

SALLY BEAUTY HOLDINGS, INC.

P.O. Box 490
Denton, TX 76202

By completing this application you are applying for employment with one (but not all) of the following subsidiaries of Sally Beauty Holdings, Inc.: Sally Beauty Supply LLC, Beauty Systems Group LLC, Sally Beauty Distribution LLC, Sally Beauty Distribution of Ohio, Inc., Sally Beauty de Puerto Rico, Inc. or Armstrong McCall, L.P.

(Please Print)

TODAY'S DATE _____	POSITION DESIRED _____																								
SALARY DESIRED _____	DATE AVAILABLE _____																								
NAME _____ ADDRESS _____ CITY, STATE, ZIP _____	PHONE # _____ CELL PHONE # _____ AGE (IF UNDER 18) _____																								
ALL OFFERS OF EMPLOYMENT AND CONTINUED EMPLOYMENT ARE CONDITIONED UPON YOUR ABILITY TO PROVIDE EVIDENCE OF YOUR RIGHT TO BE LEGALLY EMPLOYED IN THE UNITED STATES ARE YOU LEGALLY ELIGIBLE FOR EMPLOYMENT IN THE UNITED STATES? YES ___ NO ___ WILL YOU NOW OR IN THE FUTURE REQUIRE SPONSORSHIP BY THIS COMPANY TO ATTAIN OR MAINTAIN YOUR EMPLOYMENT ELIGIBILITY IN THE UNITED STATES? YES ___ NO ___	ARE YOU ON LAYOFF FROM ANY COMPANY OR SUBJECT TO RECALL BY ANY OTHER COMPANY? YES ___ NO ___ IF YES, WHAT COMPANY _____ DO YOU HAVE A NON-COMPETE AGREEMENT THAT WOULD KEEP YOU FROM WORKING HERE? YES ___ NO ___ IF YES, PLEASE EXPLAIN _____																								
HAVE YOU EVER WORKED FOR SALLY BEAUTY SUPPLY LLC, BEAUTY SYSTEMS GROUP LLC, ARMSTRONG McCALL L.P., COSMOPROF, SALLY BEAUTY DISTRIBUTION LLC, SALLY BEAUTY DISTRIBUTION OF OHIO, INC., SALLY BEAUTY DE PUERTO RICO, INNOVATIONS-SUCCESSFUL SALON SERVICES, OR WEST COAST BEAUTY SUPPLY CO.? YES ___ NO ___ WHERE ? _____ WHEN ? _____	IF YOU ARE APPLYING FOR A POSITION WHICH REQUIRES YOU TO DRIVE A PERSONAL AUTOMOBILE, ANSWER THESE QUESTIONS: DO YOU HAVE A VALID DRIVER'S LICENSE? YES ___ NO ___ DO YOU HAVE A CAR WHICH YOU CAN USE TO PERFORM THE JOB? YES ___ NO ___ DO YOU HAVE CURRENT STATE REQUIRED LIABILITY INSURANCE? YES ___ NO ___																								
FOR US TO VERIFY YOUR WORK RECORDS, ARE THERE ANY NICKNAMES, USES OF AN ASSUMED NAME OR CHANGES OF NAME THAT WE NEED TO BE AWARE OF? YES ___ NO ___ IF SO, WHAT NAME _____	<p>ALL APPLICANTS AND EMPLOYEES <u>MUST</u> AGREE TO THE COMPANY'S WORKPLACE RESOLUTION PROGRAM AND MUTUAL AGREEMENT TO ARBITRATE CLAIMS</p> <p>IN ORDER TO BE CONSIDERED FOR EMPLOYMENT, YOU ARE REQUIRED TO SIGN THE DOCUMENT ENTITLED "WORKPLACE RESOLUTION PROGRAM AND MUTUAL AGREEMENT TO ARBITRATE CLAIMS" INCLUDED WITH THIS APPLICATION. THIS AGREEMENT REQUIRES YOU TO ARBITRATE CERTAIN LEGAL DISPUTES ARISING FROM YOUR APPLICATION FOR EMPLOYMENT AND/OR YOUR EMPLOYMENT WITH THE COMPANY. THE COMPANY WILL CONSIDER YOUR APPLICATION ONLY IF THIS AGREEMENT IS SIGNED.</p> <p>EQUAL EMPLOYMENT OPPORTUNITY</p> <p>THE COMPANY WILL PROVIDE EQUAL EMPLOYMENT OPPORTUNITIES TO ALL APPLICANTS WITHOUT REGARD TO AN APPLICANT'S RACE, COLOR, RELIGION, SEX, GENDER, GENETIC INFORMATION, NATIONAL ORIGIN, AGE, VETERAN STATUS, DISABILITY, OR ANY OTHER STATUS PROTECTED BY FEDERAL, STATE OR LOCAL LAW. THE COMPANY WILL PROVIDE REASONABLE ACCOMMODATIONS TO ALLOW AN APPLICANT TO PARTICIPATE IN THE HIRING PROCESS (E.G., ACCOMMODATIONS FOR A TEST OR JOB INTERVIEW) IF SO REQUESTED. WHEN COMPLETING THIS APPLICATION, YOU MAY EXCLUDE INFORMATION THAT WOULD DISCLOSE OR OTHERWISE REFERENCE YOUR RACE, RELIGION, AGE, SEX, GENETICS, VETERAN STATUS, DISABILITY OR ANY OTHER STATUS PROTECTED BY FEDERAL OR STATE LAW.</p>																								
CURRENT LICENSES/CERTIFICATIONS/REGISTRATIONS (INDICATE TYPES AND DATES RECEIVED): _____ _____ _____																									
HAVE YOU EVER INITIATED OR THREATENED AN ACT OF VIOLENCE IN THE WORKPLACE? YES ___ NO ___ PLEASE EXPLAIN _____																									
WHAT LANGUAGES DO YOU SPEAK, READ OR WRITE? <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 10%;">FLUENT</th> <th style="width: 10%;">SOME</th> <th style="width: 10%;">READ</th> <th style="width: 10%;">WRITE</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>_____</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>_____</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>_____</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>			FLUENT	SOME	READ	WRITE	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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NAME OF RELATIVES EMPLOYED BY SALLY BEAUTY SUPPLY LLC, BEAUTY SYSTEMS GROUP LLC, ARMSTRONG McCALL L.P., COSMOPROF, SALLY BEAUTY DISTRIBUTION LLC, SALLY BEAUTY DISTRIBUTION OF OHIO, INC., SALLY BEAUTY DE PUERTO RICO, INNOVATIONS-SUCCESSFUL SALON SERVICES, OR WEST COAST BEAUTY SUPPLY CO. NAME _____ DEPT _____ RELATIONSHIP _____																									

