shall:

- Review stockholder proposals and advisory votes relating to compensation, talent and D&I matters and recommend to the Board the Company’s response to such proposal or votes.

Reporting to the Board

The Committee shall:

- Periodically report to the Board with respect to all matters for which the Committee has responsibility;
- Annually evaluate its own performance and report to the Board on such evaluation; and
- Annually review and assess the adequacy of the Committee charter and recommend any proposed changes to the Board.

The Committee shall exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

5. Authority and Resources

The Committee shall have the sole authority, without further approval by the Board, to select, retain and terminate advisors to assist in the evaluation of the compensation, talent or D&I programs, policies and practices and to approve any compensation payable by the Company to such advisor, including the fees, terms and other conditions for the performance of such services. In addition, the Committee may, without further approval by the Board, obtain such advice and assistance from outside accounting, legal or other advisors as the Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities hereunder.

Any accounting, legal or other advisor retained by the Committee may, but need not, be in the case of an outside accountant, the same accounting firm employed by the Company for the purpose of rendering or issuing an audit report on the Company's annual financial statements, or in the case of outside counsel or other advisor, otherwise engaged by the Company for any other purpose, subject to any independence assessment required by law, the rules of the New York Stock Exchange, or otherwise, provided that the Committee shall only retain a consultant or other advisor after taking into consideration all factors relevant to the advisor's independence from management, including those specified in Section 303A.05(c) of the NYSE Listed Company Manual.

The Company shall pay to any consultant or outside accounting, legal or other advisor retained by the Committee pursuant to the preceding paragraph such compensation, including, without limitation, usual and customary expenses and charges, as shall be determined by the Committee.

The Committee shall not be required to implement or act consistently with the advice or recommendations of its consultant, legal counsel or other advisor to the Committee, and the authority granted in the Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.