REGIS CORP
Form DEF 14A
September 09, 2015

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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 x
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý	Definitive Proxy Statement
o	Definitive Additional Materials
o	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):

ý	No fee required.	
o	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):
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o	Fee paid previously with preliminary materials.	
o	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:
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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held October 20, 2015

TO THE SHAREHOLDERS OF REGIS CORPORATION:

The Annual Meeting of the Shareholders (the “Annual Meeting”) of Regis Corporation (referred to as “we,” “us,” “our,” “Regi and the “Company”) will be held at our executive offices located at 7201 Metro Boulevard, Edina, Minnesota 55439, on October 20, 2015 commencing at 9:00 a.m., for the following purposes:

1. To elect eight directors to serve for a one-year term and until their successors are elected and qualified;

2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm;

3. To approve, on an advisory basis, the compensation of our named executive officers (referred to as the “Say-on-Pay” proposal); and

4. 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 24, 2015 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 9, 2015

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PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS, OCTOBER 20, 2015

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 20, 2015 (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 24, 2015 a Notice of Internet Availability of Proxy Materials (the "Notice"), which mailing will commence on or about September 9, 2015. 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 and the Say-on-Pay 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.

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VOTING RIGHTS AND REQUIREMENTS

Only shareholders of record as of the close of business on August 24, 2015 will be entitled to sign proxies or to vote. On that date, there were 52,998,021 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

Item 1. The affirmative vote of a majority of the votes cast in person or by proxy and entitled to vote at the Annual Meeting, with respect to each director nominee, is required for the election to the Board of each of the nominees for director. Shareholders do not have the right to cumulate their votes in the election of directors. The election is not contested. A majority of the votes cast means that the votes entitled to be cast by the holders of all the then-outstanding shares of voting stock of the Company that are voted "For" a director must exceed the shares voted "Against" the director.

Item 2. The affirmative vote of the holders of the greater of (1) a majority of the shares of our Common Stock present in person or by proxy and entitled to vote on the proposal or (2) a majority of the minimum number of shares entitled to vote that would constitute a quorum for the transaction of business at the Annual Meeting is required for approval of this proposal. A shareholder who abstains with respect to this proposal will have the effect of casting a negative vote on this proposal. A shareholder who does not vote in person or by proxy on a proposal (including a broker non-vote on a proposal) is not deemed to be present in person or by proxy and is not entitled to vote on the proposal for the purpose of determining whether a proposal has been approved.

Item 3. The advisory vote on executive compensation in Item 3 is not binding on us; however, we will consider the shareholders to have approved our executive compensation if the number of shares voted "For" the proposal exceed the number of shares voted "Against" the proposal. A shareholder who abstains with respect to this proposal will have no effect on its outcome.

Routine Versus Non-Routine Matters. Brokers cannot vote on their customers' behalf on "non-routine" proposals such as Item 1, the election of directors and Item 3, the advisory vote on executive compensation. Because brokers require their customers' direction to vote on such non-routine matters, it is critical that shareholders provide their brokers with voting instructions. On the other hand, Item 2, ratification of the appointment of our independent registered public accounting firm, is a "routine" matter for which your broker does not need your voting instruction in order to vote your shares.

Effect of Broker Non-Votes. If you hold your shares in street name and do not provide voting instructions to your bank, broker or other custodian, your shares will not be voted on any proposal on which your broker does not have or does not exercise discretionary authority to vote, such as may be the case with a non-routine matter for which you do not provide voting instructions. A broker non-vote on any of the proposals presented at the Annual Meeting will have no effect on the outcome of the proposal.

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ITEM 1
ELECTION OF DIRECTORS

Eight directors are to be elected at the Annual Meeting, each to hold office for one year until the 2016 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 eight persons named below for election as directors. All of the Board's nominees other than Ms. Rhoades are currently directors of Regis and each nominee has consented to serve if elected. James P. Fogarty, a current director, is not standing for reelection as a director 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	40	2012	ü
David J. Grissen	57	2013	ü
Daniel J. Hanrahan	58	2012	
Mark S. Light	53	2013	ü
Michael J. Merriman	59	2011	ü
M. Ann Rhoades	71	Nominee	ü
Stephen E. Watson	70	2008	ü Chair
David P. Williams	54	2011	ü

	Principal Position	Other Public Company Directorships
Daniel G. Beltzman	General Partner, Birch Run Capital Advisors, LP	-

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 twelve 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 28 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 3,400 hotels and a work force of 100,000 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

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

	Principal Position	Other Public Company Directorships
Daniel J. Hanrahan	President and Chief Executive Officer, Regis Corporation	Cedar Fair, L.P. (since 2012)

Mr. Hanrahan is the President and Chief Executive Officer of the Company, which positions he has held since August 2012. Prior to joining the Company, he served as President of Celebrity Cruises at Royal Caribbean Cruises Ltd., a global cruise vacation company, since February 2005, and as its President and Chief Executive Officer since September 2007. Mr. Hanrahan served as President and Chief Executive Officer of Azamara Cruises at Royal Caribbean from February 2005 to July 2009. From 1999 until February 2005, Mr. Hanrahan served in a variety of positions with the Royal Caribbean International brand, including Senior Vice President, Sales and Marketing.

The Board believes that Mr. Hanrahan 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. Hanrahan's prior operational background and his extensive experience across a wide spectrum of consumer-facing brands enable him to provide important insights to the Board related to the Company's strategy to improve the salon experience.

	Principal Position	Other Public Company Directorships
Mark S. Light	Chief Executive Officer and Director, Signet Jewelers Limited	Signet Jewelers Limited (since November 2014)

Signet Jewelers Limited is the world's largest retailer of diamond jewelry. Signet operates approximately 3,600 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 37 years ago. He has progressed through various management positions to his current position, Signet Chief Executive Officer, to which he was appointed in November 2014, holding many titles along the way. These include Sterling Division President, Executive Vice President of Operations, President and Chief Operating Officer, President and Chief Executive Officer, and Signet Chief Operating Officer.

Mr. Light has brought 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
Michael J. Merriman	Operating Advisor, Resilience Capital Partners, LLC	Nordson Corporation (since 2008) (Audit Committee Chair) OMNOVA Solutions Inc. (since 2008) (Presiding Director and Compensation 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

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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 1995-1999, 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-May 2015), Restoration Hardware, Inc. (1999-2001 and 2005-2009), and P.F/Chang’s China Bistro (2003-2012). Ms. Rhoades serves on the boards of the University of New Mexico Alumni Association, New Mexico Appleseed, the New Mexico Health Sciences Center, Safer New Mexico Now, and formerly HireVue, Inc. and Brigham and Women’s Hospital at Harvard Medical School.

The Board has nominated Ms. Rhoades to serve as a director because of her deep experience as a leader and director in a variety of consumer-facing public companies. Her particular expertise in human resources will help 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.

