

REGIS CORP

Form DEF 14A

September 06, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Regis Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

LETTER FROM THE CHAIR

Dear Fellow Shareholders,

On behalf of the entire Board of Regis Corporation, I would like to thank you for your continued support. As a leading provider of beauty salons and cosmetology education, Regis owns, franchises or holds ownership interests in more than 9,000 salon locations employing more than 45,000 employees.

During fiscal 2017 our Board took significant actions to catalyze a strategic transformation of our business. These actions are designed to specifically address systemic underperformance of company-owned salon operations and significantly expand our franchise operations. Early in the year, we announced a strategic shift toward converting company-owned and operated salons into franchised salons. In April 2017 the Board executed a CEO transition, appointing Hugh Sawyer as President and CEO. Hugh has significant experience in leading successful, transformational turnarounds in a variety of situations and industries. Hiring an experienced turnaround CEO, adept at implementing strategic transformations, enables the Company to fast track the changes necessary to drive increased operating performance. In addition to bringing on a new CEO, we have re-shaped our senior management team with a focus on execution of our turnaround strategy.

The Board believes that these changes establish a strong foundation to drive sustainable growth across the business. We are focused on implementing a clear strategy to improve performance over the next several years. While we recognize that there is still considerable work to be done, we are pleased with recent turnaround progress, including:

- Acceleration of the restructuring of our salon portfolio into franchised operations;
- Consideration of strategic alternatives for our underperforming mall segment; and
- An emphasis on a more guest-focused culture, with detailed, measurable operating goals to drive accountability.

Against the backdrop of the operational turnaround of our company-owned salons and a significant shift in our business toward greater franchise opportunities and the considerable uncertainty this created, the Board is focused on retaining and galvanizing our people around these turnaround goals. The Board views our short and long-term incentive structure as a critical lever in executing a successful turnaround. For 2017, our Compensation Committee made several changes to our executive compensation program to reflect shareholder feedback and to align incentive compensation with our strategic goals. Key changes include:

- Increased percentage of performance-based equity awards in our long-term incentive program;
- Alignment of CEO's compensation to shareholder value creation;
- Lengthened performance period for performance-based equity awards; and
- Modified performance metrics to focus management on sustainable earning generation.

As our business evolves, our Compensation Committee will continue to use our incentive compensation programs to support our transformation goals and focus management on performance achievements that will drive value creation for shareholders.

Our Board and management team are working closely to address the challenges in our business and create transformational change for Regis. We also recognize success is measured by a sustainable increase in shareholder value. We remain committed to achieving that goal through serving our four key stakeholders: our guests, our employees, our franchise partners and our shareholders.

We are excited about the future of Regis Corporation and we appreciate the trust you have placed in the Board during this time of turnaround and strategic evolution.

Thank you for your continued investment in Regis.

Sincerely,

David P. Williams
Chairman of the Board

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held October 17, 2017

TO THE SHAREHOLDERS OF REGIS CORPORATION:

The Annual Meeting of the Shareholders (the “Annual Meeting”) of Regis Corporation (referred to as “we,” “us,” “our,” “Regis” and the “Company”) will be held at our executive offices located at 7201 Metro Boulevard, Edina, Minnesota 55439, on October 17, 2017 commencing at 9:00 a.m., for the following purposes:

1. To elect the seven directors listed in the proxy statement to serve for a one-year term and until their successors are elected and qualified;
2. To approve, on an advisory basis, the compensation of our named executive officers (referred to as the “Say-on-Pay” proposal);
3. To approve, on an advisory basis, the frequency of future advisory votes on executive compensation (referred to as the “Say-on-Frequency” proposal);
4. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2018; and
5. To transact such other business, if any, as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only holders of record of our common stock at the close of business on August 23, 2017 are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof.

Whether or not you plan to attend the Annual Meeting in person, please submit your proxy by telephone or through the Internet in accordance with the voting instructions provided to you. If you requested a paper copy of the proxy card by mail, you may also date, sign and mail the proxy card in the postage-paid envelope that is provided with your proxy card. Should you nevertheless attend the Annual Meeting, you may revoke your proxy and vote in person.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the record holder that you must follow in order for your shares to be voted. If you plan to attend the Annual Meeting and hold shares in your name, please be prepared to provide proper identification, such as a driver’s license. If you hold your shares through a bank or broker, you will need proof of ownership, such as a recent account statement or letter from your bank or broker, along with proper identification in order to attend the Annual Meeting. If you hold your shares through a bank or broker and intend to vote your shares at the Annual Meeting, you will need to provide a legal proxy from your broker.

By Order of the Board of Directors

Eric A. Bakken
Secretary

September 6, 2017

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS, OCTOBER 17, 2017

This Proxy Statement is furnished to shareholders of REGIS CORPORATION, a Minnesota corporation (the “Company”), in connection with the solicitation on behalf of our Board of Directors (the “Board”) of proxies for use at the annual meeting of shareholders to be held on October 17, 2017 (the “Annual Meeting”), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders.

The address of our principal executive office is 7201 Metro Boulevard, Edina, Minnesota 55439.

Availability of Proxy Materials

As permitted by rules adopted by the Securities and Exchange Commission (“SEC”), we are making our proxy materials, which include our Notice and Proxy Statement and Annual Report on Form 10-K, available to our shareholders over the Internet. We believe that this e-proxy process expedites our shareholders’ receipt of proxy materials and lowers the costs and reduces the environmental impact of the Annual Meeting. In accordance with such SEC rules, we will send shareholders of record as of the close of business on August 23, 2017 a Notice of Internet Availability of Proxy Materials (the “Notice”), which mailing will commence on or about September 6, 2017. The Notice contains instructions on how shareholders can access our proxy materials and vote their shares over the Internet. If you would like to receive a printed copy of our proxy materials from us instead of downloading them from the Internet, please follow the instructions for requesting such materials included in the Notice.

