

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

As Adopted by the Board of Directors
January 25, 2007

This Charter sets forth, among other things, the purpose, membership and duties and responsibilities of the Finance 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 provide assistance to the Board in satisfying its fiduciary responsibilities relating to the financing strategy, financial policies and financial condition of the Corporation.

2. Membership

The Committee shall consist of four members, of which two members shall be directors designated by CDRS Acquisition LLC (“Investor”). 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 chairperson of the Committee shall be a member designated by Investor. 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, consistent with the maintenance of the confidentiality of compensation discussions.

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) The Committee shall review and recommend to the Board financial policies and performance objectives as developed by management pertaining to: earnings growth and return on equity; debt ratio, coverage, cash flow and credit rating; dividend policy; investment criteria, including capital investment hurdle rates; and financial risk management strategies, including the use of derivatives.

(b) The Committee shall review changes to the capital structure of the Corporation, including: timing and maturities of debt, terms of interest rates; and considerations on common stock sales, repurchases or splits as appropriate and any changes in dividends.

(c) The Committee shall review banking relationships and lines of credit.

(d) The Committee shall review the adequacy of insurance coverage on the Corporation's assets.

(e) The Committee shall review tax strategies and potential tax law changes.

(f) The Committee shall review, as appropriate, the financial impact to the Corporation of employee benefit plans such as pension plans, ESOPs, 401Ks and Employee Stock Purchase plans.

(g) The Committee shall review annually the business plan from the perspective of funds flow, capital spending and financing requirements.

(h) The Committee shall review and evaluate consummated acquisitions, joint ventures, partnerships, strategic investments, significant capital spending projects or similar initiatives, in each case, of the Corporation or any of its subsidiaries.

(i) The Committee shall have the responsibility and authority to review and approve, in advance thereof, any capital spending project of the Corporation or any of its subsidiaries in an aggregate amount in excess of \$250,000 but less than \$500,000, and shall review and make a recommendation to the Board in respect of any capital spending project in an aggregate amount equal to or in excess of \$500,000.

(j) The Committee shall have the responsibility and authority to review and approve, in advance thereof, any commitment in respect of any acquisition, joint venture, partnership, strategic investment, disposition or similar initiative by the Corporation or any of its subsidiaries in an aggregate amount (whether in a single transaction or a series of related transactions) less than \$5,000,000, and shall

review and make a recommendation to the Board in respect of any such transaction or series of related transactions in an aggregate amount equal to or in excess of \$5,000,000.

- (k) The Committee shall review and approve any permanent voluntary or optional prepayment, prior to scheduled or final maturity (excluding any repayment of any amount that remains available for future drawing), of indebtedness under any debt agreement by any of the Corporation's subsidiaries, which prepayment is in a principal amount exceeding \$5,000,000.
- (l) The Committee shall report periodically to the Board on all matters for which the Committee has been delegated responsibility.
- (m) 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.
- (n) 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.
- (o) 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.