	Principal Position	Other Public Company Directorships
Stephen E. Watson	Retired Executive	Kohl's Corporation (since 2006) (Lead Director and Audit Committee Chair) Chico’s FAS, Inc. (since Nov. 2010)

Mr. Watson was elected a director of Regis in April 2008, and became the Chairman of the Board on January 29, 2013. Mr. Watson brings to the Board nearly 40 years of executive and director experience in the retail industry. From 1973 through 1996, Mr. Watson held various executive officer positions with Dayton Hudson Corporation, including Chairman and Chief Executive Officer of Dayton Hudson Department Stores Co. and President of Dayton Hudson Corporation. From 1997 until his retirement in 2002, Mr. Watson was President and Chief Executive Officer of Gander Mountain Company, a privately held retailer for outdoor sports and recreation activities. In addition to his current directorships listed above, from 1997 through December 2005, Mr. Watson was a director of ShopKo Stores, Inc., an operator of general merchandise stores, and from 2004 through May 2007, Mr. Watson was a director of Smart & Final, Inc., an operator of grocery stores. He also served on the boards of Norwest Bank from 1990 to 1996, Target Corporation from 1991 to 1996, Retek Inc. from November 1999 to 2004 and Eddie Bauer Holdings, Inc. from 2005 to 2009.

Mr. Watson’s experience as the leading senior executive officer of several complex and specialty retail businesses, his experience as a director of other retail-oriented public companies and his broad-based knowledge in the areas of retail operations, corporate finance, accounting, marketing and merchandise procurement, bring significant value to our Board. He also contributes a wealth of knowledge and experience of serving on the boards of several public retail companies where he has also served as an audit and governance committee chair.

	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 the Roto-Rooter Group, 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 their 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.

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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 Chairman of the Board.
Board Refreshment and Shareholder Insight	Seven of our eight current directors 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. In addition, we have a new director nominee standing for election at the Annual Meeting.
Management Team Enhancements	All but one of our executive officers have joined our company since 2011, including CEO Daniel Hanrahan, and we have added key talent to our management team in the areas of operations, merchandising, real estate, franchising, human resources, marketing, information management and asset protection.
Annual Election of Directors	All of our directors have one-year terms and stand for election each year.
Majority Voting Standard	In 2013, our Board and shareholders adopted a majority voting standard for the election of directors. We also amended our Corporate Governance Guidelines to 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 Regis's 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 2015.
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	In 2012, our Compensation Committee retained a new executive compensation consultant and restructured our executive compensation programs. The

compensation information included in this Proxy Statement reflects the third year we have operated our revamped compensation program. Our key fiscal 2015 compensation practices and policies are described below in more detail under “Compensation Discussion and Analysis” (the “CD&A”), including:

- Focus on performance-based incentives;
- Adoption of a “clawback” policy;

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- Benchmarking of severance benefits and perks;
- Elimination of tax gross-ups;
- Meaningful stock ownership guidelines for executives;
- Prohibition on hedging transactions;
- Use of an independent compensation consultant;
- Annual risk assessment process;
- Annual say-on-pay shareholder vote; and
- Prohibition on repricing without shareholder approval.

Shareholder Rights Plan	It is the Board's intention to not renew the Company's shareholder rights plan (sometimes called a "poison pill") when it expires in December 2016.

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 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 Regis;

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- 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 Regis; 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 which, in any single fiscal year, exceeds the greater of $1.0 million or 2% of such other company's consolidated gross revenues.

Under our director independence standards described above, the Board has determined that each director and director nominee, with the exception of Mr. Hanrahan, 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. 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 Chairman 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.

C denotes Chair
* denotes Audit Committee Financial Expert

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.

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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 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 David Williams, who is an independent director, is an audit committee financial expert 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 (i) to determine and approve, or make recommendations to the Board with respect to, the compensation and benefits packages of the executive officers; and (ii) to consider and recommend incentive compensation and equity-based plans. 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 and 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.

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- 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.

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, Towers Watson, which annually reviews the risk relating to the Company's compensation practices. However, our General Counsel and head of Internal Audit are the primary personnel responsible to the Audit Committee and, when appropriate, the Board in the planning, assessment and reporting of our risk profile.

Board Leadership

Since fiscal 2012, our board leadership structure has had separate positions for the Chief Executive Officer and Chairman of the Board. Daniel Hanrahan is currently the Chief Executive Officer of the Company and Stephen Watson is currently the independent Chairman of the Board. The Board believes that having an independent Chairman 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 five meetings during the fiscal year ended June 30, 2015. 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 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 2015 annual meeting of shareholders, all 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. Most recently, the Board discussed the experience and qualifications needed on the Board, and asked Birch Run, our largest shareholder, to assist the Nominating and Corporate Governance Committee in identifying candidates with experience in those areas. This process resulted in the recommendation of Ms. Rhoades, with whom neither the Company nor Birch Run had a prior relationship, as a director nominee.

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.

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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 which 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 Chairperson of the Nominating and Corporate Governance Committee, c/o the Corporate Secretary, Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439.

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EXECUTIVE COMPENSATION
Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("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 2015:

Name	Title	Period of Employment
Daniel J. Hanrahan	President and Chief Executive Officer ("CEO")	August 2012 — present
Steven M. Spiegel	Executive Vice President and Chief Financial Officer	December 2012 — present
Eric A. Bakken	Executive Vice President, Chief Administrative Officer, Corporate Secretary and General Counsel	January 1994 — present
Jim B. Lain	Executive Vice President and Chief Operating Officer	November 2013 — present
Heather L. Passe	Senior Vice President, Chief Marketing Officer	July 2012 — present

This CD&A is organized into the following sections and should be read in conjunction with the detailed compensation tables beginning on page 26.

Section 1: Executive Summary

Our Company and Prior-Year Compensation

Regis Corporation owns, franchises and operates beauty salons under trade names including SmartStyle, Supercuts, MasterCuts, Regis Salons and Cost Cutters. At June 30, 2015, we owned, franchised or held ownership interests in 9,556 salon locations, primarily in the U.S., Canada, Puerto Rico and the United Kingdom.

We strongly believe in aligning executive compensation with shareholder interests. Therefore, we have an executive compensation program that is significantly performance-based. Our CEO, Dan Hanrahan, has approximately 80% of his annual compensation tied to performance, with over 50% denominated as equity, to foster ownership and shareholder alignment.

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Equity Breakdown:

40% Performance Stock Units (PSUs)	40% Stock Appreciation Rights (SARs)	20% Restricted Stock Units

Under Mr. Hanrahan's leadership, we have implemented significant, multi-year, foundational initiatives to drive a business turnaround, including restructuring of our field operations, introducing a new point-of-sale system in our salons, and recruiting an almost entirely new executive management team. These investments are critical to creating long-term shareholder value; however, the near-term impacts reduced financial performance, which we believe has constrained our total shareholder return in recent years. In keeping with our pay-for-performance orientation, NEO compensation in fiscal years 2013 and 2014 was below target, while realized compensation increased in fiscal year 2015 based on improved performance on metrics that drive shareholder value. Specifically, in fiscal 2015, the Compensation Committee incentivized management to drive increases in cash flow per share, as the Committee believes that over time this will translate into increased shareholder value.

In addition, in recognition of the competitive market for chief executive talent in certain industries where Mr. Hanrahan is particularly qualified, and to increase the performance and retention incentives for Mr. Hanrahan during this critical phase of our turnaround, the Committee approved certain supplemental equity awards to Mr. Hanrahan, our CEO, in January 2015. The Committee designed these awards to both incentivize Mr. Hanrahan to remain at Regis through the five-year period of the awards and to provide successively greater realized compensation to Mr. Hanrahan for future stock price appreciation, further aligning his interests with our shareholders. These awards were:

- RSUs valued at $3 million, all of which cliff vest on the fifth anniversary of the date of grant; and

- SARs valued at $2 million, all of which cliff vest on the fifth anniversary of the date of grant and have a seven year term. The SARs are divided equally into five tranches, as follows:

SARs (#)	Strike Price ($)	Premium Above the Stock Price on Date of Grant (%)
60,537	17.02	—%
65,755	18.72	10%
71,828	20.59	21%
78,864	22.64	33%
86,986	24.85	46%

The execution of our turnaround, the foundational improvements to the organizational structure and customer experience, and our effective governance practices produce an executive compensation program that is:
- Aligned with shareholders
- Sensitive to financial performance; and
- Variable, with an emphasis on equity and stock ownership.