Solicitation and Revocation of Proxies

In addition to the use of the mails, proxies may be solicited personally or by mail, telephone, fax, email, Internet or other electronic means by our directors, officers and regular employees who will not be additionally compensated for any such services. Proxies may also be solicited by means of press releases and other public statements.

We will pay all solicitation expenses in connection with the Notice and this Proxy Statement and any related proxy soliciting material of the Board, including the expense of preparing, printing, assembling and mailing such material.

Proxies to vote at the Annual Meeting are solicited on behalf of the Board. Any shareholder giving a proxy may revoke it at any time before it is exercised by attending the Annual Meeting and revoking it or by providing written notice of revocation or by submitting another proxy bearing a later date to our Secretary at the address set forth above. Such proxies, if received in time for voting and not revoked, will be voted at the Annual Meeting in accordance with the specifications indicated thereon.

If You Hold Your Shares in “Street Name”

If you hold your shares in “street name,” i.e., through a bank, broker or other holder of record (a “custodian”), your custodian is required to vote your shares on your behalf in accordance with your instructions. If you do not give instructions to your custodian, your custodian will not be permitted to vote your shares with respect to “non-discretionary” items, such as the election of directors, the Say-on-Pay proposal and the Say-on-Pay Frequency proposal. Accordingly, we urge you to promptly give instructions to your custodian to vote on these matters by following the instructions provided to you by your custodian. Please note that if you intend to vote your street name shares in person at the Annual Meeting, you must provide a “legal proxy” from your custodian at the Annual Meeting.

VOTING RIGHTS AND REQUIREMENTS

Only shareholders of record as of the close of business on August 23, 2017 will be entitled to sign proxies or to vote. On that date, there were 46,407,575 shares issued, outstanding and entitled to vote. Each share of common stock is entitled to one vote. A majority of the outstanding shares present in person or by proxy at the Annual Meeting is required to transact business, and constitutes a quorum for voting on items at the Annual Meeting. If you vote, your shares will be part of the quorum. Abstentions and broker non-votes will be counted as being present at the Annual Meeting in determining the quorum, but neither will be counted as a vote in favor of a matter. A “broker non-vote” is a proxy submitted by a bank, broker or other custodian that does not indicate a vote for some of the proposals because the broker does not have or does not exercise discretionary voting authority on certain types of proposals and has not received instructions from its client as to how to vote on those proposals.

Vote Required

The table below summarizes the proposals that will be voted on, the vote required to approve each item, voting options, how votes are counted and how the Board recommends you vote:

Proposal	Vote Required	Voting Options	Board Recommendation(1)	Broker Discretionary Voting Allowed(2)	Impact of Abstention
Item 1: Election of the seven director nominees listed in this Proxy Statement	Majority of votes cast “FOR” must exceed “AGAINST” votes(3)	“FOR” “AGAINST” “ABSTAIN”	“FOR”	No	None
Item 2: Advisory “Say-on-Pay” vote	Majority of votes cast “FOR” must exceed “AGAINST” votes(4)	“FOR” “AGAINST” “ABSTAIN”	“FOR”	No	None
Item 3: Advisory “Say-on-Pay Frequency” vote	Highest number of votes of the frequency alternatives presented(4)	“1 YEAR” “2 YEARS” “3 YEARS” “ABSTAIN”	“1 YEAR”	No	None
Item 4: Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2018	Majority of votes present in person or by proxy and entitled to vote on this item of business or, if greater, the vote required is a majority of the voting power of the minimum number of shares entitled to vote that would constitute a quorum at the Annual Meeting	“FOR” “AGAINST” “ABSTAIN”	“FOR”	Yes	“AGAINST”

(1) If you are a registered holder and you sign and submit your proxy card without indicating your voting instructions, your shares will be voted in accordance with the Board’s recommendation.

(2) A broker non-vote will not count as a vote for or against a director or the Say-on-Pay vote, or for any of the frequency alternatives on the Say-on-Pay Frequency proposal. For Item 4, a broker non-vote will have no effect unless a majority of the voting power of the minimum number of shares entitled to vote that would constitute a quorum at the Annual Meeting is required in order to approve the item, then a broker non-vote will have the same

effect as a vote “AGAINST.”

In an uncontested election of directors at which a quorum is present, if any nominee for director receives a greater number of votes “AGAINST” his or her election than votes “FOR” such election, our Corporate Governance Guidelines require that such person must promptly tender his or her resignation to the Board following certification of the shareholder vote. Our Corporate Governance Guidelines further provide that the Nominating and Corporate Governance Committee will then consider the tendered resignation and make a recommendation to the Board as to whether to accept or reject the tendered resignation. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee’s recommendation, and publicly disclose its decision regarding

3

the tendered resignation and the rationale behind the decision within 90 days from the date of the election. The nominee who tendered his or her resignation will not participate in the Board decisions. Cumulative voting in the election of directors is not permitted.

The advisory Say-on-Pay and Say-on-Pay Frequency votes are not binding on us; however, we will consider the shareholders to have approved the compensation of our named executive officers if the number of votes cast "FOR" (4) the proposal exceeds the number of shares voted "AGAINST" the proposal, and we will consider the shareholders to have selected the frequency for future advisory Say-on-Pay votes that receives the highest number of votes among the frequency alternatives presented.

ITEM 1
ELECTION OF DIRECTORS

Seven directors are to be elected at the Annual Meeting, each to hold office for one year until the 2018 annual meeting of shareholders and until their successors are elected and qualified. Based upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated the seven persons named below for election as directors. Each of the Board's nominees are currently directors of Regis, and each nominee has consented to serve if elected. Stephen E. Watson, who has served a director for nine years, is not standing for re-election at the Annual Meeting.

