

FLOOR & DECOR HOLDINGS, INC.

Compensation Committee Charter

(effective February 28, 2018)

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Floor & Decor Holdings, Inc. (the “Corporation”), is to (A) assist the Board in discharging its responsibilities relating to compensation of the Corporation’s directors and executive officers and (B) prepare a report on executive compensation for inclusion in the Corporation’s proxy statement or Annual Report on Form 10-K.

II. Membership

The Committee shall consist of no fewer than two directors. Except as may otherwise be permitted by the rules of the New York Stock Exchange (the “NYSE”) and the Securities and Exchange Commission (the “SEC”), each member of the Committee shall, in the determination of the Board, be (A) an “Independent Director” that (1) satisfies the independence and other requirements established by the NYSE and (2) meets the independence requirements of SEC Rule 10C-1(b)(1) under the Securities Exchange Act of 1934 (the “Exchange Act”) and (B) an “outside director” for purposes of Section 162(m) of the Internal Revenue Code, as amended.

The members of the Committee shall be appointed, replaced and removed by the Board in accordance with the provisions of any applicable investor rights agreement and based on the recommendation of the Nominating and Corporate Governance Committee of the Board. The members of the Committee shall serve in accordance with the Corporation’s bylaws. The chairperson of the Committee shall be elected by the Board; provided, that if the Board does not so designate a Chairperson, the Committee may designate such Chairperson.

III. Meetings; Rules of Procedure

The Committee shall meet at least two times annually, or more frequently as circumstances dictate. Special meetings may be convened as the Committee deems necessary or appropriate. The Committee may ask members of management or others to attend a meeting of the Committee (or to meet with any member of, or advisers to, the Committee) and provide pertinent information as necessary or desirable. The Committee may adopt such procedures as it deems appropriate and necessary to carry out the duties and responsibilities of the Committee. The Committee shall report regularly to the Board, not less frequently than two times annually. Notice of Committee meetings shall be given in the same manner as notice for special meetings of the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The act of a majority of the Committee members present at a meeting shall be the act of the Committee.

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (A) compensation to any advisers (including independent counsel, accountants, consultants and other advisers) employed by the Committee and (B) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

IV. Responsibilities and Duties

A. Compensation Matters

1. The Committee shall, at least annually, (i) review and approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer of the Corporation (the “CEO”), (ii) evaluate the CEO’s performance in light of those goals and objectives and (iii) determine and approve (either alone or, if directed by the Board, in conjunction with the independent directors of the Board) the CEO’s compensation level based on such evaluation, to the extent not otherwise determined by an existing employment agreement or arrangement approved by the Board and/or the Committee. In determining any long-term incentive component of the CEO’s compensation, the Committee shall consider the Corporation’s performance and relative stockholder return, the value of similar incentive awards given to chief executive officers at comparable companies, the awards given to the CEO in the past years and other factors the Committee deems appropriate in connection with its review.
2. The Committee shall review, approve and, if appropriate, make recommendations to the Board for approval of the compensation of the executive officers of the Corporation other than the CEO.
3. The Committee shall review, approve and, if appropriate, make recommendations to the Board for approval of director compensation for service on the Board and committees of the Board.
4. The Committee shall determine whether to implement stock ownership guidelines for the Corporation’s non-employee directors and executives and monitor compliance with any such guidelines.
5. The Committee shall review, approve and, if appropriate, make recommendations to the Board for approval of all employment agreements, severance arrangements, change in control agreements/provisions and other similar benefits and arrangements with the CEO or the other executive officers of the Corporation, as well as any amendments or modifications thereto or terminations thereof.
6. The Committee shall review, approve and, if appropriate, make recommendations to the Board and to the Corporation’s stockholders (to the extent stockholder approval is required by applicable laws, regulations or NYSE rules) for approval of all incentive-compensation plans, equity-based compensation plans and retirement plans of the Corporation, which includes the authority to adopt, amend and terminate such plans.

7. The Committee shall administer the incentive-compensation plans, equity-based compensation plans and retirement plans of the Corporation, including the 2011 Stock Incentive Plan, the 2017 Stock Incentive Plan and sub-plans thereunder, and discharge any duties and responsibilities as may be delegated or assigned to the Committee in any plan document, including reviewing, approving and, if appropriate, making recommendations to the Board, with respect to the designation of persons to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, in each case subject to the provisions of the applicable plan document.

