

**SALLY BEAUTY HOLDINGS, INC.**  
**CORPORATE GOVERNANCE**  
**GUIDELINES**

Amended and Restated as  
of July 30, 2015

1. Director Qualification Standards

A majority of the members of the Board of Directors (the “Board”) will satisfy the independence requirements of the New York Stock Exchange (“NYSE”) relating to directors. A director is independent if the Board has made an affirmative determination that such director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), and the director satisfies the other requirements of Section 303A.02 of the NYSE Listed Company Manual.

2. Size of the Board

The Board will periodically review the appropriate size of the Board. In accordance with the By-laws, the Board will be comprised of nine directors or such other number of directors as may be set by the Board from time to time. The Board believes that the appropriate size of the Board is between 9 and 12 members.

3. Office of Chairman and Lead Independent Director

In accordance with the By-laws, a Chairman of the Board will be elected by the Board to preside at all meetings of the Board. In the event that the Chairman of the Board is unable to serve or act in that capacity at a meeting of the Board or the stockholders, the Lead Independent Director will be acting chair for that meeting. If there is not a Lead Independent Director or such Lead Independent Director is unable to serve or act as chair for that meeting, an acting chair for that meeting will be determined, (a) on a rotating basis from among the chairs of the Audit, Compensation and Nominating and Corporate Governance Committees, beginning alphabetically by the name of the Committee, in the case of a Board meeting, and (b) in the following order, in the case of a meeting of stockholders: any Vice-Chairman of the Board, the Chief Executive Officer, the President, or, in the absence of all of the foregoing officers, the most senior Vice-President.

The Board will annually elect a Chairman, who may or may not be the Chief Executive Officer. If the Chairman is not an independent director, the independent directors shall appoint from among themselves a Lead Independent Director. The Lead Independent Director shall coordinate the activities of the independent directors, coordinate with the Chairman to set the agenda for Board meetings, chair executive sessions of the independent and non-management directors, review and approve meeting schedules and information sent to the Board, serve as a liaison between the Chairman and CEO and the independent directors, have the authority to call meetings of the independent directors, be available for consultation and

direct communication with shareholders, as appropriate, and perform the other duties either specified in these guidelines or assigned from time to time by the Board.

4. Board Membership Criteria and Stockholder Recommendations for Director Candidates

The Nominating and Corporate Governance Committee will recommend to the Board criteria for the selection of directors and periodically review the criteria adopted by the Board. At a minimum, a candidate for director must have integrity, be committed to act in the best interest of all of the Company's stockholders and be able and willing to devote the required amount of time to the Company's affairs, including attendance at meetings of the Board.

The Nominating and Corporate Governance Committee will accept for consideration submissions from stockholders of recommendations for the nomination of directors. Acceptance of a recommendation for consideration does not imply that the Committee will nominate the recommended candidate. Director nominations by a stockholder or group of stockholders for consideration by the Company's stockholders at the Company's annual meeting of stockholders, or at a special meeting of the Company's stockholders that includes on its agenda the election of one or more directors, may be made pursuant to Section 1.06 of the Company's By-laws or as otherwise provided by law. Nominations pursuant to the By-laws are made by delivering to the Company's Secretary, within the time frame described in the By-laws, all of the materials and information that the By-laws require for director nominations by stockholders.

5. Selection of New Director Candidates

In accordance with the By-laws, the Board will select new director candidates based on the recommendations of the Nominating and Corporate Governance Committee. The invitation to join the Board should be extended by the Board itself via the Chairman of the Board, together with an independent director, when deemed appropriate.

6. Annual Election of Directors

In accordance with the By-laws, directors will be elected for a term expiring at the next succeeding annual meeting of the Company's stockholders.

7. Mandatory Retirement Age

It is the policy of the Board that no non-management director should serve for more than 15 years in that capacity, except that: (a) where that policy would result in multiple retirements in any 12-month period, the Board may request that a director who would otherwise be due to retire serve up to an additional 12 months; and (b) the Board may request that a director who would otherwise be due to retire continue service if the Board deems such service to be in the best interest of the Company's stockholders.