Unless authority to vote is withheld, proxies submitted will be voted for the election of the Board's nominees named herein as directors of Regis. If for any reason a nominee becomes unable to serve or for good cause will not serve if elected, the Nominating and Corporate Governance Committee may designate substitute nominees, in which event the shares represented by proxies returned to us will be voted for such substitute nominees. If the Nominating and Corporate Governance Committee designates any substitute nominees, we will file an amended proxy statement that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected, and includes certain biographical and other information about such nominees required by SEC rules. The director nominees are:

	Age	Director Since	Independent Director/Nominee
Daniel G. Beltzman	42	2012	ü
David J. Grissen	60	2013	ü
Mark S. Light	55	2013	ü
Michael J. Merriman	61	2011	ü
M. Ann Rhoades	72	2015	ü
Hugh E. Sawyer III	63	2017	
David P. Williams	56	2011	ü Chair

	Principal Position	Other Public Company Directorships
Daniel G. Beltzman	General Partner, Birch Run Capital Advisors, LP	Walter Investment Management Corp. (since December 2015)

Mr. Beltzman founded Birch Run Capital Advisors, LP ("Birch Run"), a financial investment advisory firm, and has served as its General Partner since May 2006. Prior to managing investments, Mr. Beltzman worked at both Deutsche Bank Securities, Inc. and Bank of America Securities, LLC focusing on equity research and mergers and acquisitions. Thereafter, he founded an entrepreneurial venture that provided services to help European builders more efficiently manage their supply chains. Mr. Beltzman also worked with a boutique investment firm that specializes in joint venture equity and mezzanine debt for real estate ventures. Mr. Beltzman has spent the last fourteen years as an investor and manager of Birch Run and its predecessors, during which time he has studied the business models of many public companies, and developed a specific expertise in capital allocation.

Mr. Beltzman's financial experience and expertise, as well as his perspective as a significant shareholder of the Company, contribute valuable insights to the Board.

	Principal Position	Other Public Company Directorships
David J. Grissen	Group President of Marriott International, Inc.	-

Mr. Grissen has served as Group President of Marriott International, Inc., a global operator of hotels and related lodging facilities, since 2013. During his 30 years of experience with Marriott, he has held various positions, including Group President, Americas; President, Americas; Executive Vice President of the Eastern Region; Senior Vice President of the Mid-Atlantic Region and Senior Vice President of Finance and Business Development. He has had

responsibility for the financial management and leadership of all the Americas' lodging operations, comprising more than 4,700 hotels and a work force of 160,000 associates, including responsibility for sales and marketing, revenue management, human resources, engineering, room operations, food and beverage/retail/spa, information resources and development. Mr. Grissen was a director of Good Times Restaurants Inc. from 2005 to 2010.

Mr. Grissen's experience leading a complex service organization that includes both franchised and owned operations contributes valuable perspectives to the Board. The Board believes that Mr. Grissen's experience building marketing platforms

5

for multiple portfolio brands, and his experience in acquisitions and integration, help him guide the Company as it focuses on improving the guest experience through each of its brands.

Principal Position Other Public Company Directorships

Mark S. Light Retired Executive -

Mr. Light served as Chief Executive Officer of Signet Jewelers Limited, the world's largest retailer of diamond jewelry, until his retirement in July 2017. Signet operates approximately 3,000 stores primarily under the name brands of Kay Jewelers, Zales, Jared The Galleria Of Jewelry, H.Samuel, Ernest Jones, Peoples and Piercing Pagoda. Mr. Light started in Signet's US Division, Sterling Jewelers Inc., as a sales associate 39 years ago, progressed through various management positions, and served as Signet Chief Executive Officer from November 2014 to July 2017, as well as a member of its board of directors.

Mr. Light brings his experience with a company having a business model similar to the Company's, which is focused on customer loyalty and a high performing field sales group, to assist the Board in its efforts to improve the salon experience and the Company's operational performance.

Principal Position

Other Public Company Directorships

Nordson Corporation (since 2008) (Audit Committee Chair)

Michael J. Merriman Operating Advisor, Resilience Capital Partners, LLC

OMNOVA Solutions Inc. (since 2008) (Nominating and Corporate Governance Committee Chair)

Invacare Corporation (since May 2014) (Audit Committee Chair)

Mr. Merriman joined Resilience Capital Partners, LLC, a private equity firm, in 2008. From November 2006 until its sale in November 2007, Mr. Merriman served as Chief Executive Officer of The Lamson & Sessions Co., a publicly held manufacturer of thermoplastic conduit, fittings and electrical switch and outlet boxes. Prior to joining Lamson & Sessions, Mr. Merriman served as the Senior Vice President and Chief Financial Officer of American Greetings Corporation, a publicly held creator and manufacturer of innovative social expression products, from September 2005 until November 2006. He served as the President and Chief Executive Officer of Royal Appliance Mfg. Co., a publicly held manufacturer and marketer of Dirt Devil vacuum cleaners, from 1995 until April 2004, was its Chief Financial Officer from 1992 to 1995 and served on the board of directors from 1993 to 2004. In addition to his current directorships listed above, Mr. Merriman served as a director of American Greetings Corporation from 2006 until it went private in August 2013 and as a director of RC2 Corporation, a publicly held manufacturer of pre-school toys and infant products, from 2004 until its sale in April 2011.

Mr. Merriman brings to the Board his financial acumen, his significant public accounting experience, his experience as a chief executive officer of other publicly traded companies, his service on boards of directors of other publicly traded companies and his retail experience. Mr. Merriman has significant finance, financial reporting and accounting expertise and was formerly a certified public accountant with Arthur Andersen & Co., which provides the Board with valuable expertise. In addition, the Board believes that his wide range of management experience at various public companies allows him to provide valuable insight into the Company's operations as well as its interactions with investors and financial analysts.