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Section 2: How We Design Executive Pay

Shareholder Engagement

The Compensation Committee, the Board and executive leadership are committed to considering the perspectives of our shareholders on all aspects of our business, including executive compensation. In the past three years, the Compensation Committee conducted a thorough review of our executive compensation programs and made many changes to demonstrate our commitment to incorporating shareholder feedback, updating our executive compensation programs to ensure that they meet our evolving business strategy, and directly aligning pay with performance as well as the market.

During that time, we have had ongoing dialogue with a number of our major shareholders about aligning our compensation programs with shareholder interests. The themes from those conversations were:

- An emphasis on pay for performance;
- A significant portion of compensation tied to shareholder value creation over the long term;
- Meaningful stock ownership levels to align executives and shareholders;
- A commitment to our strategic initiatives to execute our business transformation (e.g., asset protection, leadership development, and technical training);
- The importance of retaining our new leadership team to execute through the turnaround; and
- Our uses of capital and capital allocation policy to ensure the highest return to shareholders.

We believe that our compensation practices have been supported by our shareholders, as evidenced by the results of our annual say-on-pay votes in 2013 and 2014, which were approved by 97% and 99%, respectively, of the votes cast on the proposals. Our Compensation Committee and Board viewed these votes as an endorsement of the new direction of our executive compensation programs and policies, and we remain committed to that direction.

In addition, Daniel Beltzman of Birch Run Capital, our largest shareholder, is a member of our Compensation Committee. His perspective as a major shareholder is therefore always a part of the Committee’s decision-making.

Our Compensation Committee and Board remain committed to engaging with our shareholders to discuss our executive compensation programs, seeking shareholder input and improving the ability of our compensation programs to motivate our executives to drive long-term shareholder returns.

Compensation Philosophy

The Compensation Committee (also called the "Committee" in this CD&A), has adopted a compensation philosophy that centers on the following guiding principles:

- Generally target total direct compensation at the market median, with the following considerations:

- Achieving our desired competitive position will occur over time and will consider not only the total program value, but also the reward vehicles that are used (i.e., performance-based incentives versus fixed benefits).

- Moving toward the market median will consider our size and performance relative to peers (noted below) to ensure that targeted compensation is appropriately calibrated and that realizable compensation is consistent with absolute and relative performance.

- Align with shareholder interests by designing a compensation portfolio that pays for performance in sales and increases in cash flow per share, as we believe increasing cash flow per share is a leading indicator for

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eventual stock price appreciation. Specifically, for fiscal 2015, the Committee incentivized management to drive increases in cash flow per share through:

- Annual incentives focused on (i) adjusted EBITDA less CAPEX, as defined, over outstanding shares and (ii) same-store sales.
- Long-term incentives are made up of three components (40% performance share units, 40% stock appreciation rights, and 20% restricted stock units), a combination that incentivizes stock ownership, aligns management and shareholders and minimizes the use of strictly time-based awards to emphasize performance.
- Maintain a minimal value of benefits and perquisites to support the desired performance-orientation of the compensation program and align with market practices.

The Committee also recognizes the need to remain flexible to address particular circumstances as they arise so that we can remain competitive in retaining talent and incentivize executives to achieve our current strategic objectives.

Review of External Market Data

In setting executive compensation for fiscal 2015 that aligned with our compensation philosophy, the Committee considered the practices in the external market. The market was defined by the Committee to be:

- A peer group consisting of 18 companies; and
- Other relevant broad retail industry data.

The Committee first selected the 18 companies below as our peer group (the "Peer Group") in fiscal 2013, based on the following criteria:

- Companies in similar industries, particularly those operating in specialty retail with a high service emphasis and with franchise operations; and
- Companies with comparable annual revenues at that time, generally at one-half to two and one-half times Regis' revenues, such that Regis' revenues, gross profit and number of employees were above the median of the peer group in each of those areas.

In fiscal 2014 and 2015, the Committee determined to use the same Peer Group, finding that these companies continued to serve as a reasonable comparison to the Company.

Advance Auto Parts, Inc.	Fossil Group, Inc.*	Penn National Gaming, Inc.
Boyd Gaming Corp.	Fred's, Inc.	Revlon, Inc.
Brinker International, Inc.	Keurig Green Mountain, Inc.	Sally Beauty Holdings, Inc.
Outerwall, Inc.	H&R Block, Inc.	Service Corporation International
Cracker Barrel Old Country Store	Jack in the Box, Inc.	The Cheesecake Factory, Inc.
DineEquity, Inc.	Panera Bread Co.	

Ulta Salon, Cosmetics & Fragrance, Inc.

*Note that Fossil Group, Inc. is excluded for purposes of benchmarking Chief Executive Officer compensation because its chief executive officer does not receive any annual compensation.

The Peer Group data served as the primary comparison for the Chief Executive Officer and Chief Financial Officer positions, and the data from other survey sources were the primary comparison for the other executive officer positions as aligning comparable job titles for the broader group is difficult to do among the more limited data available from the Peer Group. The broader retail market data were from multiple survey sources including Towers Watson Compensation DataBank-Retail Industry; Towers Watson Compensation Survey Report-Retail Industry; Mercer Retail Industry Survey; and the Hay Group Retail Executive Survey. Data from these broader sources were adjusted to Regis' revenue size.

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Role of the Compensation Committee

The Committee is charged with developing and administering the base salary, annual and long-term incentive, and benefit programs for our executive officers. Our annual incentive program is typically referred to as our “bonus” program and it is reported as “Non-Equity Incentive Plan Compensation” in the Summary Compensation Table. In developing our compensation programs, a basic objective for the Committee was that the total compensation awarded to the NEOs be fair, reasonable and competitive in relation to the median compensation for similar positions within our Peer Group, as identified above, as well as in the broader retail market. This objective is consistent with our executive pay philosophy.

The primary purpose of the Committee is to discharge the responsibilities of the Board relating to the compensation of our executive officers. Accordingly, the primary duties and responsibilities of the Committee are:

- to determine and approve, or make recommendations to the Board with respect to, the compensation of all executive officers; and

- to consider and recommend the structure of, and changes to, our incentive compensation, equity-based plans and benefit programs.

Role of Executive Officers in Compensation Decisions

The Committee believes that in order for our executive compensation programs to be effective, management must have an opportunity to provide input. Committee meetings during fiscal 2015 were regularly attended by our Chief Executive Officer; Executive Vice President, Chief Administrative Officer, Corporate Secretary and General Counsel; Senior Vice President, Chief Human Resources Officer; and other executives as needed. In particular, our Chief Executive Officer has an opportunity to present materials and discuss management’s views regarding compensation issues. Our Chief Executive Officer furnishes his input to the Committee on the compensation of the Company’s executive officers, including the other NEOs, and he may be present during deliberations and voting on the other executives’ compensation. However, our Chief Executive Officer may not be present during deliberations and voting regarding his own compensation or during other executive sessions of the Committee.