8. Directors who Change their Present Job Responsibility

A director who experiences a significant change in job responsibilities or assignment will be required to submit a resignation to the Board. The remaining directors, upon recommendation

of the Nominating and Corporate Governance Committee, will then determine the appropriateness of continued Board membership.

9. Limitation on Number of Boards a Director May Serve

The Board does not have limits on the number of other public company boards of directors upon which a director may sit that would limit the ability of a director to be nominated for reelection. However, to ensure that the Board remains composed of high functioning members able to keep their commitments to Board service, the Nominating and Corporate Governance Committee will evaluate the qualifications and performance of each incumbent director before recommending the nomination of that director for an additional term. Notwithstanding the foregoing, members of the Audit Committee of the Board may not serve on the audit committee of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee.

10. Director Responsibilities

The business and affairs of the Company shall be managed by or under the direction of the Board. The basic responsibilities of directors are to exercise their business judgment and act in what they reasonably believe to be in the best interests of the Company and its stockholders.

Each director, will, in the performance of such director's duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company's officers or employees, or committees of the Board, or by another person as to matters such director reasonably believes are within such others person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

11. Number of Meetings; Attendance of Directors at Board Meetings

The Chairman, in consultation with the Chief Executive Officer or Lead Independent Director, as applicable, will determine the frequency and length of Board meetings. Directors are expected regularly to attend meetings of the Board and the committees of which they are members, and to spend the time needed to properly discharge their responsibilities.

12. Selection of Agenda Items for Board Meeting

The Chairman and Lead Independent Director will establish the agenda for each Board meeting. Individual Board members may suggest agenda items.

13. Board Materials Distributed in Advance

The Company will distribute materials pertaining to Board and committee meetings in advance of those meetings. A director is expected to review all distributed materials prior to any Board or committee meeting that such director attends.

14. Conflicts of Interest

Each director will seek to avoid taking actions or having interests that might result in a conflict of interest, that is, a situation where a director's private interest interferes in any way with the interests of the Company as a whole. Each director will ethically handle all actual conflicts of interest between personal and professional relationships, including promptly informing the Chairman or the General Counsel if such a conflict arises and recusing himself/herself from any discussion or decision affecting his/her personal interests.

15. Executive Sessions of Non-Management Directors and the Independent Directors

The Company's non-management directors will meet at regularly scheduled executive sessions in which management does not participate. Such meetings will normally occur immediately following regularly scheduled Board meetings. Also, the independent directors will meet at least once a year in an executive session without management. Such sessions will normally occur following regularly scheduled Board meetings. The Lead Independent Director shall serve as the chair for such meetings of the non-management directors and the independent directors. If there is not a Lead Independent Director or such Lead Independent Director is unable to serve or act as chair of such meetings, the chair for such meetings shall be determined on a rotating basis from among the chairs of the Audit, Compensation and Nominating and Corporate Governance Committees, beginning alphabetically by the name of the Committee.

16. Committees of the Board

There are currently four standing Board committees: an Executive Committee, an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The Board may from time to time establish other committees, including standing or special committees, subject to the By-laws and Delaware General Corporation Law. The Board may, by resolution, at any time deemed desirable, discontinue any standing or special committee, subject to the requirements of the By-laws, applicable law and stock exchange requirements.

17. Assignment of Committee Members

In accordance with the By-laws, committee assignments will be made by the Board based upon recommendations of the Nominating and Corporate Governance Committee.

18. Frequency of Committee Meetings

Each committee will establish its own rules or procedures, which will be consistent with the provisions of the Delaware General Corporation Law, the By-laws and any resolutions of the Board governing such committee. Each committee will meet as provided by such rules and will also meet at the call of its chairman or a majority of the members of such committee.

19. Committee Agenda

The chairperson of each committee will determine the committee's agenda prior to a meeting, giving consideration to management recommendations.

20. Executive Committee

Subject to the limitations set forth in the By-laws and Delaware General Corporation Law, the Executive Committee shall oversee the business and affairs of the Company in the intervals between meetings of the Board. The Executive Committee will report its actions to the Board at the Board's regular meetings.