Principal Position

Other Public Company Directorships

M. Ann Rhoades President, People Ink -

Ms. Rhoades has served as the President of People Ink, Inc., a human resources consulting firm, since its inception in 1999. From 1999 through 2002, Ms. Rhoades served as JetBlue's Executive Vice President, People. From 1995 to 1999, Ms. Rhoades was the Executive Vice President, Team Services for Promus Hotel/DoubleTree Hotels Corporation. From 1989 to 1995, Ms. Rhoades was the Vice President, People for Southwest Airlines. Ms. Rhoades has served as a director of JetBlue Airways (2001 to May 2015), Restoration Hardware, Inc. (1999 to 2001 and 2005 to 2009), and P.F. Chang's China Bistro, Inc. (2003 to 2012). Ms. Rhoades serves on the boards of the University of New Mexico Alumni Association, New Mexico Appleseed, Safer New Mexico Now and Nexphase Capital, a private

equity firm.

Ms. Rhoades brings to our Board her deep experience as a leader and director in a variety of consumer-facing public companies. The Board believes her particular expertise in human resources helps us in our mission to make Regis the place where stylists can have successful and satisfying careers, which will drive great guest experiences and in turn, guests for life.

6

Principal Position

Other Public Company Directorships

Hugh E. Sawyer President and Chief Executive Officer, Regis Corporation -
 Mr. Sawyer has served as President and Chief Executive Officer of Regis, as well as a director, since April 2017. Mr. Sawyer was previously a Managing Director of Huron Consulting Group Inc. (“Huron”), a management consulting firm, beginning in January 2010, and led the Operational Improvement Service Line for Huron's Business Advisory Practice. He has more than 35 years of experience leading operational improvements, turnarounds, mergers and acquisitions and strategic transformations for both public and private companies across a diverse group of industries. While at Huron, he served as Interim President and CEO of JHT Holdings, Inc., a provider of specialized transportation and logistics services, from January 2010 to March 2012; as the Chief Administrative Officer of Fisker Automotive Inc. (now known as Fisker Inc.), a manufacturer of hybrid electric vehicles, from January 2013 to March 2013 and as Chief Restructuring Officer of Fisker Automotive from March 2013 to October 2013; and as Interim President of Euramax International, Inc., a global manufacturer of building products, from February 2014 to August 2015. Including Regis, he has served as the president or chief executive officer of nine companies, including Wells Fargo Armored Service Corporation, The Cunningham Group, Inc., National Linen Service, Inc., Aegis Communications Group, Inc., Allied Holdings, Inc., and Legendary Holdings, Inc. Mr. Sawyer has also served as a director of numerous public and private companies, including Energy Future Competitive Holdings Company LLC and Texas Competitive Electric Holdings Company LLC from 2013 to October 2016, and Edison Mission Energy from July 2012 to April 2014 and thereafter on the Board of Managing Trustees of the EME Reorganization Trust until December 2016.

The Board believes that Mr. Sawyer should continue to serve as a director because as Chief Executive Officer of the Company, he shares responsibility with the Board for guiding the direction of the Company, and he has a deep understanding of the Company’s operations, strategy, results of operations and financial condition, as well as issues affecting the Company’s industry. Mr. Sawyer's extensive experience leading operational improvements in other companies also enables him to provide important insights to the Board related to the Company’s strategy.

Principal Position

Other Public Company Directorships

David P. Williams Executive Vice President and Chief Financial Officer, Chemed Corporation -

Chemed Corporation is a provider, through its subsidiaries, of hospice care and repair and maintenance services, and Mr. Williams has served as its Chief Financial Officer since February 2004. From 1998 until 2004, Mr. Williams was the Senior Vice President and Chief Financial Officer of Chemed's Roto-Rooter Group subsidiary, a leading provider of commercial and residential plumbing and drain cleaning services. Prior to that, Mr. Williams was the Chief Financial Officer of Chemed’s Omnia Group subsidiary, a manufacturer of disposable healthcare products, and prior to that was Senior Vice President and Chief Financial Officer of Omnicare’s Veratex Group, a national distributor of disposable medical, dental and pharmaceutical products. Prior to joining Chemed, Mr. Williams was with Price Waterhouse in its Comprehensive Professional Services Group.

Mr. Williams’ depth of experience in various senior executive roles of public and private companies and his significant accounting and financial expertise enable him to provide meaningful contributions to the oversight of financial and accounting matters at the Company, and qualify him as an audit committee financial expert.

The Board unanimously recommends that you vote FOR the election of each of the director nominees.

CORPORATE GOVERNANCE

The Board believes that good corporate governance is paramount to ensure that we are managed for the long-term benefit of our shareholders. As part of our ongoing efforts to constantly improve corporate governance, the Board and management have undertaken a number of initiatives to improve our corporate governance policies and practices over recent years. Below is a summary of the key corporate governance practices in effect at Regis:

Corporate Governance Practices

Corporate Governance Practice	Regis Policy
Board Independence and Leadership	All of our directors, other than our President and Chief Executive Officer, are independent, and we have an independent Chair of the Board.
Board Refreshment and Shareholder Insight	All of our nominees joined the Board at or after the 2011 annual meeting of shareholders, and three of them were identified as candidates by, or in coordination with, our shareholders. Mr. Watson, who has served on our Board since 2008, is not standing for re-election.
Annual Election of Directors	All of our directors have one-year terms and stand for election each year.
Majority Voting Standard	Our Board and shareholders have adopted a majority voting standard for the election of directors. Our Corporate Governance Guidelines also require incumbent directors who do not receive a majority vote to tender their resignation to the Board.
10% Threshold for Special Meetings	Shareholders holding 10% or more of our outstanding stock have the right to call a special meeting of shareholders.
Related Party Transactions	Our Board has adopted a Related Party Transaction Approval Policy requiring approval of all related party transactions where the amount involved exceeds \$10,000 for the fiscal year. We did not have any related party transactions during fiscal 2017.
Director Stock Ownership	Under our Corporate Governance Guidelines, our directors are required to hold all common stock received as part of their compensation for service as a director until he or she ceases to be a member of the Board. All of our directors own stock in the Company.
Executive Compensation Best Practices	<p>Our key fiscal 2017 compensation practices and policies are described below in more detail under "Executive Compensation — Compensation Discussion and Analysis" (the "CD&A"), including:</p> <ul style="list-style-type: none"> - Focus on performance-based incentives; - Meaningful stock ownership guidelines for executives; - Independent compensation consultant; - Annual say-on-pay vote;

- Prohibition on repricing without shareholder approval;
- Clawback policy applicable to all executive officers; and
- Prohibition on hedging and restrictions on pledging transactions.