Role of the Independent Compensation Consultant

The Committee has engaged Towers Watson as an independent consulting firm to provide executive compensation consulting services to the Committee. The Committee has assessed Towers Watson’s independence pursuant to applicable SEC rules and concluded that no conflict of interest exists that would prevent Towers Watson from independently representing the Committee.

In advising the Committee, Towers Watson prepares competitive pay analyses regarding both the Peer Group and the broader retail market for the elements of annual compensation, and provides information on the performance of our business compared to the Peer Group. Based on these analyses, Towers Watson advised the Committee on the level and design of the annual compensation programs for our executive officers. The Chairperson of the Committee worked directly with Towers Watson to determine the scope of the work needed to assist the Committee in its decision-making processes. Towers Watson worked with management, at the direction of the Committee, to fully understand the future business direction and the historical, current and desired future direction of our pay policies and practices, as well as to facilitate the development of our compensation strategies, including the approach to determining compensation levels.

Section 3: Elements of the Executive Compensation Program in Fiscal 2015

Total Direct Compensation for Fiscal 2015

While the Committee has established overall compensation and benefits programs for our NEOs that are intended to work in accordance with our stated philosophy, individual elements of our compensation packages are designed for different purposes within that philosophy. For fiscal 2015, as in 2013 and 2014, the elements of compensation for our NEOs were:

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Element	Description	Why we include this component
Base Salary	Short-term fixed cash compensation	Provide a base level of compensation for executive talent
Annual Non-Equity Cash Incentive ("Bonus")	Short-term variable cash compensation, based on corporate performance against annually established metrics	Motivate executives to meet and exceed objectives in consideration of our annual strategic plan
Long-Term Incentive Compensation	Long-term variable equity compensation, including performance units, stock appreciation rights and restricted stock units	Provide market-competitive equity-based compensation opportunities, enhancing executive retention while aligning interests of executives and shareholders

Target Compensation Mix for Fiscal 2015

The Committee established the mix of base salary and incentive compensation by referencing market practices for total direct compensation and for each element, subject to adjustments in the Committee's discretion based on company-wide and individual performance factors. In developing the total direct compensation package for an NEO, the Committee considered the internal relationship of pay across all executive positions. To tie compensation to performance, the Committee structured annual non-equity incentive compensation and the performance-based element of long-term incentive compensation in a manner that provided the opportunity to earn above market compensation for results above target, and below market compensation when the target is not achieved. Target total direct compensation for the NEOs was generally flat for fiscal 2015 compared to fiscal 2014.

Base Salary Decisions for Fiscal 2015

In connection with Towers Watson's review of our executive compensation in fiscal 2015, base salaries remained flat with fiscal 2014 base salaries. The base salaries paid in fiscal 2015 to each of our NEOs are shown under the "Salary" column of the Summary Compensation Table.

Annual Incentive Decisions for Fiscal 2015

Annual non-equity incentive compensation ("AIC") for our NEOs is determined each year under our Short Term Incentive Plan (the "Short Term Plan"). The AIC compensation earned by our NEOs for fiscal 2015 is reported under the Non-Equity Incentive Plan column of the Summary Compensation Table. AIC amounts are governed by the Short Term Plan and the AIC performance criteria and payout levels are set each year by the Committee, in accordance with the terms of the Short Term Plan. The target AIC compensation amounts are a percentage of base salary, as follows:

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	Target AIC (as a Percentage of Salary)
Daniel J. Hanrahan	125%
Steven M. Spiegel	50%
Eric A. Bakken	50%
Jim B. Lain	50%
Heather L. Passe	50%

Each year, the Committee evaluates our annual strategic plan to determine if the financial metrics are appropriate to measure achievement of our objectives and to motivate executives, and sets corresponding financial metrics to be included in the AIC awards. For fiscal 2015, the Committee established the following metrics:

Performance Measure	Weighting	Performance Goal		Award Multiplier
1. (Adjusted EBITDA - CAPEX) divided by Fully Diluted Outstanding Shares	70%	Maximum	$0.972	200%
		Target	$0.618	100%
		Threshold	$0.442	50%
2. Same Store Sales (SSS) Percentage Change	30%	Maximum	1.5%	200%
		Target	0.0%	100%
		Threshold	-1.0%	50%

The Committee chose these metrics to reflect several priorities. In fiscal 2013 and fiscal 2014, adjusted EBITDA and same-store-sales improvement year-over-year served as the performance metrics. These metrics focused management on top line revenue, operations and cash generation, as needed to begin our turnaround. In fiscal 2015, the Committee adjusted these metrics to further align management with shareholders by adding CAPEX and outstanding shares measures. These adjustments also incentivized management to scrutinize capital expenditures year over year and return excess capital to our shareholders, in line with our capital allocation policy. Payouts for achievement of levels between threshold and target or target and maximum were structured so that there would be a somewhat flatter slope until attainment of about 130% of target, and then steeper thereafter to reward very strong performance.

Actual results for fiscal 2015 were:

Performance Measure	Weighting	FY2015 Performance	Award Multiplier
1. (Adjusted EBITDA - CAPEX) divided by Fully Diluted Outstanding Shares	70%	$0.977	165.27%
2. Same Store Sales (SSS) Percentage Change	30%	-0.3%	

In setting the metrics for fiscal 2015, the Committee defined Adjusted EBITDA as net income(loss) excluding interest expense, income taxes, depreciation and amortization, adjusted to exclude equity in income(loss) of affiliated companies, discontinued operations and identified discrete items impacting comparability for each respective period (i.e., expenses, charges, or favorable or unfavorable impacts of extraordinary, unusual, infrequent or non-recurring items and other similar items). The Committee defined CAPEX as the purchase of tangible fixed assets held for use in the operation of the business, classified as property and equipment, including the impact of unpaid capital expenditures at the beginning and end of the fiscal year. In applying these definitions at the end of the performance period, the discrete items included in Adjusted EBITDA were: self-insurance reserve adjustments, expense associated with legal cases, and deferred compensation adjustments, all of which are reflected in our reported Adjusted EBITDA results, as well as restructuring costs in the current year that provide for economic benefit in future years, employee-related accruals relating to prior years, and a one-time refund of sales taxes, all of which also constituted unusual or non-recurring items. In addition, the Committee determined to calculate CAPEX net of funds

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received from landlords for capital expenditures and from sales of property to franchisees (to the extent of our net carrying value in such property).

Long-Term Incentive Decisions for Fiscal 2015

The Committee considers equity-based long-term incentive compensation ("LTI") to be critical to the alignment of executive compensation with the creation of shareholder value. The Company's annual LTI awards include a targeted mix of long-term incentive vehicles as follows:

40% Performance Stock Units (PSUs)	40% Stock Appreciation Rights (SARs)	20% Restricted Stock Units

Our long-term equity incentive compensation awards are granted pursuant to our Long-Term Plan. For our equity awards, the grant date for the awards is the date the grant becomes effective. The exercise price of any stock option or stock appreciation right grant is the closing price of a share of our common stock on the grant date. The terms of these awards are described in more detail below in the narrative accompanying the Grants of Plan-Based Awards in 2015 table. From time to time, the Committee may also make grants under other special circumstances, such as recruiting new executive talent, upon the promotion of an executive, and to retain key individuals.

