

Form

Unknown document format

padding-top: 1.89pt; border-right: 0pt; border-left: 0pt; padding-left: 0pt; vertical-align: top; padding-bottom: 1.89pt; border-collapse: collapse; border-bottom: 0.75pt solid #939597; padding-right: 0pt;">

Accelerated Vesting of Equity⁶

1,313,086

1,622,973

1,622,973

1,622,973

1,622,973

Total

—

2,521,586

1,982,973

1,982,973

1,622,973

3,287,723

Rachel Endrizzi¹⁰

Severance

—

570,000

—

—

—

—

Supplemental Bonus⁸

—

131,300

131,300

131,300

—

131,300

Medical and Dental Insurance Benefits⁴

—

8,779

—

—

—

—

Accelerated Vesting of Equity⁶

242,120

356,883

356,883

356,883

356,883

Total

—

952,199

488,183

488,183

356,883

488,183

1Each of the NEOs listed in this table is party to a written employment agreement with the Company, with the exception of Mr. Lacko.

2Severance amounts in the event of involuntary termination not related to Change in Control represent a cash payment equal to two times annual base salary for Mr. Sawyer and one times annual base salary for the other NEOs, plus, for the other NEOs, a pro-rated portion of any bonus the executive officer would have earned for the year of termination, based on actual performance.

3In the event of an involuntary termination related to a Change in Control, Mr. Sawyer would receive the same severance as for any involuntary termination. Severance to the other NEOs represents a cash payment equal to two times annual base salary plus two times the target annual bonus for the year of termination.

Under Code Section 280G, executives will incur an excise tax on portions of these payments if the parachute value of payments exceeds a specified threshold. Under the 2004 Amended and Restated Long Term Incentive Plan (the "2004 Long Term Plan"), participants who first received awards prior to October 22, 2013 (which includes only Mr. Bakken and Ms. Endrizzi) are entitled to an excise tax gross-up if an award granted thereunder, either alone or together with other payments and benefits the participant receives or is entitled to receive would constitute a "parachute payment." These grandfathered rights to tax gross-ups were waived by Mr. Bakken and Ms. Endrizzi effective in August 2018. The 2016 Long Term Plan does not provide for any excise tax gross-ups on parachute payments. Pursuant to Mr. Bakken's employment agreement, the Company will determine whether he is better off receiving the full payment due and paying the excise tax, or receiving a reduced payment that falls just below the excise tax threshold, which is referred to as a "best of net" provision. For this hypothetical payment as of June 30, 2018, it has been estimated that Mr. Bakken would be better off receiving the full payment due. Ms. Endrizzi's employment agreement does not include any parallel "best of net" 280G provisions, as she is not entitled to enhanced severance benefits in connection with a change in control.

4The amount represents the estimated medical and dental insurance premiums for the applicable benefits continuation period following involuntary termination. The continuation period is 18 months for Mr. Sawyer; for the other NEOs, it is 12 months if not related to a change in control and 18 months if related to a Change in Control.

5Mr. Sawyer is entitled to acceleration of his sign-on equity awards upon death, disability, a change in control, or termination without cause or for good reason, except that in the case of his sign-on RSUs, the Company's stock price also must exceed a certain price threshold. For more information about these awards, see "Compensatory Arrangements with Mr. Sawyer" in CD&A.

6Amounts represent the intrinsic value of SARs, RSUs, and PSUs as of June 30, 2018 for which the vesting would be accelerated. The value entered for SARs is based on the number of units for which vesting would be accelerated times the excess of \$16.54, the closing price of the Company's common stock on June 30, 2018 on the NYSE, over the SAR exercise price. The value included for RSUs and PSUs is the product of the number of units for which vesting would be accelerated and \$16.54.

TABLE OF CONTENTS

48 |

Executive Compensation Tables

7Mr. Lacko is not party to a written employment agreement with the Company stipulating provisions for post-termination payments. He is eligible for accelerated vesting of equity awards upon certain termination scenarios pursuant to terms of the LTIP/grant agreements. Any severance amounts paid upon an actual termination would be determined at the discretion of the Committee.

8Amounts represent the supplemental performance-based cash retention program payable under the various termination scenarios discussed above in “Special Incentive Program Based on Franchise Goals.”

9The amounts represent a lump sum cash payment equal to the present value of a hypothetical annuity of monthly benefits. The annuity amount and payment period vary according to the termination scenario, as described under “Summary of Executive Agreements — Employment Agreements — Historical Retirement and Life Insurance Benefits.”

10Ms. Endrizzi’s employment agreement does not provide for severance payments related to a Change in Control. Supplemental bonus is covered under a separate agreement. Eligibility for accelerated vesting of equity awards upon certain termination scenarios pursuant to terms of the LTIP/grant agreements. Any severance amounts paid upon an actual termination would be determined at the discretion of the Committee.

Actual Payments Upon Termination to NEOs No Longer Employed

The amounts below reflect amounts actually paid to Ms. Miller and Mr. Dulka in connection with their termination of employment.

| Name | Type of Payment or Benefit | Involuntary Termination (\$) |
|-------------------|--|-------------------------------------|
| Annette L. Miller | Severance ¹ | 468,750 |
| | Medical and Dental Insurance Benefits ² | 9,539 |
| | Accrued Vacation Time ³ | 28,846 |
| | Accelerated Vesting of Equity ⁴ | 439,092 |
| | Total | 946,227 |
| Andrew W. Dulka | Severance ¹ | 352,950 |
| | Medical and Dental Insurance Benefits ² | 9,538 |
| | Accrued Vacation Time ³ | 11,539 |
| | Accelerated Vesting of Equity ⁴ | 363,592 |
| | Total | 737,619 |

1Represents one times base salary plus pro rata portion of fiscal 2018 bonus (based on target). See “Separation Benefits for Ms. Miller” and “Separation Benefits for Mr. Dulka.”

2Represents the medical and dental insurance continuation for 12 months (up to \$9,539 for Miller and \$9,538 for Dulka).

3Represents accrued vacation time through last date of employment.

Edgar Filing: - Form

4Represents the intrinsic value of acceleration of unvested RSUs and SARs that were accelerated in connection with termination of employment, as well as payment in cash for PSUs that were earned but not yet vested.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing the following information about the relationship of the annual total compensation of our median employee and the annual total compensation of Mr. Sawyer, our President and Chief Executive Officer. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

For fiscal 2018, our last completed fiscal year:

- The annual total compensation of our median employee was \$21,034; and
- The annual total compensation of our President and CEO, as reported in the Summary Compensation Table presented elsewhere in this Proxy Statement, was \$3,078,332.

Based on this information for fiscal year 2018, we reasonably estimate that the ratio of our President and CEO's annual total compensation to the annual total compensation of our median employee, a part-time stylist at one of our salons, was 146:1.

We used the following methodology and material assumptions and reasonable estimates to identify our median employee in a manner consistent with SEC rules and guidance:

TABLE OF CONTENTS

2018 Proxy Statement | 49

Executive Compensation Tables

We identified our median employee by analyzing the total cash compensation paid to all members of our employee population (other than our President and CEO) who were employed on June 30, 2018. Total cash compensation includes wages (for both salaried employees and hourly employees), cash bonuses, tips and commissions. In making this determination, we annualized the compensation of those full-time and part-time permanent employees who were employed on June 30, 2018, but did not work for us during all of fiscal 2018. No full-time equivalent adjustments were made for part-time employees.

After identifying the median employee, we calculated annual total compensation for that individual in accordance with same methodology used for our named executive officers as set forth on the Summary Compensation Table. With respect to the annual total compensation of our President and CEO, we used the amount reported in the “Total” column reported in the Summary Compensation Table.

The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. Therefore, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

Equity Compensation Plan Information

The following table provides information about our common stock that may be issued under all of our stock-based compensation plans in effect as of June 30, 2018.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans |
|---|--|---|---|
| Equity compensation plans approved by security holders ¹ | 1,541,367 | \$13.78 | 4,629,879 ² |
| Equity compensation plans not approved by security holders ³ | 1,034,079 | \$11.12 | — |
| Total | 2,575,446 | \$12.71 | 4,629,879 |

¹Includes shares granted through stock options, SARs, restricted stock awards, RSUs and PSUs under the 2004 Long Term Plan and 2016 Long Term Plan. Information regarding the stock-based compensation plans is included in Note 1 and 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended June 30, 2018.

²The Company’s 2016 Long Term Plan provides for the issuance of a maximum of 6,750,000 shares of the Company’s common stock through stock options, SARs, restricted stock or RSUs. As of June 30, 2018, there are 4,500,278

Edgar Filing: - Form

shares included in the number of securities remaining available for future issuance under equity compensation plans as disclosed in this table. As of June 30, 2018, there were also 129,601 common shares available for issuance under the Company's Stock Purchase Plan.

3Consists of SARs and RSUs granted to Mr. Sawyer and Mr. Lacko under the NYSE inducement grant exception to its rules for shareholder approval of equity plans in connection with the commencement of his employment, the terms of which are described under "Compensatory Arrangements with Mr. Sawyer" and "Compensatory Arrangements with Mr. Lacko" in the CD&A.

TABLE OF CONTENTS

Item 3

REGIS CORPORATION 2018 LONG TERM INCENTIVE PLANS

Upon the recommendation of the Compensation Committee of the Board, the Board unanimously recommends that you vote FOR approval of our 2018 Long-Term Incentive Plan.

50 |

TABLE OF CONTENTS

2018 Proxy Statement | 51

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN

Introduction

We are seeking shareholder approval for the Regis Corporation 2018 Long Term Incentive Plan (the “2018 Plan”), which was approved by our Board on August 30, 2018, subject to shareholder approval. Upon approval of the 2018 Plan by our shareholders, no further awards will be made under our current 2016 Long Term Incentive Plan (the “2016 Plan”), and the 2018 Plan will be the only active plan under which equity awards may be made to our employees and non-employee directors.

As of June 30, 2018, the 2016 Plan had approximately 4,500,278 shares remaining available for issuance. Due to structural changes to our equity program for fiscal 2019, as described above in our CD&A under “Summary of the Fiscal 2019 Plan”, additional shares are being requested to help ensure the Company has sufficient shares to meet our anticipated needs to grant equity awards to incentivize and retain employees in future years.

The 2018 Plan authorizes 1,900,000 shares for awards, together with those shares of common stock remaining available for future grants under the 2016 Plan on the date the 2018 Plan obtains shareholder approval. We believe that given our current grant practices as well as the fungible share design of the 2018 Plan, the authorized share amount under the 2018 Plan should allow us to make equity compensation awards through late August 2023, prior to the 2023 annual meeting of shareholders.

Awards outstanding under the 2016 Plan or our Amended and Restated 2004 Long-Term Incentive Plan (“2004 Plan”) as of the date the 2018 Plan becomes effective will continue to be subject to the terms of the 2016 Plan or the 2004 Plan, as applicable, but if those awards subsequently expire, are forfeited, canceled or terminated or are settled in cash, the shares subject to those awards will become available for awards under the 2018 Plan.

Shareholder approval of the 2018 Plan is being sought in order to satisfy the shareholder approval requirements of (i) the New York Stock Exchange and (ii) Section 422 of the Internal Revenue Code (“Code”) to enable options granted under the 2018 Plan to qualify as incentive stock options. If the 2018 Plan is not approved by our shareholders, the 2016 Plan will remain in effect and we will remain subject its existing share reserve.

Factors Considered in Setting Size of Requested Share Amount

As of August 24, 2018, there were 44,172,843 shares of our common stock issued and outstanding. The closing sale price of a share of our common stock on the New York Stock Exchange on that date was \$21.40.

In setting the proposed number of shares reserved and issuable under the 2018 Plan, the Compensation Committee and our Board considered a number of factors as described below.

TABLE OF CONTENTS

52 |

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN**Awards Outstanding and Shares Available for Grant**

The table below shows, as of June 30, 2018, the shares reserved for issuance of outstanding awards under the 2016 Plan as well as its predecessor, the 2004 Plan, and available for future grant under our 2016 Plan. The table also shows the number of shares that will be available for future grants under each equity compensation plan following approval of the 2018 Plan by our shareholders.

| | As of June 30, 2018 | After Approval of 2018 Plan | | |
|------------------------|---|---|---|---|
| | Shares Reserved for Issuance of Outstanding Awards¹ | Shares Available for Future Awards | Shares Reserved for Issuance of Outstanding Awards | Shares Available For Future Awards |
| 2004 Plan ² | 986,321 | 0 | 986,321 | 0 |
| 2016 Plan ² | 1,589,125 | 4,500,278 ³ | 1,589,125 | 0 |
| 2018 Plan | 0 | 0 | 0 | <u>3</u> |
| Total | 2,575,446 | 4,500,278 | 2,575,446 | 6,400,278³ |

¹ Shares reserved for issuance of outstanding awards at June 30, 2018 consist of the following:

| Types of Awards | | | | |
|------------------------|--------------------------|--|--|-----------|
| Options/SARs | Full Value Awards | Weighted Average Exercise Price of Options/SARs | Weighted Average Term to Expiration | |
| 2004 Plan ² | 532,622 | 453,699 | \$14.85 | 5.2 years |
| 2016 Plan ² | 1,000,000 | 589,125 | \$11.15 | 8.8 years |

²No further equity awards may be granted under the 2004 Plan or, following shareholder approval of the 2018 Plan, under the 2016 Plan; however, any shares that would return to the 2004 Plan or 2016 Plan as a result of an award terminating, expiring or being forfeited or being settled in cash in lieu of shares will instead become available under the 2018 Plan.