Shareholder Outreach We have engaged with our shareholders and based on the feedback we received, have adopted executive compensation and governance changes, including those detailed under "Executive Summary — Recent Compensation Program Changes Incorporate Shareholder Feedback" below.

Shareholder Rights Plan Our shareholder rights plan (sometimes called a "poison pill") expired by its terms in December 2016 and was not renewed.

Shareholders and other interested persons may view our Corporate Governance Guidelines on our website at www.regiscorp.com. This information is also available in printed form free of charge to any shareholder who requests it by writing to our Corporate Secretary at Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439.

Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics (the "Code of Ethics") that applies to all of our employees, directors and officers, including our President and Chief Executive Officer, Chief Financial Officer, principal accounting officer or controller and other senior financial officers. The Code of Ethics, as applied to our principal financial officers, constitutes our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act and is our "code of business conduct and ethics" within the meaning of the listing standards of the New York Stock Exchange ("NYSE"). The Code of Ethics is posted on our website at www.regiscorp.com. You may request copies, which will be provided free of charge, by writing to our Corporate Secretary, Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439. We intend to promptly disclose future amendments to certain provisions of our Code of Ethics, and any waivers of provisions of the Code of Ethics that are required to be disclosed under the rules of the SEC or under the listing standards of the NYSE, at the same location on our website.

Director Orientation and Continuing Education

Our Nominating and Corporate Governance Committee and the Board oversee the orientation and continuing education of our directors.

Director Independence

With the adoption of our Corporate Governance Guidelines, the Board established independence standards in accordance with the requirements of the NYSE corporate governance rules. To be considered independent under the NYSE rules, the Board must affirmatively determine that a director or director nominee does not have a material relationship with us (directly, or as a partner, shareholder or officer of an organization that has a relationship with us). In addition, no director or director nominee may be deemed independent if the director or director nominee has in the past three years:

• Received (or whose immediate family member has received) more than \$120,000 per year in direct compensation from us, other than director or committee fees;

• Been an employee of ours;

• Had an immediate family member who was an executive officer of ours;

• Been (or whose immediate family member has been) an affiliate or employee of a present or former internal or independent auditor of ours;

• Been (or whose immediate family member has been) employed as an executive officer of another company whose compensation committee within the past three years has included a present executive officer of ours; or

• Is currently an employee or executive officer (or has an immediate family member who is an executive officer) of another company that makes payments to us, or receives payments from us, for property or services in an amount that, in any single fiscal year, exceeds the greater of \$1.0 million or 2% of such other company's consolidated gross revenues.

9

Under our director independence standards described above, the Board has determined that each director and director nominee, with the exception of Mr. Sawyer, our President and Chief Executive Officer, is independent. The Board determined that the independence of Mr. Williams, Chief Financial Officer of the parent company of Roto-Rooter, and Mr. Grissen, Group President of Marriott International, Inc., is not impaired by the fact that the Company pays Roto-Rooter and Marriott for plumbing and hotel services, respectively. Accordingly, a supermajority of the Board is independent.

Communications with the Board

Shareholders and other interested parties who wish to contact the Board, any individual director or the non-management or independent directors as a group, are welcome to do so by writing to our Corporate Secretary at the following address: Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439.

Comments or questions regarding our accounting, internal controls or auditing matters will be referred to members of the Audit Committee. Comments or questions regarding the nomination of directors and other corporate governance matters will be referred to members of the Nominating and Corporate Governance Committee.

Executive Sessions of Non-Management and Independent Directors

In order to promote open discussion among non-management directors, the Board has implemented a policy of conducting executive sessions of non-management directors in connection with each regularly scheduled Board meeting. Shareholders may communicate with the non-management directors as a group by following the procedures described above under “Communications with the Board.”

The independent Chair of the Board presides over executive sessions of the independent and non-management directors. Shareholders may communicate with the presiding director or the independent and non-management directors as a group by following the procedures described above under “Communications with the Board.”

Committees of the Board

The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The composition of these committees at fiscal year-end is set forth below.

	Audit	Compensation	Nominating and Corporate Governance
Daniel G. Beltzman		ü	ü
David J. Grissen	ü ACFE		ü Chair
Mark S. Light	ü	ü	
Michael J. Merriman		ü Chair	ü
M. Ann Rhoades	ü	ü	
Hugh E. Sawyer			
Stephen E. Watson		ü	ü
David P. Williams	ü Chair, ACFE		ü

ACFE denotes Audit Committee Financial Expert

	Audit	Compensation	Nominating and Corporate Governance
Meetings during fiscal 2017	4	5	4

The Board has determined that all members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee qualify as independent directors as defined under the NYSE corporate governance rules.

Edgar Filing: REGIS CORP - Form DEF 14A

The charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee may be viewed on our website at www.regiscorp.com under “Corporate Governance” on the “Investor Information” page. The charters are also available in printed form free of charge to any shareholder who requests them by writing to our Corporate Secretary at 7201 Metro Boulevard, Edina, Minnesota 55439. The charters include information regarding the committees’ composition, purpose and responsibilities.