LTI awards to our NEOs for fiscal 2015 were as follows:

	40% Performance Units (#)	40% SARs (#)	20% Restricted Stock Units (#)	Total Value (at Target) ($)
Daniel J. Hanrahan	59,563	134,529	29,781	2,250,000
Steven M. Spiegel	10,589	23,916	5,294	400,000
Eric A. Bakken	10,589	23,916	5,294	400,000
Jim B. Lain	9,265	20,926	4,632	350,000
Heather L. Passe	10,589	23,916	5,294	400,000

The performance units are earned using the same performance measures, targets and weightings described in the AIC section, with possible payouts ranging from 50% to 200% of the number of performance units. If the performance units are earned, those units are subject to two additional years of time-based vesting. The Committee chose to use the same performance measures and a one-year performance period because our ongoing turnaround limits the Committee's visibility into longer performance periods, making it difficult to set appropriately challenging longer-term goals. However, the additional two years of time-based vesting promotes retention past the performance period and encourages continued financial improvement.

Based on the actual fiscal 2015 results, as discussed above, the 2015 AIC performance goals established by the Committee were met above the target. Therefore, the NEOs earned the granted performance units at a multipler of 165.27%, as set forth in the table below. These units will cliff vest on August 29, 2017.

	Fiscal 2015 Performance Units (#)
Daniel J. Hanrahan	98,440
Steven M. Spiegel	17,500
Eric A. Bakken	17,500

Jim B. Lain	15,312
Heather L. Passe	17,500

Special Awards to Mr. Hanrahan in January 2015

In recognition of the competitive market for chief executive talent in certain industries where Mr. Hanrahan is particularly qualified, the Committee approved certain supplemental equity awards to Mr. Hanrahan, our CEO, in January 2015, along with certain amendments to his employment agreement (discussed below under 'Post-Employment Compensation'). This decision was the culmination of a review of Mr. Hanrahan's compensation against certain market data, and took into

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consideration various factors, including the leadership Mr. Hanrahan has shown in effecting the turnaround of our business and the Board's desire to ensure that Mr. Hanrahan remains incentivized to stay with the Company and continue the initiatives that are underway. The Committee worked with its independent compensation consultant, Towers Watson, to design awards to address these considerations. As a result of this process, the Committee granted the following awards to Mr. Hanrahan:

- RSUs valued at $3 million, all of which cliff vest on the fifth anniversary of the date of grant; and
- SARs valued at $2 million, all of which cliff vest on the fifth anniversary of the date of grant and have a seven year term. The SARs are divided equally into five tranches, as follows:

SARs (#)	Strike Price ($)	Premium Above the Stock Price on Date of Grant (%)
60,537	17.02	—%
65,755	18.72	10%
71,828	20.59	21%
78,864	22.64	33%
86,986	24.85	46%

The provisions in the equity awards provide for accelerated vesting of the awards upon termination of Mr. Hanrahan's employment due to death or disability, without cause, for good reason, and in connection with a change in control, and are otherwise subject to the terms of our Long Term Plan.

In short, the Committee designed these awards to both incentivize Mr. Hanrahan to remain at Regis through the five-year period of the awards and to provide successively greater realized compensation to Mr. Hanrahan for future stock price appreciation, further aligning his interests with our shareholders.

Special Retention Restricted Stock Unit Grants in August 2014

In fiscal 2014, the NEOs did not earn the performance unit portion of the long-term incentive awards due to financial performance that was below the thresholds set at the beginning of fiscal 2014. The CEO requested, and the Committee determined, to grant special discretionary retention RSUs to the NEOs, other than the CEO, in August 2014 in order to recognize the important work the executive team accomplished in the effort to reorganize the Company and to lay the groundwork that we believe will lead to long-term strategic success, and to retain and incentivize them to continue their work toward these objectives. The special retention RSUs will cliff vest at the end of a three-year period if the NEO remains employed, thereby demonstrating the Committee's expectation that the executives remain with the Company to recognize value from the grants if the foundational initiatives undertaken are successful. Other than the three-year cliff vesting, the RSU have the same terms, including treatment upon termination, as the RSUs granted as part of our annual long-term incentives.

The value of the special retention RSUs is equal to approximately 50% of the target level of the performance unit portion of the fiscal 2014 long-term incentive award. Awards of restricted stock units equal to that value were made based on the fair market value on August 28, 2014. Accordingly, the values and number of shares of the restricted stock units for each NEO is:

	RSU ($)	RSU (#)
Daniel J. Hanrahan	—	—

Steven M. Spiegel	80,000	5,294
Eric A. Bakken	80,000	5,294
Jim B. Lain	60,000	3,970
Heather L. Passe	80,000	5,294

These RSUs were awarded in recognition of fiscal 2014 performance, but because the actual award timing occurred in fiscal 2015, these awards are reported in the "Stock Awards" column for fiscal 2015 in the Summary Compensation Table.

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Benefits

Consistent with our current compensation philosophy, we provide minimal benefits and these benefits align with the market median and with current market practices. The benefits we provided our NEOs in fiscal 2015 are summarized in the footnotes to the Summary Compensation Table or are otherwise reported in the accompanying tables, including footnotes. Current benefits for our NEOs include core benefits available to all full-time employees (e.g., coverage for medical, dental, prescription drugs, basic life insurance, and long-term disability coverage).

Prior to fiscal 2013, we also provided certain supplemental retirement benefits, additional life insurance benefits and certain gross-up payments. Where applicable, these benefits are described below under "Summary of Executive Agreements." These benefits were eliminated or frozen prior to fiscal 2013, and continue to be provided only in the case of certain grandfathered agreements, as described below. Related to this, in fiscal 2012, the Committee determined to discontinue but grandfather existing arrangements under the Company's executive life insurance program, which provides employer-paid whole life premium payments for a select group of senior executives, up to a total of ten payments. In arriving at the decision to grandfather existing arrangements, the Committee considered the importance of this benefit as a retirement vehicle and the potential dissatisfaction that could result from eliminating the benefit.

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Section 3: Governance Policies and Additional Compensation-Related Items

Compensation Practice	Regis Policy
Independent Compensation Committee	Our Compensation Committee is composed solely of directors who are independent under the standards of the SEC and the NYSE, including the higher standards applicable to Compensation Committee members.
Clawback Policy	We have adopted a “clawback” policy that permits us to recover certain cash incentive payments from executive officers whose misconduct or negligence resulted in a significant financial restatement.
Clawback of Sign-On Bonuses	The cash sign-on bonuses to the NEOs who were hired during fiscal 2014 must be repaid in full if they leave the Company within three years of hire.
Severance Benefits and Perks	We have benchmarked and implemented market severance terms (generally, base salary plus bonus, or two times base plus bonus after a change in control), while retaining our “double trigger” structure.
No Tax Gross-Ups	We do not provide tax gross-ups on perquisites or “golden parachute” payments.
Frozen Supplemental Retirement Benefit Plan	We previously froze the benefits under our supplemental retirement benefit plan as of June 30, 2012, as well as certain executive life insurance benefits.
Stock Ownership Guidelines	We have meaningful stock ownership guidelines for our executives, discussed in more detail below.
Hedging of Company Stock	Our insider trading policy prohibits our employees, officers and directors from engaging in transactions that “hedge” their investments in our stock.
Pledging of Company Stock	Our insider trading policy prohibits our employees, officers and directors from holding our stock in a margin account or pledging it as collateral for a loan, except in the limited circumstance that an individual has demonstrated financial capacity to repay the loan without resort to the pledged securities and obtains General Counsel approval.
Independent Compensation Consultant	Our independent Compensation Committee has retained Towers Watson & Co. to advise and report directly to the Committee.
Annual Risk Assessment	We conduct an annual risk assessment of our compensation programs, which is led by Towers Watson.
Annual Say-on-Pay Vote	We offer our shareholders the opportunity to cast an advisory vote on our executive compensation every year. Last year, 99% of votes cast

	were in support of our compensation arrangements.
No Repricing or Exchange of Underwater Options/SARs	Our plan prohibits the repricing or exchange of underwater stock options and stock appreciation rights without shareholder approval.