E D U C A T I O N	CHECK THE HIGHEST LEVEL OR EQUIVALENT COMPLETED:							TYPE OF DEGREE	
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NAME OF COLLEGE, UNIVERSITY OR VO-TECH ATTENDED: _____									
FILL IN THE HOURS YOU ARE AVAILABLE TO WORK:					HAVE YOU EVER...				
	SUN	MON	TUES	WED	THURS	FRI	SAT	WAITED ON CUSTOMERS? YES ___ NO ___	
From								TYPING: WORDS	
								OPERATED A CASH REGISTER? YES ___ NO ___	
To								STOCKED MERCHANDISE? YES ___ NO ___	
								OPERATED A FORKLIFT? YES ___ NO ___	
								USED A COMPUTER? YES ___ NO ___	
								ATTENDED COSMETOLOGY SCHOOL? YES ___ NO ___	
					LIST ANY SOFTWARE YOU HAVE USED:				

WORK HISTORY

PLEASE LIST BELOW YOUR LAST THREE EMPLOYERS, STARTING WITH YOUR PRESENT OR LAST PLACE OF EMPLOYMENT. YOU MAY INCLUDE ANY VERIFIABLE WORK PERFORMED IN THE U.S. MILITARY, VOLUNTEER WORK, OR INTERNSHIPS.

FROM	EMPLOYER	JOB TITLE:	BEGINNING SALARY
	ADDRESS	JOB DUTIES:	FINAL SALARY
TO	CITY, STATE, ZIP	SUPERVISOR AND TITLE	
	PHONE NUMBER	REASON FOR LEAVING	MAY WE CONTACT? YES ___ NO ___
FROM	EMPLOYER	JOB TITLE:	BEGINNING SALARY
	ADDRESS	JOB DUTIES:	FINAL SALARY
TO	CITY, STATE, ZIP	SUPERVISOR AND TITLE	
	PHONE NUMBER	REASON FOR LEAVING	MAY WE CONTACT? YES ___ NO ___
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	ADDRESS	JOB DUTIES:	FINAL SALARY
TO	CITY, STATE, ZIP	SUPERVISOR AND TITLE	
	PHONE NUMBER	REASON FOR LEAVING	MAY WE CONTACT? YES ___ NO ___

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REFERENCES

LIST 3 SCHOOL, WORK OR PERSONAL REFERENCES WHOM WE MAY CONTACT. DO NOT LIST PEOPLE WHO ARE RELATED TO YOU.