Audit Committee

The Audit Committee assists the Board in discharging its oversight responsibility to the shareholders and investment community regarding: (i) the integrity of our financial statements and financial reporting processes; (ii) our internal accounting systems and financial and operational controls; (iii) our audit, accounting and financial reporting processes; (iv) the engagement, qualifications and independence of the independent auditor; (v) the performance of our internal audit activities; and (vi) compliance with our ethics programs, including the Code of Ethics, our whistle-blower policy and legal and regulatory requirements.

In carrying out these duties, the Audit Committee maintains free and open communication between the Board, the independent auditor and our management. The Audit Committee meets with management and the independent auditor at least quarterly, generally prior to our earnings releases to discuss the results of the independent auditor's quarterly reviews and fiscal year-end audit.

The Board has determined that all members of the Audit Committee meet the NYSE definitions of independence and financial literacy for Audit Committee members. In addition, the Board has determined that each of Mr. Williams, Mr. Merriman and Mr. Grissen, all whom are independent directors, is an audit committee financial expert (ACFE) for purposes of the SEC rules and possesses accounting or related financial management expertise required by the NYSE. Members serving on the Audit Committee do not currently serve on the audit committees of more than three public companies.

Compensation Committee

The primary responsibilities of the Compensation Committee are to determine and approve, or make recommendations to the Board with respect to, the compensation and benefits packages of the executive officers; and to consider and recommend incentive compensation and equity-based plans. The Compensation Committee also reviews director compensation, oversees the evaluation of the CEO, and evaluates its own performance on an annual basis. Additional information about the responsibilities of the Compensation Committee is provided below under "Executive Compensation—Compensation Discussion and Analysis." The Board has determined that all members of the Compensation Committee also meet the NYSE definition of independence applicable to Compensation Committee members.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee discharges the Board's responsibilities related to general corporate governance, including Board organization, membership and evaluation. It monitors Board education and orientation of new directors, and manages the annual CEO evaluation. In addition, the Nominating and Corporate Governance Committee assists the Board in the development of and compliance with the Company's Corporate Governance Guidelines. It also reviews and resolves any director conflicts of interest and presents qualified individuals for election to the Board. Finally, this committee oversees the evaluation of the performance of the Board and each standing committee of the Board. For further information regarding our director nomination process, see "Director Nomination Process" below.

Board's Role in Risk Oversight

One of the key responsibilities of the Board is to develop a strategic direction for the Company and provide management oversight for the execution of that strategy. The Board regularly reviews information regarding our financial, strategic and operational issues, as well as the risks associated with each. While the Board has overall responsibility for risk management, each of the Board committees has supporting responsibility for risk management and makes periodic updates to the full Board. Their specific areas of responsibility are:

The Audit Committee discusses and approves policies with respect to risk assessment and risk management. Throughout the year, its agendas include discussions of the Company's enterprise risk management program and top risks. The Audit Committee oversees the management of financial risks and monitors management's responsibility to identify, assess and manage risks.

The Compensation Committee is responsible for overseeing our executive compensation programs and reviewing risks relating to our overall compensation plans and arrangements.

The Nominating and Corporate Governance Committee manages risks associated with potential conflicts of interest pursuant to our Code of Ethics and reviews governance and compliance issues with a view to managing associated risks.

11

While each committee is responsible for regularly reviewing, evaluating and overseeing the management of such risks, the Board is regularly informed through committee reports about such risks. In addition, the Board and the committees receive regular reports from our Chief Financial Officer, General Counsel, Executive and Senior Vice Presidents and other Company officers and personnel with roles in managing risks. The Compensation Committee is also advised by its compensation consultant, which annually reviews the risk relating to the Company's compensation practices. Our leadership team regularly meets with our General Counsel and head of Internal Audit to discuss and evaluate risk management. Our General Counsel and head of Internal Audit then present their findings for a robust discussion with the Audit Committee and, when appropriate, the Board.

Board Leadership

Since fiscal 2012, our board leadership structure has had separate positions for the Chief Executive Officer and Chair of the Board. In October 2016, upon the recommendation of the Nominating and Corporate Governance Committee, the Board named David Williams as the new Chair. Mr. Williams is one of our independent directors, as was his predecessor as Chair, Stephen Watson. The Board believes that having an independent Chair is an appropriate governance practice to ensure independent Board leadership and is an appropriate leadership structure for our company at this time.

Board Meetings and Attendance

The Board held seven meetings during the fiscal year ended June 30, 2017. Each of the then-serving directors attended, in person or by teleconference, at least 75% of the meetings of both the Board and Board committees on which he or she served. Our Board does not have a formal policy relating to Board member attendance at annual meetings of shareholders; however, our directors are encouraged to attend the meeting each year. At the 2016 annual meeting of shareholders, all but one of the directors attended.

Director Nomination Process

The Nominating and Corporate Governance Committee is responsible for screening and recommending director candidates to the full Board for nomination. The Nominating and Corporate Governance Committee will consider nominations received from our shareholders, provided that proposed candidates meet the requisite director qualification standards discussed below. When appropriate, the Committee will also engage an independent third-party search firm. The Committee will then evaluate the resumes of any qualified candidates recommended by shareholders and search firms, as well as by members of the Board.

Generally, in order to be considered for nomination, a candidate must have:

- ¶ High professional and personal ethics and values;
- ¶ A strong record of significant leadership and meaningful accomplishments in his or her field;
- ¶ Broad experience;
- ¶ The ability to think strategically;
- ¶ Sufficient time to carry out the duties of Board membership; and
- ¶ A commitment to enhancing shareholder value and representing the interests of all shareholders.

Candidates are evaluated based on these qualification standards and the current needs of the Board, with due consideration of the requirement of our Corporate Governance Guidelines and NYSE and SEC regulations that at least a majority of the board consist of independent directors. In addition, when considering nominees to the Board and in evaluating

the composition of the Board as a whole, the Nominating and Corporate Governance Committee considers the value of diversity. Although we do not have a specific policy on diversity, the Nominating and Corporate Governance Committee considers diversity of gender, race, national origin and executive or professional experience, including skills such as an understanding of the retail industry, the hair-care market, finance, accounting, marketing, technology and international experience, when considering nominees. The Company believes that the principal qualification of a prospective director is the ability to act effectively on behalf of all shareholders.