Stock Ownership by Named Executive Officers

The Board believes that each of our officers who has reached the level of Senior Vice President or above should be a shareholder and should have a significant financial stake in the Company. Accordingly, the Committee adopted stock ownership requirements, which are reflected in our Corporate Governance Guidelines, requiring each officer to hold Regis common stock having a fair market value equal to a multiple of their base salary, as set forth below:

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- Chief Executive Officer—3x annual base salary
- Executive Vice President—2x annual base salary
- Senior Vice President—1x annual base salary

The current stock ownership requirements were established in April 2013. The guidelines require officers to retain at least 75% of the shares received from equity compensation awards, net of shares withheld or tendered to satisfy withholding taxes, until the stock ownership requirement is satisfied. All shares beneficially owned by an officer are included in the calculation, except that shares subject to performance-based vesting conditions and shares subject to unexercised stock options and SARs are not included. For purposes of the stock ownership calculation, the shares are valued at the greater of (i) the average closing price of a share of the Company's common stock during the most recent fiscal year and (ii) the closing price on the last day of the most recent fiscal year.

The table below sets forth the current stock ownership as of July 1, 2015 for each NEO:

	Stock Ownership Guideline	Current Ownership Level
Daniel J. Hanrahan	3x	8x
Steven M. Spiegel	2x	1.8x
Eric A. Bakken	2x	2.3x
Jim B. Lain	2x	1.9x
Heather Passe	1x	0.8x

The Committee is responsible for measuring and monitoring compliance with these guidelines.

Post-Employment Compensation

Pursuant to their employment agreements, all of our NEOs are entitled to certain compensation and other benefits if their employment terminates due to certain articulated reasons (including in connection with a change in control), as described below under "Summary of Executive Agreements." The employment agreements with our NEOs contain covenants not to compete or solicit, as well as confidentiality provisions, that the Committee considers especially valuable in the event of an executive's termination of employment. They provide for payment of post-termination payments in installments over time, and the payments are conditioned upon signing and not rescinding a release of claims and continuing compliance with the restrictive covenants in the employment agreement. In addition, the severance payments will be offset by any compensation the executive officer receives from other employment during the severance period.

The Committee and the Board recognize the importance to us and our shareholders of avoiding the distraction and loss of key management personnel that may occur in connection with any rumored or actual change in control of the Company. Accordingly, the Committee and Board have structured change in control provisions to incentivize executives to remain employed while a transaction is under consideration or pending, and not to favor one transaction structure over another merely because of the impact on the executive's compensation. These provisions are discussed in the section captioned "Summary of Executive Agreements."

In addition, in January 2015 the Committee approved an amendment to Mr. Hanrahan's employment agreement that increases the severance he would receive if he is terminated without cause or resigns for good reason, other than in connection with a change in control, from one times his base salary to two times his base salary. The severance calculation also includes the bonus he would have earned for the year had he remained employed, as provided in his original employment agreement. These amendments were made in conjunction with supplemental equity grants, which are discussed above under "Special Awards to Mr. Hanrahan in January 2015,'" both of which were designed to address the Board's desire to ensure that Mr. Hanrahan remains incentivized to remain with our Company through our turnaround.

Deductibility of Executive Compensation

Code Section 162(m) imposes a $1 million limit on the amount that a public company may deduct for compensation paid to a company’s chief executive officer or any of its three other most highly compensated executive officers (other than its chief financial officer) who are employed as of the end of the year. This limitation does not apply to compensation that meets

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the requirements under Section 162(m) for "qualifying performance-based" compensation (i.e., compensation paid only if the individual's performance meets pre-established objective goals based on performance criteria approved by shareholders). The Committee's policy is to design compensation programs that further the best interests of the Company and our shareholders and that preserve the tax deductibility of compensation expenses. Non-equity incentive compensation paid to executive officers under the Short Term Plan and stock options, SARs and performance share units awarded under the Long Term Plan are designed to qualify as performance-based compensation. The Committee also believes, however, that it must maintain the flexibility to take actions which it deems to be in our best interests but which may not qualify for tax deductibility under Section 162(m). In this regard, the Committee recognizes that if the amount of base salary and any other compensation that is not determined to be performance-based under Section 162(m), such as time-vested restricted stock, guaranteed bonuses for new executives, discretionary bonus payouts or bonus payouts that are adjusted to exclude certain items that would have negatively impacted the bonus calculation, for any of our executive officers exceeds $1 million, any amounts over $1 million will not be deductible for federal income tax purposes. The amount of any non-deductible compensation has not had a material impact on our consolidated tax position.

As required under the tax rules, we must obtain shareholder approval of the material terms of the performance goals for qualifying performance-based compensation every five years. We last received shareholder approval of the Short Term Plan in 2014, and shareholders approved an extension of the term of the Long Term Plan in 2013.

Regulatory Considerations

The Committee considered (i) the impact of the $1 million limit on the deductibility of non-performance based compensation imposed by Code Section 162(m), (ii) the accounting treatment of various types of equity-based compensation under Accounting Standards Codification (ASC) Topic 718, and (iii) the non-deductibility of excess parachute tax payments under Code Section 280G (and the related excise tax imposed on covered employees under Code Section 4999 as described above under "Gross-Up Payments") in its design of executive compensation programs. In addition, the Committee considered other tax and accounting provisions in developing the compensation programs for our NEOs. These included the special rules applicable to non-qualified deferred compensation arrangements under Code Section 409A, as well as the overall income tax rules applicable to various forms of compensation. While the Committee strove to compensate our NEOs in a manner that produced favorable tax and accounting treatment, its main objective was to develop fair and equitable compensation arrangements that appropriately motivate, reward and retain those executives.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with the management of the Company. Based on its review and related discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Michael J. Merriman, Chairman
Daniel G. Beltzman
Mark S. Light
Stephen E. Watson
Members of the Compensation Committee

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SUMMARY COMPENSATION TABLE

The following table shows, for our principal executive officer, our principal financial officer, and the three other most highly compensated executive officers of Regis in fiscal year 2015 (together referred to as the Named Executive Officers or "NEOs"), information concerning compensation earned for services in all capacities during each of the fiscal years ended June 30, 2015, 2014, and 2013.