NAME	PHONE #	HOW LONG HAVE YOU KNOWN THIS PERSON?	RELATIONSHIP TO YOU	TYPE OF REFERENCE
				__ SCHOOL __ WORK __ PERSONAL
				__ SCHOOL __ WORK __ PERSONAL
				__ SCHOOL __ WORK __ PERSONAL

IN CASE OF EMERGENCY, PLEASE CONTACT

NAME _____ ADDRESS _____ CITY _____ STATE _____ ZIP _____ PHONE # _____

EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE ACT

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- for incapacity due to pregnancy, prenatal medical care or child birth;
- to care for the employee's child after birth, or placement for adoption or foster care;
- to care for the employee's spouse, son, daughter or parent, who has a serious health condition; or
- for a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

***The FMLA definitions of "serious injury or illness" for current servicemembers and veterans are distinct from the FMLA definition of "serious health condition".**

Benefits and Protections

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months*, and if at least 50 employees are employed by the employer within 75 miles.

***Special hours of service eligibility requirements apply to airline flight crew employees.**

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and

a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

FMLA section 109 (29 U.S.C. § 2619) requires FMLA covered employers to post the text of this notice. Regulation 29 C.F.R. § 825.300(a) may require additional disclosures.

PLEASE READ CAREFULLY BEFORE SIGNING THIS APPLICATION

I understand in filling out this application that the company with which I am applying for employment – Sally Beauty Supply LLC, Beauty Systems Group LLC, Sally Beauty Distribution LLC, Sally Beauty Distribution of Ohio, Inc., Sally Beauty de Puerto Rico, Inc. or Armstrong McCall, L.P. (hereafter, “Company”) – is in no way obligated to offer me employment. I also understand that this application does not create any contract of employment. I certify that the facts set forth in my application for employment are true, correct, and complete. I agree that any misrepresentation or false statement on this application shall be considered grounds for rejecting this application, rescinding a tentative job offer or immediate discharge if discovered after hire. I authorize the Company to investigate any of the information contained on this application, including the examination of past employment, records, licenses, certificates, references, and other facts stated on the application. I waive any rights which I may have to receive written notice from any former employer listed on this application regarding the release to the Company of any disciplinary action taken against me by said former employers. I hereby release and discharge the Company and any person or entity from whom any such information is obtained from any liability whatsoever related to the use or disclosure of such information.

I understand that I may be required to sign an agreement that contains clauses requiring non-disclosure and non-use of confidential information both during employment and thereafter and restriction on employment by others involving similar products or processes worked on for the Company, should I become an employee of the Company. I understand that I may be required to successfully complete a post-offer medical examination as a condition of employment, including drug and alcohol testing, and I agree to take such examination.

I understand and agree that I may be required as a condition of my employment and/or continued employment, and to the extent permitted by federal, state, and local law, to submit to a urinalysis, blood alcohol, or breath alcohol drug test to determine the presence of controlled substances. I understand and agree that if the test results indicate that I have violated the Company’s rules on controlled substances, I will be ineligible for employment with the Company at that time and/ or subject to disciplinary action up to and including immediate discharge. I also understand that the Company has a substance abuse policy available for my review and I will abide by its terms.

If hired, and unless applicable law requires otherwise, I agree and understand that my employment with the Company is “at will” and that either Company or I may terminate my employment and compensation at any time, with or without cause, and with or without notice. I further understand that no one employed by the Company (other than the President through a specific individual written contract naming the individual and signed by the President), has any authority to enter into any agreement for continued employment or employment for any specific period of time or to make any agreement contrary to the foregoing. Any written or oral statement or promises to the contrary are hereby expressly disavowed and should not be relied upon by prospective employees or during employment. I also understand and agree that any policies, procedures or benefits (except the Company’s Workplace Resolution Program and Mutual Agreement to Arbitrate Claims) may be unilaterally changed, modified or discontinued at any time at the sole discretion of the Company.

I acknowledge that there are positions within the Company, such as many store manager positions, where the hours of work fluctuate from week to week, though the employee is compensated on a fixed salary basis. In the event I am ever employed in one of these positions, I understand and agree that my fixed salary constitutes compensation for all hours worked in each work week, whatever their number. In the event I am entitled by law to an overtime premium, I understand and agree that this premium will be based upon one and one-half of my equivalent hourly rate, unless applicable law requires otherwise.