All shareholder nominations must be accompanied by a candidate resume that addresses the extent to which the nominee meets the director qualification standards. Nominations will be considered only if we are currently seeking to fill an open director position. All nominations by shareholders should be sent to the Chair of the Nominating and Corporate Governance Committee, c/o the Corporate Secretary, Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439.

13

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This CD&A describes the basic objectives, principles, decisions and rationale underlying our compensation policies as well as the material elements of the compensation of our executive officers identified below (the "Named Executive Officers" or "NEOs") for fiscal 2017:

Name	Title	Period of Employment
Hugh E. Sawyer III	President and Chief Executive Officer ("CEO")	April 2017 - present
Daniel J. Hanrahan	Former President and CEO	August 2012 - April 2017
Michael C. Pomeroy	Former Interim Chief Financial Officer	February 2017 - June 30, 2017
Steven M. Spiegel	Former Executive Vice President and Chief Financial Officer	December 2012 - September 2016
Eric A. Bakken	Executive Vice President, President - Franchise, General Counsel and Corporate Secretary, and Former Interim Chief Financial Officer (Sept. 2016 - Jan. 2017)	January 1994 - present
Jim B. Lain	Executive Vice President and Chief Operating Officer	November 2013 - present
Carmen D. Thiede	Former Senior Vice President, Chief Human Resources Officer	October 2013 - July 2017
Annette L. Miller	Senior Vice President, Chief Merchandising Officer	December 2014 - present
Heather L. Passe	Former Senior Vice President, Chief Marketing Officer	July 2012 - February 2017

Key executive team developments during fiscal 2017 that are relevant to this year's executive compensation outcomes are:

Mr. Spiegel, our Chief Financial Officer, left the Company in September 2016.

Ms. Passe's employment terminated on February 28, 2017.

On April 17, 2017, the Board appointed Mr. Sawyer President and CEO of the Company, replacing Mr. Hanrahan. Mr. Bakken temporarily succeeded Mr. Spiegel, serving as Interim Chief Financial Officer from September 2016 to January 2017.

From February 1, 2017 to June 30, 2017, Mr. Pomeroy served as Interim Chief Financial Officer, as a contracted service employee under the terms of an engagement letter between the Company and Huron Consulting Services, LLC, his employer ("Huron"). Mr. Pomeroy was paid directly by Huron. He was not eligible for our annual incentive or equity compensation and is excluded from the discussions in this CD&A of how the Compensation Committee sets executive compensation for its executive officers. The fees paid by the Company to Huron for Mr. Pomeroy's services are represented in the Summary Compensation Table under "All Other Compensation."

Effective July 1, 2017, Mr. Andrew H. Lacko began to serve as our new Executive Vice President and Chief Financial Officer. Mr. Lacko's compensation is not included in the discussions of our executive pay for fiscal 2017, but will be included in next year's proxy statement relating to fiscal 2018.

Ms. Thiede left the Company effective July 21, 2017.

This CD&A is organized into the following sections and should be read in conjunction with the detailed compensation tables beginning on page 33.

	Pages
Section 1: Executive summary. Provides an overview of our Company and our turnaround, changes to our executive leadership team over the fiscal year, context regarding fiscal 2017 compensation decisions that support our transformation, a summary of 2017 business performance and compensation outcomes, and our Compensation Committee's focus on responsiveness to our shareholders.	15-19
Section 2: How we design executive pay. Outlines our compensation philosophy, development and uses of the peer group and the roles of the Compensation Committee, compensation consultant and executive officers in the setting of the program.	20-22
Section 3: Elements of the executive compensation program in fiscal 2017. Details each element in our program this year, including applicable performance metrics.	22-29
Section 4: Governance policies and additional compensation-related items. Discusses the policies that support our compensation philosophy, including stock ownership guidelines and post-employment compensation policies, among other topics.	30-32

Section 1: Executive Summary

Our Business and Operating Environment

Regis Corporation is a leader in beauty salons and cosmetology education. The Company owns, franchises and operates beauty salons under trade names including Supercuts, SmartStyle, MasterCuts, Regis Salons, Sassoon Salon, Cost Cutters, Roosters and First Choice Haircutters. At June 30, 2017, we owned, franchised or held ownership interests in 9,008 salon locations, primarily in the U.S., Canada, Puerto Rico and the United Kingdom. We also maintain an ownership interest in Empire Education Group.

We operate in a highly competitive industry. In nearly every area in which we operate, there are competitors offering similar hair care services and products at similar prices. Many of our salons are located in strip center and mall-based locations, resulting in many salons being partly dependent on the volume of traffic around these locations in order to generate both service and product revenues. We have experienced a proliferation of alternative channels of distribution, like blow dry bars, booth rental facilities, discount brick-and-mortar and online professional products retailers, as well as manufacturers selling direct to consumers online. In some shopping malls, we have experienced declines in traffic due to changes in consumer preferences favoring retail locations other than malls or online shopping. These trends have each presented challenges to our business in recent years.

The Board hired Mr. Hanrahan as CEO in August 2012 to stabilize the business following multiple years of declining earnings and same-store sales. During his tenure, we made considerable progress, including upgrading our salon infrastructure, strengthening our balance sheet, growing our franchise business, and posting our first positive same-store sales and earnings growth since 2008 in fiscal year 2016. However, in recognition of continued performance challenges and the Board's belief that an aggressive turnaround strategy was necessary, the Board determined to make a change and hire Mr. Sawyer as President and CEO, effective April 17, 2017.

