

ALBERTO-CULVER COMPANY
COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER

(as adopted by the Board of Directors on January 22, 2004)

Purpose

The purpose of the Compensation Committee (the “Committee”) is to (i) review and approve corporate goals and objectives relevant to Chief Executive Officer (“CEO”) compensation and evaluate the CEO’s performance in light of those goals, (ii) determine and approve the CEO’s compensation level based on this evaluation, (iii) approve compensation of other Executive Officers, (iv) review and recommend to the Board equity based incentive compensation plans in which Executive Officers participate, (v) prepare the Compensation Committee report on executive compensation required to be included in the Company’s annual proxy statement, and (vi) assure management development and succession planning.

Membership

The Committee shall be comprised of two or more members of the Board, each of whom meets (i) the independence requirements of the New York Stock Exchange, (ii) the requirements for a “Non-Employee Director” contained in Section 16 of the Securities Exchange Act of 1934 and the rules and regulations thereunder and (iii) the requirements for an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986 and the rules and regulations thereunder. Determinations as to whether a particular director satisfies the requirements for membership of the Committee shall be made by the Board.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating/Governance Committee and shall serve for such terms as the Board may determine, or until their earlier resignation, death, or removal by the Board. A chairperson of the Committee shall be designated by the Board.

Operations

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, with a minimum of three meetings per fiscal year. The Committee will meet at such times as determined by its chairperson or as requested by any two of its members. Notice of all meetings shall be given, and waiver thereof determined, pursuant to the provisions contained in the Company’s bylaws. The chairperson will preside, when present, at all meetings of the Committee. Except as expressly provided in this Charter or the bylaws of the Company, the Committee shall fix its own rules of procedure.

The Committee shall maintain copies of minutes of each meeting of the Committee, and each written consent to action taken without a meeting, reflecting the actions so authorized or taken by

the Committee. A copy of the minutes of each meeting and all consents shall be placed in the Company's minute book.

The Committee may form, and delegate authority to, subcommittees when it deems appropriate.

Authority, Duties and Responsibilities

The Committee shall:

1. Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and determine and approve the CEO's compensation level based on this evaluation. In determining the CEO's total compensation, the Committee shall consider, among other factors, the Company's performance and shareholder returns relative to comparable companies, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years.
2. Review and approve the compensation and incentive compensation of the Company's Executive Officers and such other officers as the Committee deems appropriate.
3. Approve grants and/or awards of restricted stock, stock options, shareholder value incentive units and other forms of cash and/or equity-based compensation under the Company's stock option, incentive-compensation and equity-based plans.
4. Review and make recommendations to the Board regarding the establishment or modifications of any equity-based plans requiring Board and/or shareholder approval.
5. Exercise, in its discretion, any authority given to the Committee pursuant to any compensation plan, benefit plan or deferred compensation plan of the Company, including, without limitation, approving amendments to any such plans.
6. Administer the Company's qualified and nonqualified retirement plans, including approving amendments thereto.
7. Review and approve, for the CEO and other Executive Officers of the Company, when and if appropriate, employment agreements, severance agreements and change in control provisions/agreements.
8. The Committee shall have the authority to engage consultants to assist in the evaluation of CEO, Executive Officer and employee compensation, and shall have the sole authority to retain and terminate any consultant, including sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from any officer or employee of the Company or any outside legal, tax, accounting or other advisor.
9. The Committee shall periodically review and make recommendations to the Board with respect to the compensation of outside directors.

10. Review matters relating to succession planning and management development for the Company's Executive Officers.
11. Approve all hiring, promotions, and salary changes for employees whose base salary is above a specified level, which level is determined periodically by the Committee.
12. Provide a compensation committee report on executive compensation required to be included in the Company's proxy statement.
13. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
14. Conduct an annual performance evaluation of the Committee.
15. Report to the Board on a regular basis and make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.
16. Perform any other duties and responsibilities delegated to the Committee by the Board.