³The 2018 Plan authorizes 1,900,000 shares for awards, together with those shares of common stock remaining available for future grants under the 2016 Plan on the date the 2018 Plan obtains shareholder approval. We expect to make fiscal 2019 equity grants in late August 2018 which will reduce the 6,400,278 shares shown in the table above under "Shares Available for Future Awards."

We believe that the expected dilution that will result from the 2018 Plan is reasonable for a company of our size in our industry.

Historical Equity Grant Practices

Our three-year average “burn rate” was 3.00% for fiscal years 2016 through 2018. We define burn rate as the total number of shares subject to awards granted to participants in a single year expressed as a percent of our basic weighted average common shares outstanding for that year. We believe our historical burn rate is reasonable for a company of our size in our industry.

Overhang

Expectations regarding future share usage under the 2018 Plan are based on a number of assumptions regarding factors such as future growth in the population of eligible participants, the rate of future compensation increases, the rate at which shares are returned to the 2018 Plan reserve through forfeitures, cancellations and the like, the level at which performance-based awards pay out, and our future stock price performance. While the Compensation Committee believes that the assumptions utilized are reasonable, future share usage will differ to the extent that actual events differ from our assumptions.

TABLE OF CONTENTS

2018 Proxy Statement | 53

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN

Key Compensation Practices

The 2018 Plan is substantially similar to our 2016 Plan. The primary changes reflected in the 2018 Plan, as compared to the 2016 Plan include:

- Adopts double trigger acceleration of equity awards upon a change in control as the default treatment;
- Increases the level of stock ownership required to trigger a change in control to 49%, up from 20%;
- Adds an additional category of permitted awards that (i) are not classified as stock options, SARs, restricted stock, restricted stock units or performance units and (ii) consist of our common stock or that are valued in whole or in part by reference to, or are otherwise based upon or settled in, our common stock;
- Imposes an annual limit on the number of shares that can be granted as each award type (not just performance-based awards) to any participant; and
- Increases flexibility for design of performance-based awards following the repeal of Section 162(m) of the Code.

The 2018 Plan continues to include a number of features similar to our 2016 Plan that we believe are consistent with the interests of our shareholders and sound corporate governance practices, including the following:

- Incorporates a fungible share design, with a 2.0:1 ratio (reduced slightly from the 2.4:1 ratio under the 2016 Plan), under which full value awards (such as restricted stock units and performance units) count against the shares reserved for issuance at a higher rate than appreciation awards (such as SARs and stock options);
- Prohibits cancellation of awards for cash or other property or the grant of a full value award at a time when the exercise price of the award is greater than the current fair market value of a share of our common stock;
- Subjects most awards to a minimum one-year vesting period, subject to certain exceptions, including additional exceptions for certain termination scenarios;
- Prohibits the payment of dividends or dividend equivalents on stock options and SARs, and provides that any dividends or dividend equivalents payable with respect to shares or share equivalents subject to the unvested portion of a full value award will be subject to the same restrictions and risk of forfeiture as the shares or share equivalents to which such dividends or dividend equivalents relate;
- Does not provide for any excise tax gross-ups on “parachute payments”;
- Administered by our independent Compensation Committee;
- Prohibits re-pricing of stock options or SARs, including any cancellation for cash or other property or the grant of a full value award at a time when the exercise price of the stock option or SAR is greater than the current fair market value of a share of our common stock;

Edgar Filing: - Form

- Prohibits the issuance of stock options or SARs at an exercise price that is less than the fair market value of our common stock on the date of grant;
- Prohibits liberal share recycling;
- Provides for the forfeiture of certain outstanding awards if the Compensation Committee determines that the employee has engaged in certain misconduct that is materially detrimental to the interests of the Company;
- Does not apply a “liberal” change in control definition to awards; and
- Does not allow material modifications to the 2018 Plan without prior shareholder approval, which includes amendments that would increase the number of shares of our common stock available, increase the award limits under the Plan, permit awards of options at a price less than fair market value, permit re-pricing of options or SARs, or expand the class of persons eligible to receive awards under the Plan. Shareholder approval is also required for any action that would, absent such approval, violate the rules and regulations of the NYSE or any other securities exchange applicable to us.

The complete text of the 2018 Plan is attached as Appendix A.

TABLE OF CONTENTS

54 |

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN

Why We Believe You Should Vote for the 2018 Plan

The Board believes that equity compensation is an important part of total compensation for our executives as well as for certain other senior and management-level employees. We believe that shareholders should approve the 2018 Plan for the following reasons:

Compensation Philosophy. As described in the CD&A, our compensation programs are intended to work together to reward our executive officers for achieving the pre-established business goals set by the Board, to induce their commitment and continued service with the Company, and to align their interests with those of our shareholders through equity compensation and stock ownership requirements. We believe that equity compensation is one of the most effective tools to achieve these goals, and consistent with our goals for the future, we believe that equity-based incentives will continue to play an important role in our ability to incentivize our executives and other employees.

Plan Provisions Designed to Serve Shareholders' Interests and Promote Effective Corporate Governance. The 2018 Plan, which is summarized in more detail below, includes provisions described above in this Item 3 under "Key Compensation Practices" that are designed to serve the interests of our shareholders and promote effective corporate governance.

Reasonable Share Request. We are requesting additional shares to make approximately five years of additional equity grants in the normal course. We expect to return to our shareholders to seek approval of additional shares for the 2018 Plan at our 2023 annual meeting of shareholders.

Summary of the 2018 Long Term Incentive Plan

Administration

The Compensation Committee will administer the 2018 Plan and will have full power and authority to determine when and to whom awards will be granted, and the type, amount and other terms and conditions of each award, consistent with the provisions of the 2018 Plan. In addition, the Compensation Committee can specify whether, and under what circumstances, awards to be received under the 2018 Plan may be deferred automatically or at the election of either the holder of the award or the Compensation Committee. Subject to the provisions of the 2018 Plan, the Compensation Committee may amend or waive the terms and conditions, or accelerate the vesting and/or exercisability of an outstanding award. The Compensation Committee has authority to interpret the 2018 Plan, and establish rules and regulations for the administration of the 2018 Plan. The Compensation Committee may delegate its authority under the 2018 Plan to members of the Board or executive officers of the Company as it relates to awards to persons not subject to Section 16 of the Exchange Act. In addition, the Board may replace the Compensation Committee with a different committee or exercise the powers of the Compensation Committee at any time, except with respect to the grant of awards to our executive officers. Each person who is or has been a member of the Compensation Committee or of the Board, and any other person to whom the Compensation Committee delegates authority under the 2018 Plan, is indemnified by the Company from any loss resulting from any action taken or failure to act, made in good faith, under the 2018 Plan.

Eligible Participants

Edgar Filing: - Form

Any employee, officer, director or other individual, who is selected by the Compensation Committee, is eligible to receive an award under the 2018 Plan. As of August 24, 2018, our approximately 27,000 employees, including officers, and seven non-employee directors were eligible to be selected by the Compensation Committee to receive awards under the 2018 Plan.

Shares Available For Awards

Upon approval by our shareholders of this proposal, 1,900,000 shares of common stock together with those shares of common stock remaining available for future grants under the 2016 Plan on the date the 2018 Plan obtains shareholder

TABLE OF CONTENTS

2018 Proxy Statement | 55

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN

approval will be available for issuance under the 2018 Plan. Full value awards granted under the 2018 Plan will count as 2.0 shares against the pool of authorized shares, whereas options and SARs will count as one share against the pool of authorized shares.

In the event of a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination, or recapitalization or similar event affecting the capital structure of the Company, the Compensation Committee or the Board shall make such substitutions or adjustments as it deems equitable and appropriate. Similarly, in the event of any other change in capitalization, which may include a merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, disaffiliation (other than a spinoff), or similar event affecting the Company or any of its subsidiaries, the Board or the Compensation Committee may make substitutions or adjustments as it deems equitable and appropriate. Any adjustments made in accordance with the two foregoing sentences need not be the same for all participants.

If any shares of our common stock subject to any award under the 2018 Plan, or to an award under the 2016 Plan or the 2004 Plan that is outstanding on the date our shareholders approve the 2018 Plan, that expires, is forfeited or cancelled, or is settled or paid in cash will, to the extent of such expiration, forfeiture, cancellation or cash settlement, become available again for future awards under the 2018 Plan. Each share that again becomes available for awards in such manner shall increase the share reserve, with shares subject to full value awards increasing the share reserve by 2.0 shares and shares subject to options and SARs increasing the share reserve by one share. However, shares tendered or withheld in payment of the purchase price of a stock option, shares tendered or withheld to satisfy a tax withholding obligation, shares repurchased with proceeds received by the Company from exercise of a stock option and shares subject to a stock appreciation right that are not issued in connection with the stock settlement of the stock appreciation right may not be used again under the 2018 Plan. Awards granted under the plan in substitution for awards previously granted in connection with a merger, consolidation or acquisition are not charged against the number of shares available for grant as awards under the 2018 Plan.

Types of Awards and Terms and Conditions

The 2018 Plan permits the granting of:

- Stock options (incentive stock options, non-qualified stock options);
- Stock appreciation rights (SARs);
- Restricted stock;
- Restricted stock units;
- Performance units; and
- Other stock-based awards.

Awards may be granted alone, in addition to, in combination with or in substitution for, any other award granted under the 2018 Plan or any other compensation plan. The exercise price per share under any stock option and the grant price of any SAR may not be less than the fair market value on the date of grant of such option or SAR. Determinations of fair market value under the 2018 Plan will be made by reference to the closing price of our common stock on the NYSE. The term of awards of the stock-based portion of the plan will not be longer than ten years.

Stock Options. The holder of an option will be entitled to purchase a number of shares of our common stock at a specified exercise price during a specified time period (not to exceed ten years), all as determined by the Compensation Committee. The option exercise price may be payable either in cash or, at the discretion of the Compensation Committee, in other securities or other property having a fair market value on the exercise date equal to the exercise price. We have not granted stock options in recent years.

Stock Appreciation Rights. The holder of an SAR is entitled to receive an amount in cash, shares of common stock or a combination thereof, equal to the excess of the fair market value (calculated as of the exercise date or, at the Compensation Committee's discretion, as of any time during a specified period before or after the exercise date) of a specified number of shares of our common stock over the grant price of the SAR during a specified period (not to exceed ten years).

Restricted Stock. The holder of restricted stock will own shares of our common stock (including, for example, the right to vote the restricted shares). The Compensation Committee also may permit acceleration of the forfeiture period in the case of a participant's death or disability, upon a change in control of the Company and in certain other instances if included in an award agreement. If the participant's employment or service as a director, as applicable, terminates during the forfeiture period for any other reason, unvested restricted stock will be forfeited, unless the Compensation Committee determines that it would be

TABLE OF CONTENTS

56 |

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN

in the Company's best interest to waive the remaining restrictions. Any dividends or distributions payable with respect to shares of our common stock that are subject to the unvested portion of a restricted stock award will be subject to the same restrictions and risk of forfeiture as the underlying shares of restricted stock. We have not granted restricted stock in recent years.

Restricted Stock Units. The holder of a restricted stock unit is entitled to receive a share of our common stock, or cash in the amount of the fair market value of a share of common stock, as of a future date, subject to certain restrictions and to a risk of forfeiture. The Compensation Committee also may permit acceleration of the forfeiture period in the case of a participant's death or disability, upon a change in control of the Company and in certain other instances if included in an award agreement. If the participant's employment or service as a director, as applicable, terminates during the forfeiture period for any other reason, unvested restricted stock will be forfeited, unless the Compensation Committee determines that it would be in the Company's best interest to waive the remaining restrictions.

Performance Awards. The Compensation Committee may grant performance unit awards under the 2018 Plan as a performance-based award if the Compensation Committee establishes one or more measures of corporate, business unit, or individual performance which must be attained, and the performance period over which the specified performance is to be attained, as a condition to the grant, vesting, exercisability, lapse of restrictions, and/or settlement of such award. Participants are entitled to receive payment for a performance-based award for any given performance period only to the extent that pre-established performance goals set by the Compensation Committee for the performance period are satisfied.

Performance goals may be based on a number of performance criteria, either alone or in any combination, and on any of an individual, consolidated or a business unit level, and on an absolute or relative basis compared to other companies and indexes or other external measures, including: earnings per share (EPS), sales, cash flow, cash flow from operations, operating profit or income, net income, operating margin, net income margin, return on net assets, economic value added, return on total assets, return on common equity, return on total capital, total shareholder return, revenue, revenue growth, earnings before interest, taxes, depreciation and amortization (EBITDA), EBITDA growth, funds from operations per share and per share growth, cash available for distribution, cash available for distribution per share and per share growth, share price performance or improvements in the Company's attainment of expense levels, implementation or completion of critical projects and any other performance criteria approved in the discretion of the Compensation Committee.