Leadership Changes to Drive our Transformation

After conducting a robust review of our restructuring efforts and growth opportunities, the Board appointed Mr. Sawyer as President and CEO in April 2017. Having served as CEO of eight companies prior to Regis, often in highly complex turnaround situations, Mr. Sawyer brings deep experience in executing strategic transformations and implementing operational improvements to drive growth. In addition, he most recently served as a leader of Huron

Consulting Group's Operational Improvement Service Line and worked on-site evaluating our business during the six months prior to his CEO appointment. Mr. Sawyer also has significant governance experience, having served on thirteen boards of directors. In evaluating Mr. Sawyer as a CEO candidate, the Board believed that both his deep turnaround skill set and his strong pre-existing knowledge of Regis would enable him to effectively lead our transformation.

Immediately after joining us as President and CEO, Mr. Sawyer worked with the Board to re-shape the executive team in order to accelerate our turnaround. Selected executive leadership team appointments since April include the appointment of Mr. Bakken to the newly-established role President - Franchise and key appointments of a Chief Financial Officer, Chief

Marketing Officer, Chief Human Resources Officer, Vice President of Walmart Relations and Vice President - Creative. The Board believes that our refreshed, highly skilled management team is well-positioned to execute our turnaround and has a strong sense of urgency to create sustainable value for our shareholders.

Decisive Actions during Fiscal 2017 to Improve Company Performance

In response to recent challenging performance, the Board and management have taken significant actions to accelerate our critical turnaround. Key steps include:

- Appointed Mr. Williams as the new Chair of the Board
- Ø October 2016 Announced a strategic shift towards the ongoing growth of our franchise business and accelerated sales of certain company-owned stores to new and existing franchisees
- Ø November 2016 Initiated engagement with Huron Consulting Group to develop execution strategy for shift to expanded franchise
- Ø January 2017 Began franchising our SmartStyle brand
- Ø April 2017 Executed a CEO transition, appointing Mr. Sawyer, a seasoned turnaround expert with highly relevant expertise, to lead our transformation
- Ø May 2017 Announced our consideration of strategic alternatives for our mall-based salons
- Ø July 2017 Announced a field reorganization of the company-owned salons by brand/concept to enable our field leadership to drive quality guest experiences, enable improved salon execution, drive same-store sales, traffic growth and simplify our operations. Redefined our reportable segments, which provides investors increased transparency to our franchise business
- Ø August 2017 Communicated our strategy to our shareholders on our recent initiatives, including a 120-day plan to stabilize performance and establish a platform for longer-term revenue and earnings growth in company-owned salons by focusing on strategic pricing, stylist scheduling and simplifying our business while focusing on our brands to drive traffic and grow revenues

Our actions over the past year are aimed at accelerating profitable revenue growth, optimizing the balance sheet and creating value for our shareholders.

Executive Compensation Overview for Fiscal 2017

Our executive compensation programs are based on our belief that attracting, retaining and motivating talented executives is critical to the maintenance of our competitive advantage in the haircare industry and to the achievement of the business goals set by the Board. Accordingly, our executive compensation programs are designed to reward executives for achievement of our financial and business goals, while also aligning our executives' interests with those of our shareholders. The below table provides additional detail on each element of executive compensation in fiscal 2017.

Element	Form	Metric	Performance Period	Objective
Base Salary	Cash	Fixed	N/A	Provide a base level of compensation for executive talent
Annual Non-Equity Cash Incentive ("Bonus")	Cash	Cash Flow per Share (70%) Same Store Sales % Change (30%)	1 year	Motivate executives to meet and exceed objectives aligned with our annual strategic plan

Long-Term Incentive Compensation	Performance Stock Units (PSUs) 60% *	Adjusted EPS* 3 years*	Provide market-competitive equity-based compensation opportunities that enhance executive retention while aligning interests of executives and shareholders
	Restricted Stock Units (RSUs) 40%	Time-Based Vesting (value driven by over 3 years stock price) Vest ratably	

* Change for fiscal 2017. Please see “Recent Compensation Program Changes Incorporate Shareholder Feedback” below for additional detail.

Key Fiscal 2017 Compensation Decisions Support our Transformation

During fiscal 2017, the Compensation Committee (the “Committee”) made several decisions relating to the Company’s compensation programs to accelerate our turnaround and incentivize management to drive value creation for our shareholders.

Compensation Changes Galvanize Executives around Expanding our Franchise Model

To help catalyze our strategic shift toward growing our franchise business and retain key leaders throughout the organization, the Committee made two key changes in January 2017:

Provided key leaders, excluding our CEO, with a supplemental performance-based retention award

Awards vest based on achievement of challenging, pre-defined objectives for growing our franchise business, measured through June 2018; payout requires a five-fold increase in the pace of sales of company-owned salons to franchisees

This award is designed to maintain continuity during a critical period and specifically incentivize our leadership team to take actions that will drive franchise-growth goals, during a time of considerable uncertainty and necessary business transformation

Amended our broad-based severance policy

Included a temporary policy to accelerate vesting of certain equity awards for employees who are involuntarily terminated without cause through August 31, 2018, as well as a longer-term shift to lump sum payments and allowing non-competitive employment without offset during the severance period

These policy amendments establish an incentive for our employees and management team to focus on execution during a critical period of our turnaround despite meaningful uncertainty due to transformation, leadership changes, and business structure changes.

Key Committee Decisions in Connection with our Leadership Transition

The Committee made several decisions during fiscal 2017 in connection with changes in our leadership team:

Compensation structure for new President and CEO, Mr. Sawyer: The Committee determined to link the vast majority of his compensation to share price improvement in order to create immediate alignment with shareholders and emphasize value creation as a clear objective of our turnaround.

Hugh Sawyer Initial Compensation

Base Salary	Annual salary of \$950,000
Cash Bonus	Cash bonus of \$585,000 in consideration of forfeited compensation from his prior employer

Long-Term Equity Incentive