21. Audit Committee

The Committee's duties and responsibilities will be set forth in the Audit Committee Charter and include all of the responsibilities of an audit committee under the New York Stock Exchange and Securities and Exchange Commission rules and such other matters as may from time to time be delegated to the Committee by the Board. Each member of the Audit Committee will satisfy the independence requirements of the New York Stock Exchange and the Securities and Exchange Commission relating to directors and audit committee members.

22. Compensation Committee

The Committee's duties and responsibilities will be set forth in the Compensation Committee Charter and include all of the responsibilities of a compensation committee under the New York Stock Exchange rules and such other matters as may from time to time be delegated to the Committee by the Board. Each member of the Compensation Committee will satisfy the independence requirements of the New York Stock Exchange relating to directors and compensation committee members.

23. Nominating and Corporate Governance Committee

The Committee's duties and responsibilities will be set forth in the Nominating and Corporate Governance Committee Charter and include all of the responsibilities of a nominating and corporate governance committee under the New York Stock Exchange rules and such other matters as may from time to time be delegated to the Committee by the Board. Each member of the Nominating and Corporate Governance Committee will satisfy the independence requirements of the New York Stock Exchange relating to directors.

24. Board Access to Management and Employees

Directors will have complete access to management and employees of the Company; however, independent directors are expected to keep the Chief Executive Officer informed of such contacts. The Board encourages the attendance of officers in addition to executive officers at Board meetings when matters within their areas of responsibility are discussed.

25. Board Access to Independent Advisors

Directors will have complete access to the Company's outside advisors as they deem necessary and appropriate. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors.

26. Director Compensation

All directors of the Company who are not simultaneously employed as officers by the Company will be properly compensated and reimbursed for their services as a director. Any employee of the Company who is elected a director of the Company will not receive any compensation or participation in director benefit programs for his or her services as a director of the Company.

The Compensation Committee will periodically review and approve the compensation of the Company's directors (including the components thereof) and make a report to the Board with respect thereto. Director compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

27. Succession Planning and Evaluation of Management

Every year the Chief Executive Officer will report to the Board on succession planning for executive officers. The report will include policies and principles for chief executive officer selection and performance review, as well as policies regarding succession in the case of an emergency or the retirement of the Chief Executive Officer. The Board will perform an annual evaluation of the Chief Executive Officer of the Company under the guidance of its Chairman, if the Chief Executive Officer is not the Chairman, or the Lead Independent Director, if the Chief Executive Officer is the Chairman. The Compensation Committee of the Board will utilize this evaluation when establishing compensation levels for the Chief Executive Officer. The executive officers of the Company reporting to the Chief Executive Officer will be evaluated by the Chief Executive Officer, with the results shared with the Board and its Compensation Committee as appropriate.

28. Assessing the Board's Performance

The Board and each of its Committees will conduct an annual self-evaluation in order to determine whether such bodies are functioning effectively. The Nominating and Corporate Governance Committee will oversee the Board's annual self-evaluation.

29. Board Interaction with Shareholders, the Press, Customers, Etc.

The Chief Executive Officer and, as appropriate, designated members of senior management speak for the Company. Individual directors may, on occasion and with the knowledge of management, meet or otherwise communicate with interested parties. Absent unusual circumstances or as contemplated by the Committee charters, such communications will be made only at the request of management.

Interested parties who wish to make their concerns known by communicating directly with the Lead Independent Director or with the non-management directors as a group, confidentially or otherwise, may do so in writing addressed to the attention of the General Counsel.

30. Director Education and Training

Directors are encouraged, but not required, to attend (at Company expense) accredited director education programs. The Company will also provide ongoing training programs to the Board and its committees from time to time on topics specific to the Company and/or corporate governance developments. Management, working with the Board, will provide new members of the Board with an orientation that includes background material on the Company, its business plan, risk profile and corporate governance structure, and meetings with senior management.

31. Participation on Boards of Directors

Employees of the Company and its affiliates may not serve as a director of any other for-profit entity, other than on behalf of the Company or its affiliates, without the written approval of the Chief Executive Officer and the Chairman of the Nominating and Corporate Governance Committee.

32. Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.