The foregoing criteria shall have any reasonable definitions that the Compensation Committee may specify, which may include or exclude any or all of the following items as the Compensation Committee may specify: unusual or non-recurring items, as defined by GAAP; effects of changes in applicable tax laws or accounting principles; effects of financing activities (e.g., effect on earnings per share of issuance of convertible debt securities); expenses for restructuring or productivity initiatives; other non-operating items; spending for acquisitions; effects of divestitures; and effects of litigation activities and settlements. Any such performance criterion or combination of such criteria may apply to a participant's award opportunity in its entirety or to any designated portion or portions of the award opportunity, as the Compensation Committee may specify. The Compensation Committee has the right to adjust any amount determined to be otherwise payable in connection with such an Award.

Other Stock-Based Awards. Other awards of our common stock and other awards that are valued in whole or in part by reference to, or are otherwise based upon or settled in, our common stock also may be granted under the 2018 Plan.

Minimum Vesting. The 2018 Plan provides that except as otherwise provided in an award agreement, time-based awards shall be subject to a vesting period of not less than one year from the applicable grant date, and performance-based awards shall be subject to a performance period of not less than one year. These minimum vesting and performance periods will not apply in connection with: (i) a change in control, (ii) a termination of employment or other service without cause, for good reason or due to death or disability, (iii) to a substitute award that does not reduce the vesting period of the award being replaced, (iv) awards made in payment of or exchange for other compensation already earned and payable, (v) the acquisition of shares of common stock for consideration based on the fair market value of our common stock and (vi) awards involving an aggregate number of shares not in excess of 5% of the 2018 Plan's share reserve. For purposes of awards to our non-employee directors, a vesting period will be deemed to be one year if runs from the date of one of our annual shareholder meetings to the date of the next annual shareholder meeting.

TABLE OF CONTENTS

2018 Proxy Statement | 57

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN

Dividends and Dividend Equivalents. The 2018 Plan prohibits the payment of dividends or dividend equivalents on stock options and SARs. It also provides that with respect to any dividends or distributions payable with respect to shares of our common stock that are subject to the unvested portion of a restricted stock or any other stock-based award involving the issuance of shares of our common stock upon the grant of the award will be subject to the same restrictions and risk of forfeiture as the underlying shares of our common stock to which such dividends or distributions relate. The 2018 Plan permits the Compensation Committee, in its discretion, to provide in an award agreement for restricted stock units, performance units or any other stock-based awards involving the issuance of units or rights to receive shares of our common stock, that the participant will be entitled to receive dividend equivalents (based on dividends actually declared and paid on outstanding shares of our common stock) on the units or other share equivalents subject to the foregoing types of awards, and those dividend equivalents will be subject to the same restrictions and risk of forfeiture as the underlying units or other share equivalents to which those dividend equivalents relate.

Limitations on Awards. The 2018 Plan also sets forth the following limitations on the amount of awards that may be granted to any one participant under the 2018 Plan during any calendar year:

- 1,250,000 shares subject to stock options and SARs;
- 1,250,000 shares subject to an award of restricted stock, restricted stock units and/or other-stock based awards;
- 1,250,000 shares subject to an award of performance units; and
- \$2,000,000 initial value of performance unit awards denominated in dollars.

Duration, Termination and Amendment. Unless the 2018 Plan is discontinued or terminated by the Board, the 2018 Plan will expire on October 23, 2028. No awards may be made after that date. However, unless otherwise expressly provided in an applicable award agreement, any award granted under the 2018 Plan prior to expiration may extend beyond the end of such period through the award's normal expiration date.

The Board and, pursuant to the delegation of its authority, the Compensation Committee may amend, alter or discontinue the 2018 Plan at any time, although shareholder approval must be obtained for any action that would increase the number of shares of our common stock available, increase the award limits under the 2018 Plan, reprice awards of options or SARs at a price less than fair market value, permit repricing of options or SARs or expand the class of persons eligible to receive awards under the 2018 Plan. Shareholder approval is also required for any action that would, absent such approval, violate the rules and regulations of the NYSE or any other securities exchange applicable to us.

Change in Control. In the event of a change in control, each outstanding award will be treated as the Compensation Committee determines, including, without limitation, that (1) awards may be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (2) upon written notice to a participant, that the participant's awards will terminate upon or immediately prior to the consummation of such change in control; (3) outstanding awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an award will

lapse, in whole or in part prior to or upon consummation of such change in control, and, to the extent the Compensation Committee determines, terminate upon or immediately prior to the effectiveness of such merger or change in control; (4) (A) the termination of an award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such award or realization of the participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Compensation Committee determines in good faith that no amount would have been attained upon the exercise of such award or realization of the participant's rights, then we may terminate the award without payment), or (B) the replacement of an award with other rights or property selected by the Compensation Committee in its sole discretion; or (5) any combination of the foregoing. The Compensation Committee will not be required to treat all awards similarly in the transaction.

In the event that the successor corporation does not assume or substitute an award (or portion thereof) and unless otherwise provided in an award agreement, the award will vest in full and the participant will have the right to exercise such outstanding option and SAR, all restrictions on such restricted stock, restricted stock units and other stock-based awards will lapse, and, with respect to any performance-based awards, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an option or

TABLE OF CONTENTS

58 |

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN

SAR is not assumed or substituted in the event of a merger or change in control, the Compensation Committee will notify the participant in writing or electronically that such option or SAR will be exercisable for a period of time determined by the Compensation Committee in its sole discretion, and the option or SAR will terminate upon the expiration of such period.

Unless otherwise provided in an award agreement, if an award is assumed or substituted and during the one year period following a Change in Control the participant (i) is terminated without cause by the Company (or any successor entity) or (ii) resigns with good reason, then the participant will fully vest in and have the right to exercise such outstanding replacement awards that are options and SARs, all restrictions on any replacement awards that are restricted stock, restricted stock units and other stock-based awards will lapse, and, with respect to performance-based vesting awards, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

With respect to awards granted to a non-employee director, in the event of a Change in Control, the participant will fully vest in and have the right to exercise such outstanding replacement awards that are options and SARs, all restrictions on any replacement awards that are restricted stock, restricted stock units and other stock-based awards will lapse, and, with respect to performance-based vesting awards, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

Prohibition on Repricing Awards

No option or SAR may be amended to reduce its exercise price, no option or SAR may be canceled and replaced with an option or SAR having a lower exercise price, and no award may be cancelled in exchange for cash or other property or the grant of a full value award at a time when the exercise price of the award is greater than the current fair market value of a share of our common stock, except in connection with a stock dividend or other distribution, including a stock split, merger or other similar corporate transaction or event, in order to prevent dilution or enlargement of the benefits, or potential benefits intended to be provided under the 2018 Plan.

Transferability of Awards

Unless otherwise provided by the Compensation Committee, awards under the 2018 Plan may only be transferred by will or by the laws of descent and distribution.

Federal Income Tax Consequences

Grant of Options and SARs. The grant of a stock option or SAR is not expected to result in any taxable income for the recipient.

Exercise of Options and SARs. Upon exercising a non-qualified stock option, the optionee must recognize ordinary income equal to the excess of the fair market value of the shares of our common stock acquired on the date of exercise over the exercise price, and we will generally be entitled at that time to an income tax deduction for the same amount. The holder of an incentive stock option generally will have no taxable income upon exercising the option (except that an alternative minimum tax liability may arise), and we will not be entitled to an income tax deduction. Upon

exercising an SAR, the fair market value on the exercise date of any shares of our common stock received is taxable to the recipient as ordinary income and generally deductible by us.

Disposition of Shares Acquired Upon Exercise of Options and SARs. The tax consequence upon a disposition of shares acquired through the exercise of an option or SAR will depend on how long the shares have been held and whether the shares were acquired by exercising an incentive stock option or by exercising a non-qualified stock option or SAR. Generally, there will be no tax consequence to us in connection with the disposition of shares acquired under an option or SAR, except that we may be entitled to an income tax deduction in the case of the disposition of shares acquired under an incentive stock option before the applicable incentive stock option holding periods set forth in the Code have been satisfied.

Awards Other than Options and SARs. As to other awards granted under the 2018 Plan that are payable either in cash or shares of our common stock that are either transferable or not subject to substantial risk of forfeiture, the holder of the award

TABLE OF CONTENTS

2018 Proxy Statement | 59

APPROVAL OF 2018 LONG TERM INCENTIVE PLAN

must recognize ordinary income equal to (i) the amount of cash received or, as applicable, (ii) the excess of (A) the fair market value of the shares received (determined as of the date of receipt) over (B) the amount (if any) paid for the shares by the holder of the award. We will generally be entitled at that time to an income tax deduction for the same amount.

Section 162(m) Compensation Deduction Limitation. Code Section 162(m) as in effect prior to the enactment of the Tax Cuts and Jobs Act in December 2017 limited to \$1 million the amount of annual compensation paid to each “covered employee” (as then defined, the CEO and the three other highest paid executive officers employed at the end of the year other than the CFO) that a public company would be permitted to deduct, unless the compensation qualified as performance-based for purposes of Section 162(m). The Tax Cuts and Jobs Act retained the \$1 million deduction limit, but repealed the performance-based compensation exemption and expanded the definition of “covered employees” effective for taxable years beginning after December 31, 2017. “Covered employees” as now defined includes any person who served as CEO or CFO of the Company at any time during a calendar year, the three other most highly compensated executive officers of the Company as of the end of that calendar year, and any other person who was considered a covered employee in a previous taxable year (but not earlier than 2017). Any awards the Company grants pursuant to the 2018 Plan to covered employees, whether performance-based or otherwise, will be subject to the \$1 million annual deduction limitation.

Delivery of Shares for Tax Obligation. Under the 2018 Plan, the Compensation Committee may permit participants receiving or exercising awards, subject to the discretion of the Compensation Committee and upon such terms and conditions as it may impose, to deliver shares of our common stock (either shares received upon the receipt or exercise of the award or shares previously owned by the holder of the option) to us to satisfy federal and state income tax obligations.

Plan Benefits

The amount, type and timing of awards granted under the 2018 Plan are determined in the sole discretion of the administrator and therefore cannot be determined in advance. The future awards that would be received under the 2018 Plan by executive officers and other employees are discretionary and are therefore not determinable at this time.

Information regarding awards made under the 2016 Plan during fiscal 2018 to our directors and Named Executive Officers is provided elsewhere in this Proxy Statement. Please see the “Fiscal 2018 Director Compensation Table” section of this Proxy Statement for additional information regarding grants under the Long Term Plan to non-employee directors during the fiscal 2018. In addition, please refer to the “Grants of Plan-Based Awards” table of this Proxy Statement for a listing of awards granted to our Named Executive Officers during fiscal 2018. Finally, a description of the changes to our equity program for fiscal 2019 are described above in the CD&A under “Summary of the Fiscal 2019 Plan.”

Upon the recommendation of the Compensation Committee of the Board, the Board unanimously recommends a vote FOR the approval of our 2018 Long Term Incentive Plan.

TABLE OF CONTENTS

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**Upon the recommendation of the Audit
Committee of the Board, the Board unanimously
recommends a vote FOR ratification
of the appointment of PricewaterhouseCoopers LLP.**

Item 4

60 |

TABLE OF CONTENTS

2018 Proxy Statement | 61

**RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

The Audit Committee has selected PricewaterhouseCoopers LLP, certified public accountants and independent registered public accounting firm, as our independent registered public accounting firm for the fiscal year ending June 30, 2019. Although not required, the Board wishes to submit the selection of PricewaterhouseCoopers LLP for shareholders' ratification at the Annual Meeting. If the shareholders do not so ratify, the Audit Committee will reconsider its selection.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire and are expected to be available to respond to appropriate questions.

Upon the recommendation of the Audit Committee of the Board, the Board unanimously recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers LLP.

Audit Fees

Aggregate audit fees billed for professional services rendered by PricewaterhouseCoopers LLP were \$2,290,900 for the year ended June 30, 2018, and \$1,754,500 for the year ended June 30, 2017. Such fees were primarily for professional services rendered for the audits of our consolidated financial statements as of and for the years ended June 30, 2018 and 2017, limited reviews of our unaudited condensed consolidated interim financial statements, and accounting consultations required to perform an audit in accordance with generally accepted auditing standards.

Audit-Related Fees

There were no audit-related services by PricewaterhouseCoopers LLP in the years ended June 30, 2018 or 2017.

Tax Fees

Aggregate non-audit related tax fees billed for professional services rendered by PricewaterhouseCoopers LLP for the year ended June 30, 2018 and June 30, 2017 were \$802,000 and \$401,000, respectively. The tax fees for the years ended June 30, 2018 and 2017 were for strategic tax planning and divestiture services, tax reform, tax compliance, general tax consulting and assistance with income tax audits.

All Other Fees

In addition to the fees described above, aggregate fees of \$1,800 were billed by PricewaterhouseCoopers LLP during each of the years ended June 30, 2018 and 2017, for fees related to a research tool that we access through PricewaterhouseCoopers LLP.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has approved the engagement of PricewaterhouseCoopers LLP to perform auditing services for the current fiscal year ending June 30, 2019. In accordance with Company policy, any additional audit or non-audit

Edgar Filing: - Form

services must be approved in advance. All of the professional services provided by PricewaterhouseCoopers LLP during the years ended June 30, 2018 and June 30, 2017 were approved or pre-approved in accordance with the policies of our Audit Committee.

