

**Charter of the Executive Committee**  
**of the Board of Directors of**  
**Sally Beauty Holdings, Inc.**

As Adopted by the Board of Directors  
December 5, 2006

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

**1. Purpose**

The purpose of the Committee is to assist the Board with its responsibilities and, except as may be limited by law, the Certificate of Incorporation or the Bylaws, to exercise the powers and authority of the Board when the Board is not in session.

**2. Membership**

The Committee shall consist of four members, of which two members shall be directors designated by CDRS Acquisition LLC (“Investor”), provided that the Chairman of the Board shall be a member of the Committee. Members of the Committee shall serve at the pleasure of the Board 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; provided that, in accordance with the Bylaws, the directors designated by Investor shall have the right to designate any replacement to the Committee for any member who was designated by Investor.

**3. Structure and Operations**

The Board shall designate one member of the Committee as its chairperson. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee 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.

#### **4. Duties and Responsibilities**

The Committee's duties and responsibilities shall include each of the items enumerated in this Section 4 and such other matters as may from time to time be delegated to the Committee by the Board.

- (a) During the intervals between meetings of the Board, the Committee shall have and may exercise all the powers and authority of the Board, except as may be limited by law, the Certificate of Incorporation or the Bylaws or reserved for another committee of the Board by such committee's charter.
- (b) The Committee shall report periodically to the Board on all matters for which the Committee has been delegated responsibility.
- (c) The Committee shall undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. The Committee shall conduct such performance evaluation in such manner as the Committee deems appropriate, and may report the results of its performance evaluation through an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.
- (d) The Committee shall annually review and reassess the adequacy of this Charter and recommend to the Board for approval such changes as the Committee believes are appropriate.
- (e) 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. Certain Matters**

The provisions in this Charter setting forth special nomination or other rights for Investor will remain in effect only so long as Investor has the right to appoint at least two directors under the applicable provisions of the Stockholders Agreement, dated as of November 16, 2006, among the Corporation, Investor, CD&R Parallel Fund VII, L.P. and certain stockholders of the Corporation.