FOR MARYLAND APPLICANTS: UNDER MARYLAND LAW, AN EMPLOYER MAY NOT REQUIRE OR DEMAND, AS A CONDITION OF EMPLOYMENT, PROSPECTIVE EMPLOYMENT OR CONTINUED EMPLOYMENT, THAT AN INDIVIDUAL SUBMIT TO OR TAKE A LIE DETECTOR OR SIMILAR TEST. EMPLOYER WHO VIOLATES THIS LAW IS GUILTY OF A MISDEMEANOR AND SUBJECT TO A FINE NOT EXCEEDING \$100.

FOR MASSACHUSETTS APPLICANTS: IT IS UNLAWFUL IN MASSACHUSETTS TO REQUIRE OR ADMINISTER A LIE DETECTOR TEST AS A CONDITION OF EMPLOYMENT OR CONTINUED EMPLOYMENT. AN EMPLOYER WHO VIOLATES THIS LAW SHALL BE SUBJECT TO CRIMINAL PENALTIES AND CIVIL LIABILITY.

THE COMPANY DOES NOT USE LIE DETECTOR TESTS AS PART OF THE APPLICATION PROCESS.

FOR MONTANA APPLICANTS: THE EMPLOYMENT RELATIONSHIP IS GOVERNED BY THE WRONGFUL DISCHARGE FROM EMPLOYMENT ACT. Mont. Code Ann. § 39-2-901.

FOR RHODE ISLAND APPLICANTS: THIS EMPLOYER IS SUBJECT TO CHAPTERS 29-38 OF TITLE 28 (LABOR AND LABOR RELATIONS) OF GENERAL LAWS OF RHODE ISLAND AND IS THEREFORE COVERED BY THE STATE’S WORKER’S COMPENSATION LAWS. IF YOU PROVIDE FALSE INFORMATION ABOUT YOUR ABILITY TO PERFORM THE ESSENTIAL FUNCTIONS OF THE JOB, WITH OR WITHOUT ACCOMMODATIONS, YOU MAY BE BARRED FROM FILING A CLAIM UNDER THE PROVISIONS OF THE WORKERS’ COMPENSATION ACT OF THE STATE OF RHODE ISLAND.

BY SIGNING BELOW, I HEREBY CERTIFY:

This application is considered current for sixty (60) days only. At the end of this period, if I am still interested in employment, it will be necessary for me to reapply by completing and submitting a new application. While this application is only considered current for 60 days, I agree that any representations or agreements made by me in this application continue to be valid and applicable to me.

This application was completed by me, and that all entries on it and information in it are true and complete to the best of my knowledge.

I have signed the Workplace Resolution Program and Mutual Agreement to Arbitrate Claims document included with this Application and agree that the terms of that agreement apply to me as an applicant and, if hired, as an employee of the Company.

I have read and understand those above state law provisions applicable to me.

Signature of Applicant: _____ **Date:** _____

You **must** sign the final page of this Agreement and turn the entire Agreement in with your application in order to be considered or hired for employment with the Company.

**SALLY BEAUTY HOLDINGS, INC.
WORKPLACE RESOLUTION PROGRAM AND
MUTUAL AGREEMENT TO ARBITRATE CLAIMS**

You **must** sign the final page of this Agreement and turn the entire Agreement in with your application in order to be considered or hired for employment with the Company.

1. INTRODUCTION

This Workplace Resolution Program and Mutual Agreement to Arbitrate Claims (“Agreement” or “Program”) is between me and the Sally Beauty Holdings, Inc. affiliate I am employed by¹ (the “Company”). Any reference to the “Company” in this Agreement will be a reference also to Company’s parents, subsidiaries, partners, divisions, and affiliated entities (including without limitation Beauty Systems Group LLC), and all successors, assigns, officers, directors, employees, and agents of any of them. The Federal Arbitration Act (9 U.S.C. § 1 et seq.) shall govern this Agreement, which evidences a transaction involving commerce. **All disputes covered by this Agreement between me and the Company shall be decided by an arbitrator through arbitration and not by way of court or jury trial.**

2. DISPUTES COVERED BY THE AGREEMENT

The Company and I mutually consent and agree to the resolution by arbitration of all claims or controversies, past, present, or future (“Disputes”), including without limitation, claims arising out of or related to my application for assignment/employment, assignment/employment, and/or the termination of my assignment/employment that the Company may have against me or that I may have against any of the following: (1) the Company, (2) its officers, directors, employees, or agents in their capacity as such or otherwise, (3) the Company’s parent, subsidiary, and affiliated entities, (4) the benefit plans or the plans’ sponsors, fiduciaries, administrators, affiliates, and agents, and/or (5) all successors and assigns of any of them.