TABLE OF CONTENTS

62 |

AUDIT COMMITTEE REPORT

The Audit Committee reports to and assists the Board in providing oversight of the financial management, independent auditors and financial reporting procedures of the Company. Each member of the Audit Committee is “independent” within the meaning of applicable NYSE listing standards. The Audit Committee has adopted a written charter describing its functions, which has been approved by the Board.

Our management is responsible for preparing our financial statements and the overall reporting process, including our system of internal controls. Our independent auditors, PricewaterhouseCoopers LLP, are responsible for auditing the financial statements and our system of internal controls over financial reporting and expressing opinions thereon.

In this context, the Committee has met and held discussions with management and the independent auditors. Management represented to the Committee that our consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Committee discussed with the independent auditors matters required to be discussed by the applicable rules of the Public Company Accounting Oversight Board (PCAOB).

In addition, the Committee has received the written disclosures and the letter from the independent accountant required by applicable requirements of the PCAOB regarding the independent accountant’s communications with the Committee concerning independence, and has discussed with the independent auditors the independent auditors’ independence.

The Committee discussed with our independent auditors the overall scope and plans for their audit. The Committee meets with the independent auditors, with and without management present, to discuss the results of their examinations, the evaluations of our internal controls and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board that the audited financial statements be included in our Annual Report on Form 10-K for the year ended June 30, 2018 for filing with the SEC. The Committee also has recommended to the Board the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2019.

Michael J. Merriman, Chair
Virginia Gambale
David J. Grissen
M. Ann Rhoades
David P. Williams
Members of the Audit Committee

TABLE OF CONTENTS

2018 Proxy Statement | **63**

**Section 16(A) Beneficial
Ownership Reporting
Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires our officers, directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Such officers, directors and shareholders are required by the SEC’s regulations to furnish us with copies of all such reports.

To our knowledge, based solely on a review of copies of reports filed with the SEC during the fiscal year ended June 30, 2018, all applicable Section 16(a) filing requirements were complied with, except that a Form 4 for each of Mr. Bakken, Mr. Dulka, Ms. Endrizzi, Mr. Lacko, Mr. Lain, Ms. Miller, Ms. Shawn Kathryn Moren and Ms. Kersten Zupfer was filed on June 26, 2018 reporting PSUs granted to such executive officers on October 17, 2017.

TABLE OF CONTENTS

64 |

Certain Relationships and Related Transactions

During fiscal 2018, we were not a party to any related party transactions covered by the Exchange Act rules.

Our Related Party Transaction Approval Policy sets forth our policies and procedures for the review, approval or ratification of certain related party transactions by the Nominating and Corporate Governance Committee. The policy applies to any transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in which the Company, or any of its subsidiaries, is or will be a participant and in which a related person has a direct or indirect interest, but exempts the following:

- Payment of compensation by the Company to a related party for the related party's service to the Company as a director, officer or employee;
- Transactions available to all employees or all shareholders of the Company on the same terms;
- Transactions that, when aggregated with the amount of all other transactions between the Company and the related party or any entity in which the related party has an interest, involve less than \$10,000 in a fiscal year; and
- Transactions in the ordinary course of the Company's business at the same prices and on the same terms as are made available to customers of the Company generally.

The Nominating and Corporate Governance Committee must approve any related party transaction subject to this policy before commencement of the related party transaction; provided, however, that if a related party is only first identified after it commences or first becomes a related party transaction, it must be brought to the Nominating and Corporate Governance Committee for ratification. Alternatively, the Nominating and Corporate Governance Committee has delegated authority to its Chair to approve related party transactions if they arise between the Nominating and Corporate Governance Committee's meetings.

The Nominating and Corporate Governance Committee will analyze the following factors, in addition to any other factors it deems appropriate, in determining whether to approve a related party transaction:

- Whether the terms are fair to the Company;
- Whether the transaction is material to the Company;
- The role the related party has played in arranging the related party transaction;
- The structure of the related party transaction; and
- The interests of all related parties in the related party transaction.

Edgar Filing: - Form

The Nominating and Corporate Governance Committee may, in its sole discretion, approve or deny any related party transaction. Approval of a related party transaction may be conditioned upon the Company and the related party taking any actions that the Nominating and Corporate Governance Committee deems appropriate. The Nominating and Corporate Governance Committee reviews this policy on an annual basis.

TABLE OF CONTENTS

2018 Proxy Statement | 65

**Security Ownership of
Certain Beneficial Owners
and Management**

The following table sets forth, as of August 24, 2018, the ownership of our common stock by each shareholder who is known by us to own beneficially more than 5% of our outstanding shares, by each director and director nominee, by each executive officer and former executive officer identified in the Summary Compensation Table, and by all current executive officers and directors as a group. Except as indicated below, the parties listed in the table have the sole voting and investment power with respect to the shares indicated. Unless otherwise indicated, the address for each person or entity named below is c/o Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439. Our Company had 44,172,843 shares of common stock issued and outstanding as of August 24, 2018.

| Name of Beneficial Owner or Identity of Group | Number of Shares Beneficially Owned¹ (#) | Percent of Class (%) | |
|---|---|-----------------------------|-------------|
| More than 5% Shareholders | Birch Run Capital Advisors, LP ² | 10,655,170 | 23.9 |
| | BlackRock, Inc. ³ | 4,675,538 | 10.5 |
| | Dimensional Fund Advisors LP ⁴ | 3,930,451 | 8.8 |
| | The Vanguard Group ⁵ | 3,359,353 | 7.5 |
| | Cramer Rosenthal McGlynn, LLC ⁶ | 2,777,217 | 6.2 |
| | Brown Advisory Incorporated ⁷ | 2,515,906 | 5.7 |
| | Hugh E. Sawyer ⁸ | 10,500 | * |
| Named Executive Officers | Andrew H. Lacko | 11,492 | * |
| | Eric A. Bakken ¹⁰ | 145,268 | * |
| | Jim B. Lain | 71,153 | * |
| | Rachel Endrizzi | 16,828 | * |
| | Annette L. Miller ⁹ | 26,620 | * |
| | Andrew W. Dulka ⁹ | 24,066 | * |
| | Daniel G. Beltzman ² | 10,672,250 | 24.0 |
| Directors and Nominees (in addition to Mr. Sawyer, who is listed above): | Virginia Gambale | 3,785 | * |
| | David J. Grissen | 31,807 | * |
| | Mark S. Light | 31,807 | * |
| | Michael J. Merriman | 52,202 | * |
| | M. Ann Rhoades | 20,311 | * |
| | David P. Williams ¹¹ | 96,862 | * |
| | All current executive officers and directors as a group (sixteen persons)¹² | 11,169,951 | 25.1 |

* less than 1%

¹Includes the following shares not currently outstanding but deemed beneficially owned because of the right to

Edgar Filing: - Form

acquire them pursuant to restricted stock units that vest within 60 days or have vested but have not yet been distributed: 54,862 shares for Mr. Williams, 42,202 shares for Mr. Merriman, 31,807 shares for Messrs. Grissen and Light, 30,000 shares for Mr. Bakken, 26,403 shares for Mr. Lain, 20,311 shares for Ms. Rhoades, 17,535 shares for Mr. Beltzman, 8,253 shares for Ms. Endrizzi, 4,017 shares for Mr. Lacko and 3,785 shares for Ms. Gambale. Includes the following shares not currently outstanding but deemed beneficially owned because of the right to acquire them pursuant to options and SARs exercisable within 60 days: 46,803 shares by Mr. Bakken, 27,629 shares by Mr. Lain and 14,275 shares by Ms. Endrizzi.

²Based on information in a Schedule 13D/A filed by Birch Run Capital Advisors, LP (“Birch Run”) on August 22, 2014 and Form 4s filed by Mr. Beltzman on September 2, 2014 and March 17 and 18, 2015 reporting purchases by the Funds (as defined below), these securities are owned directly by Birch Run Capital Partners, L.P., Torch BRC, L.P. and Walnut BRC, L.P. (collectively, the “Funds”). Birch Run Capital Partners, L.P. is the record owner of 1,658,941 shares.

TABLE OF CONTENTS

66 |

Security Ownership

Torch BRC, L.P. is the record owner of 3,962,648 shares. Walnut BRC, L.P. is the record owner of 5,033,581 shares. Birch Run Capital GP, LLC serves as the General Partner to Birch Run Capital Partners, L.P.; Walnut BRC GP, LLC serves as the General Partner to Walnut BRC, L.P.; and Torch BRC GP, LLC serves as the General Partner to Torch BRC, L.P. (collectively, “the General Partners”). Mr. Beltzman and Gregory Smith are the co-Managers of the General Partners. Furthermore, Birch Run Capital Advisors, LP (“the Advisor”) serves as the registered investment adviser to the Funds. BRC Advisors GP, LLC (“Advisor GP”) serves as General Partner to the Advisor. Mr. Beltzman and Mr. Smith are the Limited Partners of the Adviser and the Co-managers of the Adviser GP. The Adviser, the Adviser GP, Mr. Beltzman and Mr. Smith may be deemed to share voting and dispositive power over the reported securities. Each of the Adviser, the Adviser GP, Mr. Beltzman, and Mr. Smith disclaim beneficial ownership of any interests of the reported securities in excess of such person’s or entity’s respective pecuniary interest in the securities. On its Schedule 13D/A, Birch Run reported sole voting power over 0 shares, shared voting power over 8,504,788 shares, sole dispositive power over 0 shares and shared dispositive power over 9,996,589 shares. Based on the Form 4s referenced above, the shared voting power number has likely increased, and the shared dispositive power number has likely increased to 10,655,170. The address for Birch Run is 1350 Broadway, Suite 2215, New York, NY 10018.

3Based on information in a Schedule 13G/A filed by BlackRock, Inc. on May 8, 2018, BlackRock, Inc. reported sole voting power over 4,564,725 shares, shared voting power over 0 shares, sole dispositive power over 4,675,538 shares and shared dispositive power over 0 shares. BlackRock, Inc. is a parent holding company and holds the sole power to dispose or to direct the disposition of shares held by its subsidiaries BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Advisors, LLC, BlackRock Asset Management Schweiz AG, BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Limited, BlackRock (Netherlands) B.V., BlackRock Financial Management, Inc. and BlackRock Japan Co., Ltd. (collectively, the “BlackRock Subsidiaries”). Except for BlackRock Fund Advisors, none of the BlackRock Subsidiaries own more than 5% of our outstanding shares of common stock. The address for BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

4Based on information in a Schedule 13G/A filed by Dimensional Fund Advisors LP (“Dimensional”) on February 9, 2018, Dimensional reported sole voting power over 3,776,256 shares, shared voting power over 0 shares, sole dispositive power over 3,930,451 shares and shared dispositive power over 0 shares. The address for Dimensional is Building One, 6300 Bee Cave Road, Austin, TX 78746.

5Based on information in a Schedule 13G/A filed by The Vanguard Group (“Vanguard”) on February 12, 2018, Vanguard reported sole voting power over 38,413 shares, shared voting power over 8,600 shares, sole dispositive power over 3,314,140 shares and shared dispositive power over 45,213 shares. The address for Vanguard is 100 Vanguard Blvd., Malvern, PA 19355.

6Based on information in a Schedule 13G/A filed by Cramer Rosenthal McGlynn, LLC (“Cramer Rosenthal”) on February 14, 2018, Cramer Rosenthal reported sole voting power over 2,733,205 shares, shared voting power over 0 shares, sole dispositive voting power over 2,777,217 shares and shared dispositive power over 0 shares. The address for Cramer Rosenthal is 520 Madison Ave., New York, NY 10022.

Edgar Filing: - Form

7Based on information in a Schedule 13G/A filed by Brown Advisory Incorporated (“Brown”) on April 9, 2018, Brown reported sole voting power over 2,502,478 shares, shared voting power over 0 shares, sole dispositive power over 0 shares and shared dispositive power over 2,515,906 shares. Brown is a parent holding company and holds the sole power to vote or to direct the vote of shares held by its subsidiaries Brown Investment Advisory & Trust Company and Brown Advisory LLC (collectively, the “Brown Subsidiaries”). Except for Brown Advisory LLC, which owns 2,509,121 shares of the class of securities reported, none of the Brown Subsidiaries own more than 5% of our outstanding shares of common stock. The address for Brown is 901 South Bond Street, Suite 400, Baltimore, MD 21231.

8Shares are held in a joint brokerage account with his spouse.

9For former named executive officers, the number shown takes into account forfeitures and accelerations (net of shares forfeited for taxes) of equity that occurred in connection with the officer’s termination of employment, but does not include sales or acquisitions after they ceased to be a named executive officer, if any.

10Includes 400 shares held indirectly through a profit-sharing account.

11Includes 2,000 shares held in a joint brokerage account with his father.

12See footnotes 1, 2, 8, 10 and 11 for information regarding the nature of certain indirect and deemed ownership of the shares included in this amount.