Name and Principal Position	Year	Salary($)(1)	Bonus($)(2)	Stock Awards ($)(3)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total($)
Daniel J. Hanrahan President and	2015	882,000	—	4,349,984	2,899,980	1,755,994	—	46,746	9,934,704
Chief Executive Officer(6)	2014	882,000	—	2,131,137	899,996	—	—	73,105	3,986,238
	2013	801,904	1,062,500	3,716,147	996,000	—	—	260,554	6,837,105
Steven M. Spiegel	2015	432,000	—	319,984	159,998	330,540	—	95,856	1,338,378
Executive Vice	2014	432,000	100,000	319,024	160,000	—	—	89,548	1,100,572
President and Chief Financial Officer(7)	2013	252,050	116,667	539,807	94,905	—	—	51,624	1,055,053
Eric A. Bakken	2015	482,000	—	319,984	159,998	371,858	— (9)	94,781	1,428,612
Executive Vice	2014	482,085	112,500	546,824	160,000	—	103,080	94,185	1,498,675
President, Chief Administrative Officer and General Counsel(8)	2013	482,085	—	373,384	147,740	—	25,529	165,672	1,194,410
Jim B. Lain	2015	432,000	—	269,971	139,995	330,540	—	22,051	1,194,557
Executive Vice President and Chief Operating Officer(10)	2014	279,026	250,000	674,390	76,272	—	—	15,600	1,295,288
Heather L. Passe	2015	392,000	—	319,984	159,998	297,486	—	35,188	1,204,656
Senior Vice	2014	392,000	90,000	438,700	160,000	—	—	34,175	1,114,875
President and Chief Marketing Officer(11)	2013	358,335	100,000	121,863	88,478	—	—	14,207	682,883

(1) Includes amounts provided to the NEOs in the form of a modest perquisite allowance of approximately $32,000 per NEO that primarily covers an automobile allowance. The entire allowance is paid to the NEOs regardless of

whether they spend the entire amount on automobile expenses and, therefore, is reported as base salary; however, the allowance amount is not included as base salary for purposes of determining other compensation and benefits amounts.

(2) The amounts for fiscal 2014 for Mr. Spiegel, Mr. Bakken and Ms. Passe represent discretionary bonuses, which were paid to certain of the NEOs other than the CEO in August 2014. These bonuses are subject to a three-year clawback if the executive terminates employment voluntarily other than for Good Reason. The fiscal 2014 amount for Mr. Lain represents a sign-on payment of $130,000 made in connection with the commencement of his employment, plus a discretionary bonus of $120,000 paid in August 2014. Amounts for Messrs. Hanrahan and Spiegel for fiscal 2013 represent payouts of guaranteed bonus payments made pursuant to the terms of their employment agreements. Amount for Ms. Passe for fiscal 2013 represents a sign-on payment made in connection with the commencement of her employment.

(3) Values expressed represent the aggregate grant date fair value of stock or option awards granted in each fiscal year, as computed in accordance with FASB ASC Topic 718, based on the closing stock price on the grant date. See Note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2015 for a description of the assumptions used in calculating these amounts.

The grant date fair values for stock awards for the fiscal year ended June 30, 2015 include:

- Performance units that were granted in August 2014: Mr. Hanrahan—$899,997; Mr. Spiegel—$160,000; Mr. Bakken—$160,000; Mr. Lain—$139,994; and Ms. Passe —$160,000. The grant date fair values of these awards assumed that the target level achievement would be attained. If the grant date fair values had been calculated assuming the maximum level of achievement, the grant date fair values would have been: Mr. Hanrahan—$1,799,994; Mr. Spiegel—$320,000; Mr. Bakken—$320,000; Mr. Lain—$279,988; and Ms. Passe —$320,000.

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- A special one-time grant of restricted stock units and stock appreciation rights grant made to Mr. Hanrahan in January 2015 valued at $2,999,996 and $1,999,981, respectively; these awards cliff vest five years after grant and the stock appreciation rights expire seven years after grant.

The grant date fair values for stock awards for the fiscal year ended June 30, 2014 include:

- Performance units that were granted, but were not earned and thus were forfeited, in the following amounts: Mr. Hanrahan—$889,997; Mr. Spiegel—$159,993; Mr. Bakken—$159,993; Mr. Lain—$76,260; and Ms. Passe —$159,993. T grant date fair values of these awards assumed that the target level achievement would be attained.

- Special performance units that were granted in recognition of turnaround objectives achieved during fiscal 2013 and granted in August 2013, in the following amounts: Mr. Hanrahan—$781,142; Mr. Spiegel—$79,042; Mr. Bakken—$306,842; and Ms. Passe—$198,718. The awards will cliff vest, if at all, at the end of the three-year performance period ending June 30, 2016 based on achievement of adjusted EBITDA objectives for that period. We do not currently expect any of these awards to be earned. The grant date fair values of these awards assumed that the target level of achievement would be attained, which was the maximum that could be earned for these awards.

The grant date fair values for stock awards for the fiscal year ended June 30, 2013 include:

- A special one-time restricted stock grant made to Mr. Hanrahan valued at $2,126,297, cliff vesting five years after grant, which he received upon joining the Company.

- Performance units that were granted, but were not earned and thus were forfeited, in the following amounts: Mr. Hanrahan—$919,000; Mr. Spiegel—$93,206; Mr. Bakken—$136,012; and Ms. Passe—$81,791. The grant date fair value of these awards assumed that the target level achievement would be attained.

(4) Amounts represent the change in the present value of benefits under the pension plans.

(5) The following table sets forth All Other Compensation amounts by type:

Name	Deferred Compensation Company Match and Profit-Sharing Contribution ($)(a)	Dividends and Dividend Equivalents on Stock and Option Awards ($)	Insurance Premiums ($)	Travel Expenses ($)(b)	Total All Other Compensation ($)(c)
Daniel J. Hanrahan	25,000	—	—	—	46,746
Steven M. Spiegel	25,000	—	23,246	29,391	95,856
Eric A. Bakken	25,438	—	52,496	—	94,781
Jim B. Lain	—	—	—	—	22,051
Heather L. Passe	25,000	—	—	—	35,188

(a) The Company matches deferred compensation contributions up to $25,000 per calendar year.

(b) Mr. Spiegel is entitled to travel expenses for commuting from Chicago to Minneapolis pursuant to his employment agreement.

(c) Total All Other Compensation for Mr. Hanrahan, Mr. Spiegel, Mr. Bakken, Mr. Lain, and Ms. Passe also includes $21,746, $18,219, $16,847, $22,051, and $10,188 of perquisites, respectively, which primarily relate to medical benefits, including the reimbursement of co-pay and other out-of-pocket expenses.

(6) Mr. Hanrahan was appointed Chief Executive Officer effective August 6, 2012.

(7) Mr. Spiegel was appointed Executive Vice President and Chief Financial Officer effective December 3, 2012.

(8) Mr. Bakken was appointed Chief Administrative Officer effective April 29, 2013, and he also served as interim principal executive officer from July 1, 2012 until August 6, 2012.

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(9) The pension value for Mr. Bakken decreased by $5,743.

(10) Mr. Lain commenced employment on November 11, 2013.

(11) Ms. Passe commenced employment on July 23, 2012.

GRANTS OF PLAN-BASED AWARDS IN 2015

The following table sets forth certain information concerning plan-based awards granted to the Named Executive Officers during the fiscal year ended June 30, 2015. No options were repriced or materially modified during the fiscal year.