8. The Committee shall review and discuss with management the “Compensation Discussion and Analysis” required by Item 402(b) of SEC Regulation S-K (“CD&A”) and the related executive compensation information, recommend that the CD&A and the related executive compensation information be included in the Corporation’s proxy statement or Annual Report on Form 10-K and prepare the report required by Item 407(e)(5) of SEC Regulation S-K.

9. The Committee shall review the Corporation’s incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk, in each case to the extent required to comply with Item 402(s) of SEC Regulation S-K.

10. The Committee shall review and recommend to the Board for approval the frequency with which the Corporation will conduct any stockholder advisory vote on executive compensation (a “Say-on-Pay Vote”), taking into account the results of the most recent stockholder advisory vote on frequency of Say-on-Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say-on-Pay Vote and the frequency of the Say-on-Pay Vote to be included in the Corporation’s proxy statement.

11. The Committee shall consider the results of the most recent Say-on-Pay Vote required by Section 14A of the Exchange Act in making any evaluation or determination on executive compensation.

B. Other Rights and Responsibilities

1. To the extent permitted under applicable laws, regulations and NYSE rules, the Committee may form and delegate authority to sub-committees or to any other independent director or committee comprised entirely of independent directors, in each case, to the extent the Committee deems necessary or appropriate. The Committee may consult with or obtain input from management, but, except as expressly provided herein, shall not delegate any of its responsibilities to management.

Subject to the preceding paragraph, the Committee may delegate to one or more executive officers the authority to administer the incentive-compensation plans, equity-based compensation plans and retirement plans of the Corporation, including the 2011 Stock Incentive Plan, the 2017 Stock Incentive Plan and sub-plans thereunder, and discharge any duties and responsibilities as may be delegated or assigned to the Committee in any plan document, including reviewing and approving the designation of persons (other than executive officers) to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, in each case subject to the provisions of the applicable plan document. Any executive officer to whom the Committee grants such authority shall regularly report to the Committee grants so made and the Committee may revoke any delegation of authority at any time.

2. Other than as prohibited by NYSE rules and regulations, the Committee may designate any member of the Committee to execute documents on its behalf as the Committee deems necessary or appropriate to carry out its responsibilities hereunder.

3. The Committee shall have the authority to engage independent counsel, accountants, consultants and other advisers, as the Committee determines necessary or appropriate to carry out its duties and responsibilities. When selecting such any such adviser, unless such adviser is exempt from the independence assessment required by the NYSE rules, the Committee shall consider factors affecting the independence of such adviser from management, including (i) whether the adviser or the person that employs the adviser provides other services to the Corporation and the fees received by such person for such other services (as a percentage of the such person's total revenue), (ii) the policies and procedures of the person that employs the adviser that are designed to prevent conflicts of interest, (iii) any relationship (business or personal) between the adviser and any member of the Committee, (iv) any relationship (business or personal) between the adviser or the person employing the adviser and any executive officers of the Corporation and (v) ownership by the adviser of the Corporation's stock. The Committee shall have the sole authority to approve all fees and terms of engagement of such advisers. The Committee shall have the power to conduct or authorize investigations into any matter within the Committee's scope of responsibilities.

C. Annual Performance Evaluation; Charter Review

The Committee shall conduct an annual self-assessment of its performance, and the Nominating and Corporate Governance Committee of the Board shall oversee and coordinate such annual assessment. In addition, the Committee shall review and reassess, at least annually, the adequacy of this charter of the Committee (this "Charter") and recommend any proposed changes to the Board. The Committee shall conduct such reviews in such manner as it deems appropriate. This Charter is in all respects subject and subordinate to the Corporation's charter, bylaws, any applicable investor rights agreement, NYSE rules and applicable law.

V. General

The Committee may diverge from the specific activities outlined throughout this Charter, as appropriate, if circumstances or regulatory requirements change. In addition to these activities, the Committee may perform such other functions as necessary or appropriate under applicable laws, regulations, NYSE rules, the Corporation's charter, bylaws, any applicable investor rights agreement and the resolutions and other directives of the Board, each as in effect from time to time. This Charter may be amended from time to time by the Board. This Charter shall be made available on the Corporation's website at *www.FloorandDecor.com* and to any stockholder who otherwise requests a copy.