

Alberto-Culver Company
Audit Committee of the Board of Directors
Audit Committee Charter

Purpose

The primary purpose of the Audit Committee (“Committee”) of the Board of Directors (“Board”) is to assist the Board in fulfilling its over-sight responsibilities for (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent auditor’s qualifications and independence, and (4) the performance of the Company’s internal audit function and independent auditors. The Committee will also prepare the report that Securities and Exchange Commission rules require be included in the Company’s annual proxy statement.

Composition

The Committee shall be composed of three or more members of the Board, each of whom shall be independent of the Company and management as required by the New York Stock Exchange, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgement as a member of the Committee.

Each Committee member will be financially literate. At least one member shall be designated as the “Audit Committee Financial Expert,” as defined by applicable law. No Committee member shall simultaneously serve on the audit committee of more than two other public companies without the approval of the Board.

The Board will annually approve Committee members and the Committee Chairman who shall serve until their successors are appointed and qualified. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies, subject to such new member(s) satisfying the qualification requirements established by the New York Stock Exchange and applicable law. Except as expressly provided in this Charter or the bylaws of the Company, the Committee shall fix its own rules of procedure.

Meetings

The Committee will meet at least four times a year. The Committee may invite other Board members, company management, auditors or others to attend meetings as deemed necessary or desirable. Periodically, the Committee will meet separately with the CEO, the CFO, internal audit, and the independent auditors and may meet with other management as required. The Committee will also meet in executive session. Meeting agendas will be approved by the Committee Chairman. Minutes of each meeting will be recorded.

Authority

The Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. The Committee is empowered to:

1. Appoint, retain, evaluate, set the level of compensation, oversee and terminate the work of the independent auditors. The independent auditors will report directly to the Committee and are ultimately accountable to the Committee and the Board.
2. Resolve any disagreements between management and the independent auditors.
3. Pre-approve all services performed by the independent auditors.
4. Retain and receive appropriate funding as determined by the Audit Committee for independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
5. Seek any information it requires from employees or external parties.
6. Meet with Company officers, independent auditors, or outside counsel, as necessary.
7. The Committee may delegate authority to subcommittees or to the Committee Chairman, including the authority to pre-approve all auditing and permitted non-audit services, providing that such pre-approval decisions are presented to the full Committee at its next scheduled meeting.

Responsibilities

The Committee will carry out the following responsibilities:

Financial Statements

1. Review significant accounting and reporting issues and their effect on the financial statements. These issues may include such items as:
 - Complex or unusual transactions and highly judgmental areas.
 - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the company's selection or application of accounting principles.
 - The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
2. Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles ("GAAP") methods on the financial statements.
3. Review with the independent auditors the results of the audit, including any audit problems or difficulties and management's response. This review will include any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management.
4. Review and discuss the annual audited financial statements and quarterly financial statements with management and the independent auditors, including the company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

5. Review any disclosures made by the Chief Executive Officer and Chief Financial Officer during the Forms 10-K and 10-Q certification process about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the company's internal controls.
6. Discuss earnings press releases (particularly use of "pro-forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies.

Internal Control

1. Review management's assessment of the adequacy and effectiveness of the Company's internal control system, including information technology security and control and the special audit steps adopted in light of any material control deficiencies.
2. Review the internal and independent auditors' scope of internal control reviews over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

1. Review with management and the Vice President Corporate Audit the internal audit charter, plans, activities, staffing, and organizational structure of the internal audit function.
2. Review and concur in the appointment, replacement, or dismissal of the Vice President Corporate Audit.
3. Review the performance of the internal audit function and ensure there are no unjustified restrictions or limitations.
4. At least quarterly, meet separately with the Vice President Corporate Audit to discuss any matters that the Committee or internal audit believes should be discussed privately.

Independent Audit

1. Review the independent auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
2. Exercise final approval on the appointment or discharge of the independent auditors.
3. Review the performance of the independent auditors including:
 - At least annually, obtain and review a report by the independent auditors describing the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
 - Assess the auditors' independence. The Committee will receive periodic reports from the independent auditors regarding relationships between the independent auditors and the Company and discuss with the independent auditors any relationships or services that may affect their objectivity and independence.
 - Review and evaluate the lead partner of the independent auditors.

4. Ensure the rotation of the lead, concurring and other audit partners in accordance with applicable law.
5. Present its conclusions with respect to the independent auditors to the full Board.
6. Set clear hiring policies for employees or former employees of the independent auditors.
7. At least quarterly, meet separately with the independent auditors to discuss any matters that the Committee or independent auditors believe should be discussed privately.
8. Discuss with the independent auditors prior to releasing year-end earnings the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61 - *Communication With Audit Committees*, as amended by SAS No. 90 - *Audit Committee Communication*, or as may be further modified or supplemented, including the quality of accounting principles and financial reporting and other matters that should be communicated to the Committee under the professional standards of the American Institute of Certified Public Accountants.

Compliance

1. Periodically, review the system for monitoring compliance with the Company's Compliance Policy Manual and with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
2. Establish procedures for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Reporting Responsibilities

1. Periodically report to the Board as to Committee activities and issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, and the performance of the internal audit function.
2. Provide an open avenue of communication between internal audit, the independent auditors, and the Board.
3. Prepare a report to be included in the Company's annual Proxy Statement stating whether the Committee has (i) reviewed and discussed the audited financial statements with management, (ii) discussed with the independent auditors the matters required by SAS No. 61, as amended by SAS No. 90, or as may be further modified or supplemented, (iii) received from the independent auditors disclosures regarding their independence required by the Independence Standards Board Standard No. 1 - *Independence Discussions with Audit Committees*, (iv) discussed with the independent auditors their independence and (v) based on the review and discussions referred to in (i) through (iv), recommend to the Board that the audited financial statements be included in the Annual Report on Form 10-K.

Other Responsibilities

1. Periodically, discuss with internal audit, the independent auditors and management the Company's methods of assessing significant areas of risk and guidelines for risk management.
2. Institute and oversee special investigations as needed.
3. Review and assess the adequacy of this charter annually, requesting Board approval for proposed changes.
4. Confirm annually to the Board of Directors that all responsibilities outlined in this charter have been carried out.
5. Evaluate the Committee's performance at least annually.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors. The Committee's recommendation to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K is therefore not a representation that such audited financial statements are presented fairly in accordance with generally accepted accounting principles or that the audit complied with generally accepted auditing standards.