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Possible Payouts Under Equity Incentive Plan Awards(2)					
Name	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)(3)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units(#)(2)	All Other Option Awards: Number of Securities Underlying Options(#)(2)	Exerc or Bas Price Optio Awar ($/Sh)
Daniel J. Hanrahan			531,250	1,062,500	2,125,000						
	8/29/2014	8/18/2014				29,782 (4)	59,563 (4)	119,126 (4)			
	8/29/2014	8/18/2014							29,781		
	1/13/2015	1/13/2015							176,263 (6)		
	8/29/2014	8/18/2014								134,529	15.11
	1/13/2015	1/13/2015								60,537 (7)	17.02
	1/13/2015	1/13/2015								65,755 (7)	18.72
	1/13/2015	1/13/2015								71,828 (7)	20.59
	1/13/2015	1/13/2015								78,864 (7)	22.64
	1/13/2015	1/13/2015								86,986 (7)	24.85
Steven M. Spiegel			100,000	200,000	400,000						
	8/29/2014	8/18/2014				5,295 (4)	10,589 (4)	21,178 (4)			
	8/29/2014	8/18/2014							5,294		
	8/29/2014	8/18/2014							5,294 (5)		
	8/29/2014	8/18/2014								23,916	15.11
Eric A. Bakken			112,500	225,000	450,000						
	8/29/2014	8/18/2014				5,295 (4)	10,589 (4)	21,178 (4)			
	8/29/2014	8/18/2014							5,294		
	8/29/2014	8/18/2014							5,294 (5)		
	8/29/2014	8/18/2014								23,916	15.11
Jim B. Lain			100,000	200,000	400,000						
	8/29/2014	8/18/2014				4,633 (4)	9,265 (4)	18,530 (4)			
	8/29/2014	8/18/2014							4,632		
	8/29/2014	8/18/2014							3,970 (5)		

	8/29/2014	8/18/2014								20,926	15.11
Heather L. Passe			90,000	180,000	360,000						
	8/29/2014	8/18/2014				5,295 (4)	10,589 (4)	21,178 (4)			
	8/29/2014	8/18/2014							5,294		
	8/29/2014	8/18/2014							5,294 (5)		
	8/29/2014	8/18/2014								23,916	15.11

(1) These amounts represent the potential target bonus amounts that were available to our executives for fiscal 2015 under the Short Term Plan as described under “Annual Incentive Decisions for Fiscal 2015” in the CD&A section of this Proxy Statement.

(2) The option and stock awards were granted under the Long Term Plan.

(3) Amounts are computed in accordance with FASB ASC Topic 718.

(4) These amounts represent the threshold, target and maximum number of performance units that were available to our executives with respect to the fiscal 2015 performance unit award for the performance period ended June 30, 2015 as described under "Long Term Incentive Decisions for Fiscal 2015" in the CD&A section of this Proxy Statement.

(5) These amounts represent the special restricted stock units that were granted in recognition of turnaround objectives achieved during fiscal 2014 and granted in August 2014.

(6) This amount represents the restricted stock units that were granted in January 2015 to Mr. Hanrahan. See "Special Awards to Mr. Hanrahan in January 2015" in the CD&A section of this Proxy Statement.

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(7) This amount represents the stock appreciation rights that were granted in January 2015 to Mr. Hanrahan. See "Special Awards to Mr. Hanrahan in January 2015" in the CD&A section of this Proxy Statement.

Summary of Terms of Equity Awards

The terms of the equity awards granted as part of the long-term incentives for fiscal 2015 are summarized below:

- Performance Units—The performance units are subject to both performance-based vesting and time-based vesting, described above in the CD&A under "—Long-Term Incentive Decisions for Fiscal 2015." In the event of a termination of employment, unvested performance units are generally forfeited; provided, however, that a pro-rated amount of the performance units will pay out at the target level upon a participant's death or disability and a pro-rated amount of the performance units will pay out based on actual performance at the end of the performance period upon a participant's retirement, which is defined to mean termination at age 62 or after age 55 with 15 years or more of continuous service. Similarly, in the event of a change in control, a pro-rated amount of the performance units will pay out at the target level. The performance units earn dividend equivalents, but have no voting rights.

- SARs—The SARs vest as to one-third of the shares on each of the first three anniversaries of the date of grant and settle in the form of shares of common stock. In the event of a termination of employment, unvested SARs are generally forfeited; provided, however, that vesting is accelerated in the event of death, disability, retirement (defined as described above for performance units) and a change in control. The participant or his or her successor has one year to exercise the SARs in the event of death or disability and 90 days in the event of retirement or other termination of employment without cause. The SARs do not have any voting or dividend rights until the shares are vested and exercised.

- Restricted Stock Units—The restricted stock units vest as to one-third of the shares on each of the first three anniversaries of the date of grant. In the event of a termination of employment, unvested restricted stock units are generally forfeited; provided, however, that the vesting is accelerated in the event of death, disability or a change in control and a pro-rated amount of the units will vest in the event of retirement (defined as described above for performance units). The restricted stock units earn dividend equivalents, but have no voting rights.

The special retention stock appreciation rights and RSUs granted to Mr. Hanrahan in January 2015 cliff vest after five years, and SARs have a seven-year term. See discussion in CD&A, "Special Awards to Mr. Hanrahan in January 2015".

The terms of the special retention restricted stock unit grants in August 2014 are the same as those described above, other than the fact that the special retention RSUs cliff vest after three years.

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OUTSTANDING EQUITY AWARDS AT 2015 FISCAL YEAR-END

The following table sets forth certain information concerning outstanding equity awards held by the Named Executive Officers at June 30, 2015.

	Option Awards				Stock Awards(1)			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price($)	Option Expiration Date(2)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares or Other Rights That Have Not Vested ($)(3)
Daniel J. Hanrahan...........	100,000	50,000 (4)	18.01	8/31/2022				
	49,833	99,668 (5)	15.78	8/30/2023				
	—	134,529 (6)	15.11	8/29/2024				
	—	60,537 (7)	17.02	1/13/2022				
	—	65,755 (7)	18.72	1/13/2022				
	—	71,828 (7)	20.59	1/13/2022				
	—	78,864 (7)	22.64	1/13/2022				
	—	86,986 (7)	24.85	1/13/2022	8,512 (4)	134,151		
					120,585 (8)	1,900,419		
					19,161 (5)	301,980		
					29,781 (6)	469,349		
					176,263 (7)	2,777,905		
							20,427 (9)	321,936
							24,945 (10)	393,137
							119,126 (11)	1,877,426
Steven M. Spiegel............	10,322	5,160 (12)	16.45	12/3/2022				
	8,859	17,719 (5)	15.78	8/30/2023				
	—	23,916 (6)	15.11	8/29/2024	959 (12)	15,108		
					24,667 (13)	388,758		
					3,407 (5)	53,687		
					5,294 (6)	83,433		
					5,294 (14)	83,433		
							2,524 (10)	39,781
							21,178 (11)	333,765
Eric A. Bakken.................	2,500	—	35.33	4/27/2016				

	3,200	—		39.04	4/26/2017						
	3,200	—		28.57	4/24/2018						
	15,500	—		19.14	4/30/2019						
	4,200	—		18.90	4/29/2020						
	3,360	840	(15)	16.60	4/28/2021						
	14,833	7,417	(4)	18.01	8/31/2022						
	8,859	17,719	(5)	15.78	8/30/2023						
	—	23,916	(6)	15.11	8/29/2024						
						1,541	(15)	24,289			
						1,260	(4)	19,863			
						3,873	(16)	61,039			
						3,407	(5)	53,687			
						5,294	(6)	83,433			
						5,294	(14)	83,433			
									9,799	(10)	154,429
									21,178	(11)	333,765
Jim B. Lain.......................	—	8,692	(17)	15.50	11/11/2023						
	—	20,926	(6)	15.11	8/29/2024						