TABLE OF CONTENTS

2018 Proxy Statement | 67

USER'S GUIDE

Annual Meeting of Shareholders, October 23, 2018

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 23, 2018 (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, 2018 a Notice of Internet Availability of Proxy Materials (the "Notice"), which mailing will commence on or about September 6, 2018. 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 mail, 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, this Proxy Statement and any related proxy soliciting material of the Board, including the expense of preparing, printing, assembling and mailing such material.

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

If You Hold Your Shares in "Street Name"

If you hold your shares in "street name," i.e., through a bank, broker or other holder of record (a "custodian"), your custodian is required to vote your shares on your behalf in accordance with your instructions. If you do not give instructions to your custodian, your custodian will not be permitted to vote your shares with respect to "non-discretionary" items, such as the election of directors, the Say-on-Pay proposal and the proposal to approve our 2018 long-term incentive compensation plan. Accordingly, we urge you to promptly give instructions to your

Edgar Filing: - Form

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.

TABLE OF CONTENTS

68 |

USER'S GUIDE

Definitions and Glossary

Director Independence

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

- Received (or whose immediate family member has received) more than \$120,000 per year in direct compensation from us, other than director or committee fees;
- Been an employee of ours;
- Had an immediate family member who was an executive officer of ours;
- Been (or whose immediate family member has been) an affiliate or employee of a present or former internal or independent auditor of ours;
- Been (or whose immediate family member has been) employed as an executive officer of another company whose compensation committee within the past three years has included a present executive officer of ours; or
- Is currently an employee or executive officer (or has an immediate family member who is an executive officer) of another company that makes payments to us, or receives payments from us, for property or services in an amount that, in any single fiscal year, exceeds the greater of \$1.0 million or 2% of such other company's consolidated gross revenues.

Voting Rights and Requirements

Only shareholders of record as of the close of business on August 24, 2018 will be entitled to sign proxies or to vote. On that date, there were 44,172,843 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.

TABLE OF CONTENTS

2018 Proxy Statement | 69

USER'S GUIDE**Vote Required**

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

| Proposal | Vote Required | Voting Options | Board Recommendation¹ | Broker Discretionary Voting Allowed² | Impact of Abstention |
|---|---|-----------------------|---|--|-----------------------------|
| Item 1 | | "FOR" | | | |
| Election of the eight director nominees listed in this Proxy Statement | Majority of votes cast "FOR" must exceed "AGAINST" votes | "AGAINST" | "FOR" | No | None |
| | | "ABSTAIN" | | | |
| Item 2 | | "FOR" | | | |
| Advisory "Say-on-Pay" vote | Majority of votes cast "FOR" must exceed "AGAINST" votes | "AGAINST" | "FOR" | No | None |
| | | "ABSTAIN" | | | |
| Item 3 | | "FOR" | | | |
| Approval of our 2018 Long-Term Incentive Plan | Majority of votes present in person or by proxy and entitled to vote on this item of business or, if greater, the vote required is a majority of the voting power of the minimum number of shares entitled to vote that would constitute a quorum at the Annual Meeting | "AGAINST" | "FOR" | No | "AGAINST" |
| | | "ABSTAIN" | | | |
| Item 4 | | "FOR" | "FOR" | Yes | "AGAINST" |
| Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2019 | Majority of votes present in person or by proxy and entitled to vote on this item of business or, if greater, the vote required is a majority of the voting power of the minimum number of | "AGAINST" | | | |
| | | "ABSTAIN" | | | |

Edgar Filing: - Form

shares entitled to vote
that would constitute
a quorum at the
Annual Meeting

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

2A broker non-vote will not count as a vote for or against a director or the Say-on-Pay vote. For Items 3 and 4, a broker non-vote will have no effect unless a majority of the voting power of the minimum number of shares entitled to vote that would constitute a quorum at the Annual Meeting is required in order to approve the item, then a broker non-vote will have the same effect as a vote "AGAINST."

3In an uncontested election of directors at which a quorum is present, if any nominee for director receives a greater number of votes "AGAINST" his or her election than votes "FOR" such election, our Corporate Governance Guidelines require that such person must promptly tender his or her resignation to the Board following certification of the shareholder vote. Our Corporate Governance Guidelines further provide that the Nominating and Corporate Governance Committee will then consider the tendered resignation and make a recommendation to the Board as to whether to accept or reject the tendered resignation. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and publicly disclose its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the election. The nominee who tendered his or her resignation will not participate in the Board decisions. Cumulative voting in the election of directors is not permitted.

4The advisory Say-on-Pay vote is not binding on us; however, we will consider the shareholders to have approved the compensation of our named executive officers if the number of shares voted "FOR" the proposal exceeds the number of shares voted "AGAINST" the proposal.

Communications with the Board

Shareholders and other interested parties who wish to contact the Board, any individual director or the 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.

TABLE OF CONTENTS

70 |

USER'S GUIDE

Proposals of Shareholders

Shareholders who intend to present proposals at the 2019 annual meeting of shareholders, and who wish to have such proposals included in our proxy statement for the 2019 annual meeting, must be certain that such proposals are received by us not later than May 9, 2019. Such proposals must meet the requirements set forth in the rules and regulations of the SEC in order to be eligible for inclusion in the proxy statement for our 2019 annual meeting.

For shareholders who intend to present proposals or director nominees directly at the 2019 annual meeting and not for inclusion in our 2019 proxy statement, we must receive notice of such proposal not later than July 25, 2019 and not earlier than June 25, 2019, provided that in the event that the date of the 2019 annual meeting is more than 30 days before or more than 70 days after the anniversary date of the Annual Meeting, notice by the shareholder must be delivered not earlier than the close of business on the 120th day prior to the 2019 annual meeting and not later than the close of business on the later of the 90th day prior to the 2019 annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by us. Such proposals must meet the requirements set forth in our bylaws in order to be presented at our 2019 annual meeting.

Proposals and notices of intention to present proposals at our 2019 annual meeting should be addressed to our Corporate Secretary, 7201 Metro Boulevard, Edina, Minnesota 55439.

Annual Report to Shareholders and Form 10-K

Our Annual Report to Shareholders and Form 10-K, including financial statements for the year ended June 30, 2018, is available on our website at www.regiscorp.com. If requested, we will provide shareholders with copies of any exhibits to the Form 10-K upon the payment of a fee covering our reasonable expenses in furnishing the exhibits. Such requests should be directed to our Corporate Secretary, at our address stated herein.

Notice of Internet Availability of Proxy Materials

Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to be held on October 23, 2018.

The Notice and Proxy Statement and Annual Report on Form 10-K are available in the Investor Information Relations section of our website, www.regiscorp.com.

General

The Board knows of no other matter to be acted upon at the Annual Meeting. However, if any other matter is properly brought before the Annual Meeting, the shares covered by your proxy will be voted thereon in accordance with the best judgment of the persons acting under such proxy.

Your vote is very important no matter how many shares you own.

Edgar Filing: - Form

You are urged to read this Proxy Statement carefully and, whether or not you plan to attend the Annual Meeting, to promptly submit a proxy by telephone or through the Internet in accordance with the voting instructions provided to you.

By Order of the Board
Amanda P. Rusin
Corporate Secretary

September 6, 2018

TABLE OF CONTENTS

2018 Proxy Statement | A-1

I. Establishment and Purpose

1.1 Establishment. This Regis Corporation 2018 Long Term Incentive Plan (“Plan”) is established by Regis Corporation (“Company”), effective as of October 23, 2018 (the “Effective Date”), provided approval of the Company’s shareholders is obtained at the Company’s 2018 annual meeting of shareholders.

1.2 Purpose. The purpose of the Plan is to foster and promote the long-term financial success of the Company and materially increase shareholder value by motivating performance through incentive compensation. The Plan also is intended to encourage Participant ownership in the Company, attract and retain talent, and enable Participants to participate in the long-term growth and financial success of the Company. The Plan and the grant of Awards thereunder are expressly conditioned upon the Plan’s approval by the shareholders of the Company.

1.3 Compliance with 409A. The Plan is intended to meet the requirements of paragraph (2), (3) and (4) of Code Section 409A(a) to the extent applicable, and the terms and provisions of the Plan should be interpreted and applied in a manner consistent with such requirements, including the regulations and other guidance issued under Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Committee. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that constitutes a “nonqualified deferred compensation plan” subject to Section 409A of the Code, if the Participant is a “specified employee” within the meaning of Section 409A of the Code, any payments (whether in cash, shares of Common Stock or other property) to be made with respect to the Award upon the Participant’s “separation from service” (within the meaning of Code Section 409A) shall be delayed until the earlier of (A) the first day of the seventh month following the Participant’s separation from service and (B) the Participant’s death. Each payment under any Award shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may a Participant, directly or indirectly, designate the calendar year of any payment to be made under any Award. With respect to any Award granted under this Plan that constitutes “deferred compensation” subject to Section 409A of the Code, the Company may, in its discretion, terminate such Awards pursuant to and in accordance with Section 409A and Treasury Regulation § 1.409A-3(j)(4)(ix)(B).

**Appendix a:
2018 LONG TERM INCENTIVE PLAN**

TABLE OF CONTENTS

A-2 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

II. Definitions

For purposes of the Plan, the following terms are defined as set forth below:

2.1“Affiliate” means any entity that is a subsidiary or a parent corporation, as defined in Section 424(e) of the Code, of the Company or any other entity designated by the Committee as covered by the Plan in which the Company has, directly or indirectly, at least a 20% voting interest.

2.2“Agreement” means any agreement entered into pursuant to the Plan by which an Award is granted to a Participant, and any amendments thereto.

2.3“Award” means any Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Unit or other stock-based award granted to a Participant under the Plan. Awards shall be subject to the terms and conditions of the Plan and shall be evidenced by an Agreement containing such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall deem desirable. Any Award may be granted as a performance-based Award if the Committee establishes one or more measures of consolidated, business unit or individual performance which must be attained, and the performance period over which the specified performance is to be attained, as a condition to the grant, vesting, exercisability, lapse of restrictions and/or settlement of such Award. In connection with any such Award, the Committee shall determine the extent to which performance measures have been attained and other applicable terms and conditions have been satisfied, and the degree to which the grant, vesting, exercisability, lapse of restrictions and/or settlement of such Award has been earned.

2.4“Beneficiary” means any person or other entity, which has been designated by a Participant in his or her most recent written beneficiary designation filed with the Committee to receive the compensation, specified under the Plan to the extent permitted. If there is no designated beneficiary, then the term means any person or other entity entitled by will or the laws of descent and distribution to receive such compensation.

2.5“Board of Directors” or “Board” means the Board of Directors of the Company.

2.6“Cause” means, for purposes of determining whether and when a Participant has incurred a Termination of Employment for Cause, any act or omission which permits the Company to terminate the written employment agreement or arrangement between the Participant and the Company or an Affiliate for “cause” as defined in such agreement or arrangement. In the event (1) there is no such agreement or arrangement, (2) such agreement or arrangement does not define the term “Cause” or (3) the applicable Agreement does not otherwise provide a definition of the term “Cause,” then “Cause” means (a)(i) a felony conviction under any Federal or state statute which is materially detrimental to the financial interests of the Company, or (ii) willful non-performance by the Participant of his or her material employment duties other than by reason of his or her physical or mental incapacity after reasonable written notice to the Participant and reasonable opportunity (not less than thirty (30) days) to cease such non-performance; or (b) the Participant willfully engaging in fraud or gross misconduct which is materially detrimental to the financial interests of the Company.

2.7“Change in Control” means the first to occur of any of the following events:

Edgar Filing: - Form

(1) any “person” within the meaning of Section 2(a)(2) of the Securities Act of 1933 and Section 14(d) of the Exchange Act is or has become the “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of forty-nine percent (49%) or more of either (a) the then outstanding shares of Common Stock of the Company (the “Outstanding Common Stock”) or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Voting Securities”), except for an acquisition by an entity resulting from a Business Combination (as defined below) in which clauses (i) and (ii) of subparagraph (2) applies, provided that a Change in Control shall not occur if a person becomes the beneficial owner of forty-nine percent (49%) or more of the Outstanding Common Stock or Outstanding Voting Securities solely as the result of a change in the aggregate number of shares of Outstanding Common Stock or Outstanding Voting Securities since the last date on which such person acquired beneficial ownership of any shares of Common Stock or voting securities (provided, however, that if a person becomes the beneficial owner of forty-nine percent (49%) or more of the Outstanding Common Stock or Outstanding Voting Securities by reason of such change in the aggregate number of shares of Outstanding Common Stock or Outstanding Voting

TABLE OF CONTENTS

2018 Proxy Statement | A-3

Appendix a: 2018 LONG TERM INCENTIVE PLAN

Securities and thereafter becomes the beneficial owner of any additional shares of Common Stock or voting securities (other than pursuant to a dividend or distribution paid or made by the Company on the Outstanding Common Stock or Outstanding Voting Securities or pursuant to a split or subdivision of the Outstanding Common Stock or Outstanding Voting Securities), then a Change in Control shall occur unless upon becoming the beneficial owner of such additional shares of Common Stock or voting securities such person does not beneficially own more than forty-nine percent (49%) of the Outstanding Common Stock or Outstanding Voting Securities);

(2)consummation of (a) a merger or consolidation of the Company with or into another entity, (b) a statutory share exchange or (c) the acquisition by any person (as defined above) of all or substantially all of the assets of the Company (each, a “Business Combination”), unless immediately following such Business Combination, (i) all or substantially all of the beneficial owners of the Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the voting power of the then outstanding shares of voting stock (or comparable voting equity interests) of the surviving or acquiring entity resulting from such Business Combination (including such beneficial ownership of an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries), in substantially the same proportions (as compared to the other beneficial owners of the Company’s voting stock immediately prior to such Business Combination) as their beneficial ownership of the Company’s voting stock immediately prior to such Business Combination and (ii) no person (as defined above) beneficially owns, directly or indirectly, forty-nine percent (49%) or more of the voting power of the outstanding voting stock (or comparable equity interests) of the surviving or acquiring entity (other than a direct or indirect parent entity of the surviving or acquiring entity, that, after giving effect to the Business Combination, beneficially owns, directly or indirectly, 100% of the outstanding voting stock (or comparable equity interests) of the surviving or acquiring entity), or

(3)individuals who constitute the Company’s Board of Directors on the Effective Date (the “Incumbent Board”) have ceased for any reason to constitute at least a majority thereof, provided that any person becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least three-quarters (75%) of the directors comprising the Incumbent Board shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board;

provided, however, that for any payment with respect to any Award under the Plan that is subject to Section 409A of the Code, the Change in Control must also be a change in control event under Treas. Reg. Section 1.409A-3(i)(5).