Further, covered Disputes include any claim or controversy regarding the Agreement or any portion of the Agreement or its interpretation, enforceability, applicability, unconscionability, arbitrability, or formation, or whether the Agreement or any portion of the Agreement is void or voidable, with the exception noted in Section 7, below, the “Class and Representative Action Waivers.”

The claims that are subject to arbitration under this Agreement are those that, in the absence of this Agreement, would have been justiciable under applicable state, federal, or other law. Except as otherwise provided, this Agreement covers all claims that either the Company or I could bring arising out of or relating to my employment relationship with the Company, including, but not limited to: (i) discrimination based on race, creed, color, religion, sex, age, disability, leave status, national origin, ancestry, sexual orientation, marital status, veteran or military reserve status, privacy, or any other characteristic protected by federal, state, or local law, (ii) retaliation, including, but not limited to, whistleblower status or retaliation for filing a workers’ compensation claim, (iii) torts, including, but not limited to, defamation, invasion of privacy, infliction of emotional distress, or workplace injury not otherwise covered by applicable workers’ compensation laws,

¹ Which may be Sally Beauty Supply LLC, Beauty Systems Group LLC, Sally Beauty Distribution LLC, Sally Beauty Distribution of Ohio, Inc., Sally Beauty de Puerto Rico, Inc. or Armstrong McCall, L.P.

(iv) all employment related laws, including, but not limited to, Title VII of the Civil Rights Act, the Civil Rights Acts and amendments of 1866, 1871 and 1991, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the Equal Pay Act, the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, the Worker Adjustment Retraining and Notification Act, the Fair Labor Standards Act, and any amendments to these laws, and any such related or similar state or local laws, (v) any federal, state, or local law or common law doctrine for breach of contract, promissory estoppel, wrongful discharge, or conversion, (vi) claims for interference with rights under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or other claims concerning administration of ERISA plans not excluded below, and (vii) claims under federal or state law regarding wages (including without limitation claims for pay, minimum wage, and overtime), wage penalties, meal and rest breaks, classification, reimbursement of expenses, compensation, stock or incentive bonus plans, or intellectual property rights and associated laws.

3. CLAIMS NOT COVERED BY THE AGREEMENT

I agree that the following claims are not considered as a covered Dispute and are excluded under the Agreement: (i) Workers’ Compensation benefit claims; (ii) state unemployment or disability insurance compensation claims; (iii) claims for benefits under employee benefit plans covered by ERISA that contain an appeal procedure or other exclusive and/or binding dispute resolution procedure in the respective plan; (iv) claims under the National Labor Relations Act within the jurisdiction of the National Labor Relations Board; and (v) claims that the Dodd-Frank Wall Street Reform and Consumer Protection Act or other controlling federal statutes bar from the coverage of mandatory pre-dispute arbitration agreements.

The Company and I may apply to a court of competent jurisdiction for temporary or preliminary injunctive relief in connection with an arbitrable controversy, but only upon the ground that the award to which that party may be entitled would be ineffectual without such provisional relief; provided, however, that all issues of final relief shall be decided in arbitration, and the pursuit of the temporary or preliminary injunctive relief described herein shall not constitute a waiver of rights under this Agreement.

4. VOLUNTARY PRE-ARBITRATION OPTIONS

a. Informal Resolution and Open Door Policy

This Agreement does not in any way prevent me or the Company from using informal avenues to raise or resolve concerns—including Disputes that are covered under this Agreement. I understand that I may raise concerns with my managers. Many times addressing concerns with my immediate manager will lead to a resolution. If I feel uncomfortable raising concerns with my immediate manager, or my manager does not respond to my concerns, I may raise the concerns with my manager’s supervisor—including my

District Manager or Regional Manager. I also am encouraged to bring concerns to the attention of the Company's Human Resources Department pursuant to the Company's Open Door Policy.

