

# Charter of the Organization and Compensation Committee

Amended and Restated June 18, 2013

## Organization and Meetings

The Organization and Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Franklin Covey Co. (the “**Company**”) consists of at least three members appointed by the Board who serve until their successors are appointed and qualified. Each member is an independent director in compliance with the requirements of the New York Stock Exchange and the applicable rules and regulations of the Securities and Exchange Commission (the “**SEC**”). In addition, at least two Committee members shall qualify as “non-employee directors” within the meaning of Rule 16b-3 as promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “**Code**”), or such successor provisions. The chairperson of the Committee is appointed by the Board pursuant to the Company’s bylaws.

The Committee shall meet regularly, at least once during each quarter of the Company’s fiscal year, in person or by telephone, to carry out its assigned responsibilities. The Committee meets in regularly scheduled executive sessions without management. The Committee reports to the Board on a regular basis, and not less than once per year.

## Purpose and Responsibilities

The Committee has direct responsibility to:

- Review and approve corporate goals and objectives relevant to chief executive officer (“**CEO**”) compensation, evaluate the CEO’s performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO’s compensation level based on this evaluation; and
- Approve non-CEO executive officer compensation, and incentive compensation and equity-based plans that are subject to board approval; and
- Oversee the preparation of a “compensation discussion and analysis” and a related “compensation committee report” for inclusion in the Company’s annual proxy statement and Form 10-K, in accordance with the rules of the SEC. The Committee reviews and discusses the compensation discussion and analysis with management each year prior to preparing the compensation committee report; and
- Approve benefits and non-cash compensation packages available to executives and non-executive employees; and
- Provide oversight of the CEO’s development plans for senior executives and administration of the Board’s annual evaluation of the CEO’s performance; and
- Conduct an annual performance evaluation of the compensation committee.

## Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (i) “non-employee directors” for the purposes of Rule 16b-3 as promulgated under the Exchange Act, and (ii) “outside directors” for the purposes of Section 162(m) of the Code.

### **Committee Resources and External Consultants**

The Committee has the resources and authority appropriate to discharge its duties and responsibilities, including the authority to obtain advice and seek assistance from internal and external legal, accounting, and other advisors. The Committee has sole authority to retain compensation consultants to assist in the evaluation of director, CEO, or senior executive compensation and has sole authority to terminate such compensation consultants, and to approve such compensation consultants' fees and other retention terms.

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee. The Committee shall receive the appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, independent legal counsel or other adviser, and the authority granted to the Committee herein shall not affect the ability of the Committee to exercise its own judgment in fulfillment of its duties. Subject to any exceptions set forth in the rules of the New York Stock Exchange, including Section 303A.05 of the New York Stock Exchange Listed Company Manual, the Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration, all factors relevant to that person's independence from management, including the following: (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company. The Committee may select or receive advice from any compensation advisor it prefers, including ones that are not independent, after considering the factors specified above.