2.8.“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor, along with related rules, regulations and interpretations.

2.9“Commission” means the Securities and Exchange Commission or any successor thereto.

2.10“Committee” means the committee of the Board responsible for granting Awards under the Plan, which shall be the Compensation Committee of the Board, until such time as the Board may designate a different committee. The Committee shall consist solely of two or more directors, each of whom is a “Non-Employee Director” within the meaning of Rule 16b-3. In addition, each member of the Committee must be an “independent director” as determined under the corporate governance rules of the New York Stock Exchange, as amended from time to time.

Edgar Filing: - Form

2.11“Common Stock” means the shares of the Company’s common stock, \$0.05 par value, whether presently or hereafter issued, and any other stock or security resulting from adjustment thereof as described hereinafter, or the common stock of any successor to the Company which is designated for the purpose of the Plan.

2.12“Company” means Regis Corporation, a Minnesota corporation, and includes any successor or assignee corporation or corporations into which the Company may be merged, changed or consolidated; any corporation for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company.

TABLE OF CONTENTS

A-4 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

- 2.13“Disability” means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- 2.14“Disaffiliation” means a subsidiary’s or Affiliate’s ceasing to be a subsidiary or Affiliate for any reason (including, without limitation, as a result of a public offering, or a spinoff or sale by the Company, of the stock of the subsidiary or Affiliate) or a sale of a division of the Company and its Affiliates.
- 2.15“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- 2.16“Exercise Price” means the price at which the Common Stock may be purchased under an Option or may be obtained under a Stock Appreciation Right.
- 2.17“Fair Market Value” means the value of one share of Common Stock, determined pursuant to the applicable method described below, without regard to whether the Common Stock is restricted or represents a minority interest:
- (1)if the Common Stock is listed on a securities exchange or quoted on an automated quotation system, the closing price of a share of Common Stock on the relevant date (or, if such date is not a business day or a day on which quotations are reported, then on the immediately preceding date on which quotations were reported) or if a closing price was not reported on the grant date, then the arithmetic mean of the high and low prices on that date or on the first preceding trading date, as reported by the principal national exchange on which such shares of Common Stock are traded (in the case of an exchange) or by the automated quotation system, as the case may be;
 - (2)if the Common Stock is not listed on a national securities exchange or quoted on the automated quotation system, but is actively traded in the over-the counter market, the average of the closing bid and asked prices for a share of Common Stock on the relevant date (or, if such date is not a business day or a day on which quotations are reported, then on the immediately preceding date on which quotations were reported), or the most recent preceding date for which such quotations are reported; and
 - (3)if, on the relevant date, the Common Stock is not publicly traded or reported as described in (1) or (2) above, the value determined by the reasonable application of a reasonable valuation method which is consistent with Treas. Reg. § 1.409A-1(b)(5)(iv), selected in good faith by the Board.
- 2.18“Full Value Award” means an Award other than a Stock Option Award or Stock Appreciation Right Award.
- 2.19“Good Reason” means, for purposes of determining whether and when a Participant has incurred a Termination of Employment for Good Reason, any act or omission which permits the Participant to terminate the written employment agreement or arrangement between the Participant and the Company or an Affiliate for “good reason” as defined in such agreement or arrangement. In the event (a) there is no such agreement or arrangement, (b) such agreement or arrangement does not define the term “Good Reason” or (c) the applicable Agreement does not otherwise provide a definition of the term “Good Reason,” then “Good Reason” means the occurrence, without the express written consent of the Participant, of any of the following:

Edgar Filing: - Form

(1)any material diminution in the nature of the Participant's authority, duties or responsibilities;

(2)any reduction by the Company in the Participant's base salary then in effect or target bonus percentage, other than an across the board reduction of not more than 10% that applies to all other similarly-situated employees of the Company;

(3)following a Change in Control, failure by the Company to continue in effect (without substitution of a substantially equivalent plan or a plan of substantially equivalent value) any compensation plan, bonus or incentive plan, stock purchase plan, stock option plan, life insurance plan, health plan, disability plan or other benefit plan or arrangement in which the Participant is then participating;

provided that the Participant notifies the Company of such condition set forth in clause (1), (2) or (3) of this definition within ninety (90) days of its initial existence and the Company fails to remedy such condition within

TABLE OF CONTENTS

2018 Proxy Statement | A-5

Appendix a: 2018 LONG TERM INCENTIVE PLAN

thirty (30) days of receiving such notice (the “Cure Period”) and the Participant delivers written notice of termination of employment to the Company’s General Counsel within thirty (30) days following the end of the Cure Period.

2.20 “Grant Date” means the date as of which an Award is granted pursuant to the Plan or such later effective date for the Award as specified at the time of grant.

2.21 “Incentive Stock Option” means any Stock Option intended to be and designated as an “incentive stock option” within the meaning of Section 422 of the Code.

2.22 “Non-Qualified Stock Option” means an Option to purchase Common Stock in the Company granted under the Plan, the taxation of which is pursuant to Section 83 of the Code.

2.23 “Option Period” means the period during which the Option remains outstanding in accordance with an Agreement and Article VI.

2.24 “Outside Director” means a member of the Board who is not an employee of the Company or any of its subsidiaries.

2.25 “Participant” means a person who satisfies the eligibility conditions of Article V and to whom an Award has been granted by the Committee under the Plan. In the event that a Representative is appointed for a Participant, then the term “Participant” shall mean such appointed Representative. Notwithstanding the appointment of a Representative, the term “Termination of Employment” shall mean the Termination of Employment of the Participant.

2.26 “Performance Unit” shall have the meaning set forth in Section 9.1 hereof.

2.27 “Plan” means the Regis Corporation 2018 Long Term Incentive Plan, as herein set forth and as may be amended from time to time.

2.28 “Prior Plans” means the Regis Corporation Amended and Restated 2004 Long Term Incentive Plan and the Regis Corporation 2016 Long Term Incentive Plan (each, a “Prior Plan”), and awards outstanding under the Prior Plans as of the Effective Date shall be referred to as “Prior Plan Awards.”

2.29 “Qualifying Termination of Service” means any of the following terminations of employment or service, as applicable, that occurs during the one year period following a Change in Control: (i) a termination of the Participant’s employment or services without Cause, or (ii) a resignation by the Participant with Good Reason.

2.30 “Representative” means (a) the person or entity acting as the executor or administrator of a Participant’s estate pursuant to the last will and testament of a Participant or pursuant to the laws of the jurisdiction in which the Participant had the Participant’s primary residence at the date of the Participant’s death; (b) the person or entity acting as the guardian or temporary guardian of a Participant; (c) the person or entity which is the beneficiary of the Participant upon or following the Participant’s death; or (d) the person to whom an Award has been permissibly transferred; provided that only one of the foregoing shall be the Representative at any point in time as determined under applicable law and recognized by the Committee.

Edgar Filing: - Form

2.31“Restricted Stock” means Common Stock granted to a Participant under Section 8.1 hereof and which is subject to certain restrictions and to a risk of forfeiture or repurchase by the Company.

2.32“Restricted Stock Unit” means an Award to a Participant under Section 8.1 hereof under which no Common Stock actually is awarded to the Participant on the date of grant. Each Award of a Restricted Stock Unit entitles a Participant to receive a share of Common Stock, or cash in the amount of the Fair Market Value of a share of Common Stock, as of a future date, subject to certain restrictions and to a risk of forfeiture.

2.33“Rule 16b-3” means Rule 16b-3, as from time to time in effect and applicable to the Plan and Participants, promulgated by the Commission under Section 16 of the Exchange Act.

2.34“Stock Appreciation Right” means a right granted under Article VII.

2.35“Stock Option” or “Option” means a right, granted to a Participant under Section 6.1 hereof, to purchase Common Stock at a specified price during specified time periods.

TABLE OF CONTENTS

A-6 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

2.36“Termination of Employment” means the occurrence of any act or event whether pursuant to an employment agreement or otherwise that actually or effectively causes or results in the person’s ceasing, for whatever reason, to be any and all of an officer or employee of the Company or of any Affiliate, including, without limitation, death, Disability, dismissal, severance at the election of the Participant, retirement, or severance as a result of the discontinuance, liquidation, sale or transfer by the Company or its Affiliates of a business owned or operated by the Company or its Affiliates.

With respect to any person who is not an employee with respect to the Company or an Affiliate (such as a non-employee member of the Board), the Agreement shall establish what act or event shall constitute a Termination of Employment for purposes of the Plan. A Termination of Employment shall occur with respect to an employee who is employed by an Affiliate if the Affiliate shall cease to be an Affiliate and the Participant shall not immediately thereafter become an employee of the Company or an Affiliate. To the extent that an Award granted under the Plan is subject to Internal Revenue Code Section 409A, a Termination of Employment shall mean a “separation from service” under Code Section 409A and the regulations and guidance issued with respect thereto (all references herein to Code Section 409A shall include such regulations and guidance). Notwithstanding the foregoing, no Termination of Employment shall be deemed to have occurred in the case of (1) an approved leave of absence; and (2) any change in status so long as the individual remains in the service of the Company or any Affiliate in a capacity that satisfies the eligibility conditions of Article V.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

III. Administration

3.1 Committee Structure and Actions. The Plan shall be administered by the Committee in accordance with the rules and responsibilities of the Committee.

3.2 Committee Authority. Subject to the terms of the Plan, the Committee shall have the authority:

- (1) to select those persons to whom Awards may be granted from time to time;
- (2) to determine whether and to what extent Awards are to be granted hereunder;
- (3) to determine the number of shares of Common Stock to be covered by each Award granted hereunder;
- (4) to determine the terms and conditions of any Award granted hereunder, provided that the Exercise Price of any Option or Stock Appreciation Right shall not be less than the Fair Market Value per share of Common Stock as of the Grant Date;
- (5) to adjust the terms and conditions, at any time or from time to time, of any Award, subject to the limitations of Section 13.1;
- (6) to determine to what extent and under what circumstances shares of Common Stock and other amounts payable with respect to an Award shall be deferred;

Edgar Filing: - Form

(7)to provide for the forms of Agreement to be utilized in connection with this Plan;

(8)to determine what legal requirements are applicable to the Plan, Awards, and the issuance of Common Stock, and to require of a Participant that appropriate action be taken with respect to such requirements;

(9)to cancel, with the consent of the Participant or as otherwise provided in the Plan or an Agreement, outstanding Awards;

(10)to require as a condition of the exercise of an Award or the issuance or transfer of a certificate (or other representation of title) of Common Stock, the withholding from a Participant of the amount of any taxes as may be necessary in order for the Company or any other employer to obtain a deduction or as may be otherwise required by law;

TABLE OF CONTENTS

2018 Proxy Statement | A-7

Appendix a: 2018 LONG TERM INCENTIVE PLAN

(11)to determine whether and with what effect an individual has incurred a Termination of Employment (or, as applicable, a “separation from service” pursuant to Code Section 409A);

(12)to determine the restrictions or limitations on the transfer of Common Stock;

(13)to determine whether an Award is to be adjusted, modified or purchased, or is to become fully vested and/or exercisable, under the Plan or the terms of an Agreement;

(14)to determine the permissible methods of Award exercise and payment within the terms and conditions of the Plan and the particular Agreement;

(15)to adopt, amend and rescind such rules and regulations as, in its opinion, may be advisable in the administration of this Plan; and

(16)to appoint and compensate agents, counsel, auditors or other specialists to aid it in the discharge of its duties.

The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any Agreement) and to otherwise supervise the administration of the Plan. The Committee’s policies and procedures may differ with respect to Awards granted at different times and may differ with respect to a Participant from time to time, or with respect to different Participants at the same or different times.

Any determination made by the Committee pursuant to the provisions of the Plan shall be made in its sole discretion, and in the case of any determination relating to an Award may be made at the time of the grant of the Award or, unless in contravention of any express term of the Plan or an Agreement, at any time thereafter. All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and Participants. Any determination shall not be subject to de novo review if challenged in court.