b. Pre-Arbitration Human Resources Review

Prior to initiating arbitration of a covered dispute, the Company encourages me to submit a complaint letter to the Vice President of Human Resources at: Pre-Arbitration Complaint Intake, Sally Beauty Holdings, Inc., 3001 Colorado Blvd., Denton, Texas 76210. The complaint letter shall clearly state "Pre-Arbitration Complaint Letter" and should briefly identify the nature of the complaint and potential legal claim. The Vice President of Human Resources will appoint a senior Human Resources professional to investigate my complaint and attempt to provide me with a written response within thirty (30) days of the date that I submit the complaint. I understand that I am not required to submit such a complaint before pursuing arbitration, but that this is an option that may permit the Company to resolve my issue prior to engaging in the arbitration process.

c. Mediation

Mediation is a voluntary, non-binding process where a neutral third-party (a mediator) works with the parties to reach a mutually agreeable settlement of the Dispute. If a settlement is not reached, the mediator has no authority to impose one. I may request Mediation by making a written request for mediation of a Dispute to the Company's Legal Department, currently at: Mediation Intake, Sally Beauty Holdings, Inc., 3001 Colorado Blvd., Denton, Texas 76210. If the Company requests mediation, it will make a written request at the last home address I provided in writing to the Company. Both parties must mutually agree to mediation before any mediation occurs, and neither party has any obligation under this Agreement to mediate a Dispute. Mediation is completely voluntary and is not a prerequisite to arbitration of a Dispute. The Company will pay all of the fees and costs of pre-arbitration Mediation.

Statute of Limitations: To the extent I initiate Pre-Arbitration Human Resources Review or the Company and I agree to Mediation, as outlined in the above paragraphs, the applicable statute of limitations for my legal claims is tolled during the course of those processes. In other words, if those processes are initiated, the deadline for the filing of my claims is extended by the length of time it takes for those processes to be conducted.

5. HOW TO INITIATE ARBITRATION OF COVERED DISPUTES

The Company and I agree that the aggrieved party must make a written "Request for Arbitration" of any claim to the other party no later than the expiration of the statute of limitations (deadline for filing) that applicable state or federal law prescribes for the claim. The parties are encouraged to make the written Request for Arbitration of any claim as soon as possible after the event or events in dispute so that arbitration of any differences may take place promptly.

A written Request for Arbitration to the Company or its officers, directors, employees, or agents shall be sent to its

Legal Department, currently at: Arbitration Intake, Sally Beauty Holdings, Inc., 3001 Colorado Blvd., Denton, Texas 76210. I will be sent a written Request for Arbitration at the last home address I provided in writing to the Company. The Request For Arbitration shall, unless otherwise required by law, clearly state "Request For Arbitration" at the beginning of the first page and shall identify and describe the nature of all claims asserted, the facts upon which such claims are based, and the relief or remedy sought in accordance with pleading standards applicable to claims for relief under the Federal Rules of Civil Procedure. The Request for Arbitration shall be sent to the other party by certified or registered mail, return receipt requested, and first class mail.

6. THE ROLE OF ADMINISTRATIVE AGENCIES

Disputes may be brought before an administrative agency to the extent applicable law permits access to an agency notwithstanding an agreement to arbitrate covered Disputes, including, but not limited to, claims or charges brought before the Equal Employment Opportunity Commission, the U.S. Department of Labor, the National Labor Relations Board, and the Office of Federal Contract Compliance Programs. Nothing in this Agreement shall be construed to: (i) relieve any party of the duty to exhaust administrative remedies by filing a charge or complaint with an administrative agency and obtaining a right to sue notice, where otherwise required by law, or (ii) prevent either party from cooperating with a federal or state body as required by law. The Company will not retaliate against me for filing a claim with an administrative agency.

7. CLASS AND REPRESENTATIVE ACTION WAIVERS

THE COMPANY AND I HEREBY WAIVE ANY RIGHT FOR ANY DISPUTE TO BE BROUGHT, HEARD, DECIDED, OR ARBITRATED AS A CLASS AND/OR COLLECTIVE ACTION ("Class Action Waiver"). Notwithstanding any other clause contained in this Agreement, the preceding sentence shall not be severable from this Agreement in any instance in which the Dispute is brought as a class and/or collective action.

THE COMPANY AND I ALSO HEREBY WAIVE ANY RIGHT FOR ANY DISPUTE TO BE BROUGHT, HEARD, DECIDED, OR ARBITRATED AS A REPRESENTATIVE ACTION ("Representative Action Waiver"). However, this Representative Action Waiver may be severed if it would otherwise render this Agreement unenforceable in any action brought under a private attorneys general law, and following severance the representative action may be brought in a court of law.