3.3 Delegation of Authority. To the extent not inconsistent with applicable law or stock exchange rules, the Committee may delegate all or any portion of its authority under the Plan to determine and administer Awards to Participants who are not subject to Section 16 of the Exchange Act to one or more persons who are either members of the Board of Directors or executive officers of the Company.

3.4 Indemnification. Each person who is or has been a member of the Committee or of the Board, and any other person to whom the Committee delegates authority under the Plan, shall be indemnified and held harmless by the Company, to the extent permitted by law, against and from (1) any loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act, made in good faith, under the Plan and (2) any and all amounts paid by such person in settlement thereof, with the Company’s approval, or paid by such person in satisfaction of any judgment in any such action, suit or proceeding against such person, provided such person shall give the Company an opportunity, at the Company’s expense, to handle and defend the same before such person undertakes to handle and defend it on such person’s own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person

or persons may be entitled under the Company's articles of incorporation or bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

IV. Shares Subject To Plan

4.1 Number of Shares. Subject to the adjustment under Section 4.7, the number of shares of Common Stock that have been reserved for issuance and may be the subject of Awards and issued under the Plan shall be 1,900,000, plus any shares of Common Stock remaining available for future grants under a Prior Plan on the Effective Date, all of which may be issued upon the exercise of Incentive Stock Options. No further awards may be made under a Prior Plan after the Effective Date. Such shares of Common Stock may consist, in whole or in part, of authorized and unissued shares or shares acquired from a third party. In determining the number of shares of Common Stock to be counted against this share reserve in connection with any Award, the following rules shall apply:

TABLE OF CONTENTS

A-8 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

(1) Shares of Common Stock that are subject to Awards of Options or Stock Appreciation Rights shall be counted against the share reserve as one share of Common Stock for every share of Common Stock covered by an Option or Stock Appreciation Right granted.

(2) Shares of Common Stock that are subject to Full Value Awards shall be counted against the share reserve as 2.0 shares of Common Stock for every share of Common Stock covered by a Full Value Award granted.

(3) Where the number of shares of Common Stock subject to an Award is variable on the Grant Date, the number of shares of Common Stock to be counted against the share reserve shall be the maximum number of shares of Common Stock that could be received under that particular Award, until such time as it can be determined that only a lesser number of shares of Common Stock could be received.

(4) Awards that may be settled solely in cash shall not be counted against the share reserve, nor shall they reduce the shares of Common Stock authorized for grant to a Participant in any calendar year.

4.2 Release of Shares. The Committee shall have full authority to determine the number of shares of Common Stock available for Awards, which shall include (without limitation) as available for distribution any shares of Common Stock that have ceased to be subject to an Award or a Prior Plan Award; any shares of Common Stock subject to any Award or Prior Plan Award that have been previously forfeited; and any shares of Common Stock under an Award or Prior Plan Award that otherwise terminates without issuance of Common Stock being made to a Participant. Each share of Common Stock that again becomes available for Awards as provided in the previous sentence shall correspondingly increase the share reserve under Section 4.1 by one share of Common Stock if such share was subject to an Option or Stock Appreciation Right and by 2.0 shares of Common Stock if such share of Common Stock was subject to a Full Value Award. Notwithstanding the foregoing, the following shares of Common Stock shall not again become available for Awards or increase the number of shares of Common Stock available for grant under the Plan: (i) shares of Common Stock tendered by the Participant or withheld by the Company in payment of the purchase price of an Option issued under the Plan or a Prior Plan, (ii) shares of Common Stock tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to an Award or a Prior Plan Award, (iii) shares of Common Stock repurchased by the Company with proceeds received from the exercise of an Option issued under the Plan or a Prior Plan, and (iv) shares of Common Stock subject to a Stock Appreciation Right issued under the Plan or a Prior Plan that are not issued in connection with the stock settlement of that Stock Appreciation Right upon its exercise. Any shares of Common Stock that are available immediately prior to the termination of the Plan, or any shares of Common Stock returned to the Company for any reason subsequent to the termination of the Plan, may be transferred to a successor plan. For purposes of this Section 4.2, the terms Option and Stock Appreciation Right shall include stock options and stock appreciation rights granted under a Prior Plan, and the term Full Value Award shall include restricted stock, restricted stock units and performance units granted under a Prior Plan.

4.3 Substitute Awards. Substitute awards granted pursuant to Section 13.9 shall not be charged against the maximum number of shares of Common Stock set forth above. Additionally, in the event that a company acquired by the Company or an Affiliate or which the Company or any Affiliate combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the

exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not be charged against the foregoing maximum share limitations; provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employees of the Company or an Affiliate prior to such acquisition or combination.

4.4Restrictions on Awards. Common Stock issued upon exercise of an Award shall be subject to the terms and conditions specified herein and to such other terms, conditions and restrictions as the Committee in its discretion may determine or provide in the Award Agreement. The Company shall not be required to issue or deliver any certificates for Common Stock, cash or other property prior to (i) the completion of any registration or qualification of

TABLE OF CONTENTS

2018 Proxy Statement | A-9

Appendix a: 2018 LONG TERM INCENTIVE PLAN

such shares of Common Stock under federal, state or other law, or any ruling or regulation of any government body which the Committee determines to be necessary or advisable; (ii) the satisfaction of any applicable withholding obligation in order for the Company or an Affiliate to obtain a deduction or discharge its legal obligation with respect to the exercise of an Award; or (iii) where required by Code Section 409A for payments or transfers made upon a Participant's "separation from service" as defined in Code Section 409A to a Participant who is a "specified employee" under Code Section 409A, the first business day after the expiration of the six month period following such separation from service or if earlier, the date of Participant's death. The Company may cause any certificate (or other representation of title) for any shares of Common Stock to be delivered to be properly marked with a legend or other notation reflecting the limitations on transfer of such Common Stock as provided in this Plan or as the Committee may otherwise require. The Committee may require any person exercising an Award to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of the Common Stock in compliance with applicable law or otherwise. Fractional shares of Common Stock shall not be delivered, but shall be rounded to the next lower whole number of shares of Common Stock.

4.5 Shareholder Rights. No person shall have any rights of a shareholder as to Common Stock subject to an Award until, after proper exercise of the Award or other action required, such shares of Common Stock shall have been recorded on the Company's official shareholder records as having been issued and transferred. Upon exercise of the Award or any portion thereof, the Company will have a reasonable period in which to issue and transfer the shares of Common Stock, and the Participant will not be treated as a shareholder for any purpose whatsoever prior to such issuance and transfer. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date such shares of Common Stock are recorded as issued and transferred in the Company's official shareholder records, except as provided herein or in an Agreement.

4.6 Annual Limitations. The Committee will have complete discretion to determine the number of shares of Common Stock subject to Awards granted to any Participant; provided that, subject to the provisions of Section 4.7, during any Fiscal Year: (1) the number of shares of Common Stock covered by Options or Stock Appreciation Rights granted to any one Participant will not exceed 1,250,000 shares of Common Stock; (2) the number of shares of Common Stock covered by an Award of Restricted Stock or Restricted Stock Units and/or other stock-based awards described in Article X granted to any one Participant will not exceed 1,250,000 shares of Common Stock; (3) the number of shares of Common Stock covered by Performance Units granted to any one Participant will not exceed 1,250,000 shares of Common Stock; and (4) no Participant will receive cash-denominated Performance Units having an initial value greater than \$2,000,000.

4.7 Effect of Certain Changes.

(1) In the event of a merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, Disaffiliation (other than a spinoff), or similar event affecting the Company or any of its subsidiaries (each, a "Corporate Transaction"), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of shares of Common Stock or other securities reserved for issuance and delivery under Section 4.1, (B) the various maximum limitations set forth in Section 4.6 upon certain types of Awards and upon the grants to individuals of certain types of Awards, (C) the number and kind of shares of Common Stock or other securities subject to outstanding Awards; and (D) the Exercise Price of outstanding Options and Stock Appreciation Rights.

Edgar Filing: - Form

(2) In the event of a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination, or recapitalization or similar event affecting the capital structure of the Company (each, a “Share Change”), the Committee or the Board shall make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of shares of Common Stock or other securities reserved for issuance and delivery under Section 4.1, (B) the various maximum limitations set forth in Section 4.6 upon certain types of Awards and upon the grants to individuals of certain types of Awards, (C) the number and kind of shares of Common Stock or other securities subject to outstanding Awards; and (D) the Exercise Price of outstanding Options and Stock Appreciation Rights.

TABLE OF CONTENTS

A-10 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

(3) In the case of Corporate Transactions, the adjustments contemplated by clause (1) of this Section 4.7 may include, without limitation, (A) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion (it being understood that in the case of a Corporate Transaction with respect to which holders of Common Stock receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option or Stock Appreciation Right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Transaction over the exercise price of such Option or Stock Appreciation Right shall conclusively be deemed valid); (B) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the shares of Common Stock subject to outstanding Awards; and (C) in connection with any Disaffiliation, arranging for the assumption of Awards, or replacement of Awards with new awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected subsidiary, Affiliate, or division or by the entity that controls such subsidiary, Affiliate, or division following such Disaffiliation (as well as any corresponding adjustments to Awards that remain based upon Company securities). The Committee may adjust the performance goals applicable to any Awards to reflect any Share Change and any Corporate Transaction as it deems appropriate and equitable and may make adjustments for any unusual or non-recurring events and other extraordinary items, impact of charges for restructurings, discontinued operations, and the cumulative effects of accounting or tax changes, each as defined by generally accepted accounting principles or as identified in the Company's financial statements, notes to the financial statements, management's discussion and analysis or the Company's other filings with the Commission. Any adjustments made pursuant to this Section 4.7 to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code. Any adjustments made pursuant to this Section 4.7 to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (x) continue not to be subject to Section 409A of the Code or (y) comply with the requirements of Section 409A of the Code.

(4) Any adjustment under this Section 4.7 need not be the same for all Participants.

4.8 Dividends and Dividend Equivalents. No dividends, dividend equivalents or distributions will be paid with respect to shares of Common Stock subject to an Option or Stock Appreciation Right. Any dividends or distributions payable with respect to shares of Common Stock that are subject to the unvested portion of a Restricted Stock or any other stock-based award involving the issuance of shares of Common Stock upon grant of the award will be subject to the same restrictions and risk of forfeiture as the shares of Common Stock to which such dividends or distributions relate. In its discretion, the Committee may provide in an Agreement for Restricted Stock Units, Performance Units or any other stock-based awards involving the issuance of units or rights to receive shares of Common Stock that the Participant will be entitled to receive dividend equivalents, based on dividends actually declared and paid on outstanding shares of Common Stock, on the units or other share equivalents subject to the foregoing types of Awards, and such dividend equivalents will be subject to the same restrictions and risk of forfeiture as the units or other share equivalents to which such dividend equivalents relate. The additional terms of any such dividend equivalents will be as set forth in the applicable Agreement, including the time and form of payment and whether such dividend equivalents will be credited with interest or deemed to be reinvested in additional units or share equivalents. Any shares of Common Stock issued or issuable during the term of this Plan as the result of the reinvestment of dividends

or the deemed reinvestment of dividend equivalents in connection with an Award or a Prior Plan Award shall be counted against, and replenish upon any subsequent forfeiture, the Plan's share reserve as provided in this Article IV.

V. Eligibility

5.1 Eligibility. Except as herein provided, the persons who shall be eligible to participate in the Plan and be granted Awards shall be those persons who are common law employees of the Company or any Affiliate, non-employee members of the Board, or other individuals selected by the Committee. Of those persons described in the preceding

TABLE OF CONTENTS

2018 Proxy Statement | A-11

Appendix a: 2018 LONG TERM INCENTIVE PLAN

sentence, the Committee may, from time to time, select persons to be granted Awards and shall determine the terms and conditions with respect thereto. In making any such selection and in determining the form of the Award, the Committee shall give consideration to such factors deemed appropriate by the Committee.

VI. Stock Options

6.1General. The Committee shall have authority to grant Options under the Plan at any time or from time to time. An Option shall entitle the Participant to receive Common Stock upon exercise of such Option, subject to the Participant's satisfaction in full of any conditions, restrictions or limitations imposed in accordance with the Plan or an Agreement (the terms and provisions of which may differ from other Agreements) including, without limitation, payment of the Exercise Price.

6.2Grant. The grant of an Option shall occur as of the Grant Date determined by the Committee. Stock Options may be granted alone or in connection with other Awards. An Award of Options shall be evidenced by, and subject to the terms of, an Agreement. Only a person who is a common-law employee of the Company, any parent corporation of the Company, or a subsidiary (as such terms are defined in Section 424 of the Code) on the date of grant shall be eligible to be granted an Incentive Stock Option. To the extent that any Option is not designated as an Incentive Stock Option or even if so designated does not qualify as an Incentive Stock Option, it shall constitute a Non-Qualified Stock Option.