Notwithstanding any other clause or language contained in this Agreement and/or any rules or procedures that might otherwise be applicable by virtue of this Agreement or by virtue of any arbitration organization rules or procedures that now apply or any amendments and/or modifications to those rules, any claim that this Class Action Waiver or Representative Action Waiver, or any portion of this Class Action Waiver or Representative Action Waiver, is unenforceable, inapplicable, unconscionable, or void or voidable, shall be determined only by a court of competent jurisdiction and not by an arbitrator.

8. REPRESENTATION

Any party may be represented by an attorney selected by the party. I understand and agree that I have been given the opportunity to discuss this Agreement with my private legal counsel and have availed myself of that opportunity to the extent I wish to do so.

9. GOVERNING LAW

The Company and I expressly agree that this Agreement shall be construed and interpreted, and its validity and enforceability determined, in accordance with the Federal Arbitration Act (9 U.S.C. §1, *et seq.*). The Company and I agree that this Agreement evidences a transaction involving interstate commerce and that the Company is engaged in transactions involving interstate commerce.

10. PROCEDURES AND RULES

The parties shall select the neutral arbitrator and/or arbitration sponsoring organization by mutual agreement.

If the parties are not able to mutually agree to an arbitrator and/or arbitration sponsoring organization, the arbitration will be held under the auspices of the American Arbitration Association ("AAA"), and except as provided in this Agreement, shall be in accordance with the then current Employment Arbitration Rules of the AAA ("AAA Rules") (the AAA Rules are available through the Company's Human Resources Department or via the internet at www.adr.org/employment). In addition, unless required otherwise by law (including the common law), a party to an arbitration proceeding under this Agreement may make an offer of judgment in a manner consistent with, and within the time limitations, consequences, and effects provided in Rule 68 of the Federal Rules of Civil Procedure. The offer shall be served on the offeree in the same manner in which other papers are served in the arbitral proceeding. The offer shall not be served on the Arbitrator, except that if the offer is accepted, either party may then file with the Arbitrator the offer and notice of acceptance together with proof of service thereof. The Arbitrator shall then immediately render an award as provided by the offer, and the arbitration proceedings shall then be terminated. If the offer is not accepted, the offer shall not be used as evidence in the arbitration proceedings and, following the issuance of the Arbitrator's award, the offeror may file a motion for costs with the Arbitrator, who shall retain jurisdiction to decide the motion and award costs to the offeror as warranted.

Unless the parties jointly agree otherwise, the Arbitrator shall be either an attorney who is experienced in employment law and licensed to practice law in the state in which the arbitration is convened, or a retired judge from any jurisdiction (the "Arbitrator"). Unless the parties jointly agree otherwise, the arbitration shall take place in or near the city in which I am or was last employed by the Company.

In the event the parties mutually choose a sponsoring organization, or AAA is designated, the Arbitrator shall be selected as follows: The organization selected shall give each party a list of eleven (11) arbitrators drawn from its panel of arbitrators. Each party shall have ten (10) calendar days from the postmark date on the list to strike all names on the list it

deems unacceptable. If only one common name remains on the lists of all parties, that individual shall be designated as the Arbitrator. If more than one common name remains on the lists of all parties, the parties shall strike names alternately from the list of common names until only one remains, with the party asserting the initial claim to strike first. If no common name remains on the lists of all parties, the selected organization shall furnish an additional list of eleven (11) arbitrators from which the parties shall strike alternately, with the party asserting the initial claim striking first to be determined by a coin toss, until only one name remains. That person shall be designated as the Arbitrator.

11. DISCOVERY AND SUBPOENAS

Each party shall have the right to take the deposition of one individual and any expert witness designated by another party. Each party also shall have the right to propound requests for production of documents to any party. Additional discovery may be had by mutual agreement of the parties or where the Arbitrator selected so orders pursuant to a request by either party. Each party shall have the right to subpoena witnesses and documents for the arbitration, as well as documents relevant to the case from third parties.

12. ARBITRATION FEES AND COSTS

The party that initiates the arbitration shall pay a filing fee as required by the organization through which the arbitration is conducted (not to exceed the lesser of \$150.00 or the court filing fee applicable in the jurisdiction where the arbitration will be conducted). The Company shall pay all other fees and costs of the Arbitrator and/or that are assessed by the organization through which the arbitration is conducted. If I am financially unable to pay a filing fee, I will be relieved of the obligation to pay the filing fee.

Each party shall pay for its own costs and attorneys' fees, if any. However, if any party prevails on a claim which affords the prevailing party attorneys' fees, or if there is a written agreement providing for fees, the Arbitrator may award reasonable fees to the prevailing party as provided by law. In the event the law (including the common law) of the jurisdiction in which the arbitration is held requires a different allocation of arbitral fees and costs in order for this Agreement to be enforceable, then such law shall be followed.

13. JURISDICTION OF ARBITRATOR

- a) The Arbitrator may award to me or the Company any remedy to which that party is entitled under applicable law (including, but not limited to, legal, equitable, and injunctive relief), but such remedies are limited to those that would be available to a party in his or her individual capacity in a court of law for the Disputes presented to and decided by the Arbitrator. The Arbitrator is without jurisdiction to apply any different substantive law.
- b) The Arbitrator shall have jurisdiction to hear and rule on pre-hearing disputes and is authorized to hold prehearing conferences by telephone or in person, as the Arbitrator deems necessary. The Arbitrator shall have the authority to hear and decide dispositive motions and/or a motion to dismiss and/or a motion for summary judgment by any party and shall apply

the standards governing such motions under the Federal Rules of Civil Procedure. The Arbitrator shall have the authority to issue appropriate protective orders to ensure the confidentiality of the proceedings or safeguard personal or privacy rights, in accordance with applicable law. Should any party refuse or neglect to appear for, or participate in, the arbitration hearing, the Arbitrator shall have the authority to decide the dispute based upon whatever evidence is then before him or her.

- c) The Arbitrator shall render an award by written opinion no later than 30 days from the date the arbitration hearing concludes or the post-hearing briefs (if requested) are received, whichever is later, unless the parties agree otherwise. The opinion shall be in writing and include the factual and legal basis for the decision.

14. JUDICIAL REVIEW

Judicial review shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 9-11. The decision of the Arbitrator may be entered and enforced as a final judgment in any court of competent jurisdiction.

15. CONFIDENTIALITY

Except to the extent prohibited or otherwise required by law as determined by the Arbitrator, the Company and I agree to maintain the confidentiality of the arbitration, except: (i) to the extent agreed upon otherwise, (ii) as may be otherwise appropriate in response to a governmental agency or legal process, (iii) as is necessary to enforce, correct, modify, or vacate the Arbitrator's award, or (iv) if the law provides to the contrary.

16. CONSTRUCTION

Except as provided in Section 7, "Class and Representative Action Waivers" above, if any provision of this Agreement is adjudged to be void, voidable, or otherwise unenforceable, in whole or in part, such provision shall, without affecting the validity of the remainder of the Agreement: (i) be modified to the extent necessary to render such term or provision enforceable preserving to the fullest extent possible the intent

and agreements herein, or (ii) to the extent such modification is not permissible, be severed from this Agreement. All remaining provisions shall remain in full force and effect. A waiver of one or more provisions of this Agreement by any party shall not be a waiver of the entire Agreement or any other provision of the Agreement.

17. CONSIDERATION

I and the Company agree that the mutual obligations by the Company and me to arbitrate Disputes and my employment and/or continued employment (which, as noted in Paragraph 18, remains at will) provide adequate consideration for this Agreement.

18. AT WILL EMPLOYMENT

I understand and agree that this Agreement does not in any way alter the "at-will" status of my employment.

19. SOLE AND ENTIRE AGREEMENT

I agree that this is the complete agreement of the parties on the subject of arbitration of Disputes. This Agreement shall survive the termination of my employment and the expiration of any benefit. No party is relying on any representations, oral or written, on the subject of the effect, enforceability, or meaning of this Agreement, except as specifically set forth in this Agreement. This Agreement does not supersede any restrictive covenant(s) or confidentiality obligations entered into by me and the Company. Notwithstanding any contrary language, if any, in any Company policy or handbook, this Agreement may not be modified, revised, or terminated absent a writing signed by both parties.

BY SIGNING BELOW, I ACKNOWLEDGE THAT I HAVE CAREFULLY READ AND UNDERSTAND THIS AGREEMENT AND AGREE TO ITS TERMS. I AGREE THAT BY SIGNING THIS AGREEMENT, THE COMPANY AND I ARE GIVING UP OUR RIGHTS TO A JURY TRIAL AND THAT PURSUANT TO THE TERMS OF THIS AGREEMENT, WE ARE AGREEING TO ARBITRATE DISPUTES COVERED BY THIS AGREEMENT.

Signature

Address

Printed Name

Date

President and Chief Executive Officer