6.3Terms and Conditions. Options shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

(1)Exercise Price. Except in the case of substitute awards granted pursuant to Section 13.9, the Exercise Price per share of Common Stock shall not be less than the Fair Market Value per share of Common Stock as of the Grant Date. If an Option intended to qualify as an Incentive Stock Option is granted to an individual who owns or who is deemed to own shares of Common Stock possessing more than ten percent (10%) of the combined voting power of all classes of stock of the Company, a corporation which is a parent corporation of the Company, or any subsidiary of the Company (each as defined in Section 424 of the Code) (a "10% Owner"), the Exercise Price per share of Common Stock shall not be less than one hundred ten percent (110%) of such Fair Market Value per share of Common Stock.

(2)Option Period. The Option Period of each Option shall be fixed by the Committee, provided that no Option shall be exercisable more than ten (10) years after the date the Option is granted. In the case of an Incentive Stock Option granted to a 10% Owner, the Option Period shall not exceed five (5) years. No Option which is intended to be an Incentive Stock Option shall be granted more than ten (10) years from the date the Plan is adopted by the Company or the date the Plan is approved by the shareholders of the Company, whichever is earlier.

(3)Exercisability. An Option shall be exercisable at such times and to the extent provided in the Agreement. The Committee may at any time accelerate the exercisability of all or part of any Option. If the Committee intends that an Option be able to qualify as an Incentive Stock Option, the Committee may, in its discretion, provide that the aggregate Fair Market Value (determined at the date of grant of the Option) of the Common Stock as to which such Incentive Stock Option held by a Participant which is exercisable for the first time during any calendar year (including all other incentive stock options held by the Participant issued under all plans of the Company and its Affiliates), shall

not exceed \$100,000.

(4)Method of Exercise. Subject to the provisions of this Article VI and the Agreement, a Participant may exercise Options, in whole or in part after they become exercisable, during the Option Period by giving written notice of exercise on a form provided by the Committee to the Company specifying the number of shares of Common Stock subject to the Option to be purchased or in such other manner as is prescribed by the Committee or its delegates. Such notice shall be accompanied by payment in full of the purchase price by cash or certified check or such other form of payment as the Company may accept. If permitted by the Committee, payment in full or in part may also be made by (i) withholding Common Stock otherwise issuable to the Participant upon exercise of the Option or by delivering Common Stock already owned by the Participant, in each case having a total Fair Market Value on the date of exercise equal to the Option Price; (ii) the delivery of cash by a broker-dealer as a

TABLE OF CONTENTS

A-12 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

“cashless” exercise, provided such method of payment may not be used by a director or executive officer of the Company to the extent it would violate the Sarbanes-Oxley Act of 2002; or (iii) any combination of the foregoing.

(5)Non-transferability of Options. Except as provided under the Plan or an Agreement, or as otherwise approved by the Committee, no Option shall be sold, assigned, margined, transferred, encumbered, conveyed, gifted, alienated, hypothecated, pledged, or otherwise disposed of, other than by will or by the laws of descent and distribution, and all Options shall be exercisable during the Participant’s lifetime only by the Participant or the Participant’s Representative.

6.4 Termination by Reason of Death. Unless otherwise provided in an Agreement or determined by the Committee, if a Participant incurs a Termination of Employment due to death or dies within three (3) months after a termination described in Section 6.7, any unexpired and unexercised Option held by such Participant shall thereafter be fully exercisable for a period of one (1) year immediately following the date of such death or until the expiration of the Option Period, whichever period is the shorter.

6.5 Termination by Reason of Disability. Unless otherwise provided in an Agreement or determined by the Committee, if a Participant incurs a Termination of Employment due to a Disability, any unexpired and unexercised Option held by such Participant shall thereafter be fully exercisable by the Participant for a period of one (1) year immediately following the date of such termination or until the expiration of the Option Period, whichever period is the shorter, and the Participant’s death at any time following such Termination of Employment due to Disability shall not affect the foregoing.

6.6 Termination for Cause. If the Participant incurs a Termination of Employment for Cause, the Option shall terminate immediately.

6.7. Other Termination. Unless otherwise provided in an Agreement or determined by the Committee, and subject to the provisions of Section 13.16, if a Participant incurs a Termination of Employment that is involuntary on the part of the Participant (but is not due to death, Disability or termination for Cause) or is voluntary on the part of the Participant, any Option held by such Participant shall thereupon terminate, except that such Option, to the extent then exercisable, may be exercised for the lesser of the ninety (90) consecutive day period commencing with the date of such Termination of Employment or until the expiration of the Option Period, whichever period is the shorter. Unless otherwise provided in an Agreement, the death or Disability of a Participant after a Termination of Employment otherwise provided herein shall not extend the time permitted to exercise an Option.

VII. Stock Appreciation Rights

7.1 General. The Committee shall have authority to grant Stock Appreciation Rights under the Plan at any time or from time to time. Stock Appreciation Rights may be awarded either alone or in addition to other Awards granted under the Plan. Subject to the Participant’s satisfaction in full of any conditions, restrictions or limitations imposed in accordance with the Plan or an Agreement, a Stock Appreciation Right shall entitle the Participant to surrender to the Company the Stock Appreciation Right and to be paid therefore in cash or Common Stock or a combination thereof the amount described in Section 7.3(2).

Edgar Filing: - Form

7.2 Grant. The grant of a Stock Appreciation Right shall occur as of the Grant Date determined by the Committee. Except in the case of substitute awards granted pursuant to Section 13.9, in no event shall the Exercise Price per share of Common Stock be less than the Fair Market Value per share of Common Stock as of the Grant Date. A Stock Appreciation Right entitles a Participant to receive cash or Common Stock or a combination thereof as determined by the Committee and set forth in the Award Agreement in accordance with Section 7.3(2). An Award of Stock Appreciation Rights shall be evidenced by, and subject to the terms of an Agreement, which shall become effective upon execution by the Participant.

7.3 Terms and Conditions. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

(1) **Period and Exercise.** The term of a Stock Appreciation Right shall be established by the Committee, provided that the term of a Stock Appreciation Right shall not exceed ten (10) years after the Grant Date. A Stock

TABLE OF CONTENTS

2018 Proxy Statement | A-13

Appendix a: 2018 LONG TERM INCENTIVE PLAN

Appreciation Right shall be for such period and shall be exercisable at such times and to the extent provided in the Agreement. The Committee may at any time accelerate the exercisability of all or part of any Stock Appreciation Right. Stock Appreciation Rights shall be exercised by the Participant's giving written notice of exercise on a form provided by the Committee (if available) to the Company specifying the portion of the Stock Appreciation Right to be exercised or in such other manner as is prescribed by the Committee or its delegates.

(2)Amount. Upon the exercise of a Stock Appreciation Right, a Participant shall be entitled to receive an amount in cash or Common Stock or a combination thereof equal in value to the excess of the Fair Market Value per share of Common Stock as of the date of exercise over the Exercise Price per share of Common Stock specified in the related Agreement, multiplied by the number of shares of Common Stock in respect of which the Stock Appreciation Right is exercised. For purposes of determining the number of shares of Common Stock to be delivered upon exercise of a Stock Appreciation Right to be paid in stock, the amount the Participant is entitled to receive in accordance with the foregoing sentence shall be divided by the Fair Market Value per share of Common Stock as of the date of exercise of such Stock Appreciation Right.

(3)Non-transferability of Stock Appreciation Rights. Except as provided in the Plan or in an Agreement, no Stock Appreciation Rights shall be sold, assigned, margined, transferred, encumbered, conveyed, gifted, alienated, hypothecated, pledged or otherwise disposed of, other than by will or the laws of descent and distribution, and all Stock Appreciation Rights shall be exercisable during the Participant's lifetime only by the Participant or the Participant's Representative.

(4)Termination. A Stock Appreciation Right shall be forfeited or terminated at such time as an Option would be forfeited or terminated under the Plan, unless otherwise provided in an Agreement.

VIII. Restricted Stock And Restricted Stock Units

8.1General. The Committee shall have authority to grant Restricted Stock and/or Restricted Stock Units under the Plan at any time or from time to time. The Committee shall determine the number of shares of Restricted Stock and/or the number of Restricted Stock Units to be awarded to any Participant, the time or times within which such Awards may be subject to forfeiture, and any other terms and conditions of the Awards. Each Award shall be confirmed by, and be subject to the terms of, an Agreement which shall become effective upon execution by the Participant.

8.2.Grant, Awards and Certificates. An Award of Restricted Stock or of Restricted Stock Units shall occur as of the Grant Date determined by the Committee and as provided in an Agreement. Restricted Stock and Restricted Stock Units may be awarded either alone or in addition to other Awards granted under the Plan. Notwithstanding the limitations on issuance of Common Stock otherwise provided in the Plan, each Participant receiving an Award of Restricted Stock shall be issued a certificate (or other representation of title) in respect of such Restricted Stock. Such certificate shall be registered in the name of such Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award as determined by the Committee. The Committee may require that the certificates evidencing such shares of Common Stock be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the Participant shall have delivered a share power, endorsed in blank, relating to the Common Stock covered by such Award.

8.3. Terms and Conditions. Restricted Stock and Restricted Stock Units shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

(1) Limitations on Transferability. The issue prices for Restricted Stock and Restricted Stock Units shall be set by the Committee and may be zero. Subject to the provisions of the Plan and the Agreement, during a period set by the Committee, subject to the provisions of Section 13.16 (and, in the case of Restricted Stock Units, until the date of delivery of Common Stock), commencing with the date of such Award (the "Restriction Period"), the Participant shall not be permitted to sell, assign, margin, transfer, encumber, convey, gift, alienate, hypothecate, pledge or otherwise dispose of Restricted Stock or Restricted Stock Units.

(2) Rights. Except as provided in Section 8.3(1), the Participant shall have, with respect to the Restricted Stock, all of the rights of a shareholder of the Company holding the class of Common Stock that is the subject of the

TABLE OF CONTENTS

A-14 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

Restricted Stock, including, if applicable, the right to vote the shares of Common Stock and the right to receive any cash dividends, except as limited by Section 4.8. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

(3)Criteria. Based on service, performance by the Participant or by the Company or the Affiliate, including any division or department for which the Participant is employed, or such other factors or criteria as the Committee may determine, the Committee may provide for the lapse of restrictions in installments or upon a single date or event and may accelerate the vesting of all or any part of any Award of Restricted Stock and waive the restrictions for all or any part of such Award of Restricted Stock.

(4)Forfeiture. Unless otherwise provided in an Agreement or determined by the Committee, if the Participant incurs a Termination of Employment due to death or Disability during the Restriction Period, the restrictions shall lapse and the Participant shall be fully vested in the Restricted Stock or Restricted Stock Units. Except to the extent otherwise provided in the applicable Agreement and the Plan and subject to the provisions of Section 13.16, upon a Participant's Termination of Employment for any reason during the Restriction Period other than a Termination of Employment due to death or Disability, all shares of Restricted Stock and Restricted Stock Units still subject to restriction shall be forfeited by the Participant, except the Committee shall have the discretion to waive in whole or in part any or all remaining restrictions with respect to any or all of such Participant's Restricted Stock and Restricted Stock Units.

(5)Delivery. If a share certificate is issued in respect of Restricted Stock, the certificate shall be registered in the name of the Participant but shall be held by the Company for the account of the Participant until the end of the Restricted Period. If and when the Restriction Period expires without a prior forfeiture of Restricted Stock or Restricted Stock Units subject to such Restriction Period, unlegended certificates (or other representation of title) for Common Stock shall be delivered to the Participant at the time and subject to the conditions provided in the Agreement governing such Award.

(6)Election. If so provided in the applicable Award Agreement, a Participant may elect to further defer receipt of the Restricted Stock or payment of Common Stock with respect to Restricted Stock Units for a specified period or until a specified event, subject to the Committee's approval and to such terms as are determined by the Committee. Subject to any exceptions adopted by the Committee, such election must be made in compliance with the terms and conditions of Section 409A of the Code.

IX. Performance Units

9.1General. The Committee shall have authority to grant Performance Units under the Plan at any time or from time to time. A Performance Unit ("Performance Unit") consists of the right to receive cash or Common Stock upon achievement of certain performance goals and may be awarded either alone or in addition to other Awards granted under the Plan. The Committee shall have complete discretion to determine the number of Performance Units granted to each Participant. Each Performance Unit Award shall be evidenced by, and be subject to the terms of, an Agreement which will become effective upon execution by the Participant. The time period during which a Performance Unit Award shall be earned shall be the "Performance Period," and shall be at least one (1) fiscal year in length; provided, however, that the Performance Period may be less than one (1) fiscal year in length in the event of a Change in Control or a Termination of Employment without Cause or for Good Reason or due to death or Disability.

Performance Units may be subject to performance goals which shall be established by the Committee.

9.2 Earning Performance Unit Awards. After the applicable Performance Period shall have ended, the Committee shall determine the extent to which the established performance goals have been achieved.

9.3 Termination of Employment Due to Death or Disability. Unless otherwise provided in an Agreement, in the event of a Termination of Employment due to death or Disability during a Performance Period, the Participant shall receive a pro rata share (based on the portion of the Performance Period during which the Participant was providing services to the Company or an Affiliate) of the Award (as determined following the completion of the Performance Period) earned with respect to the Participant's Performance Units relating to such Performance Period. Unless otherwise

TABLE OF CONTENTS

2018 Proxy Statement | A-15

Appendix a: 2018 LONG TERM INCENTIVE PLAN

determined by the Committee, in the event that a Participant's employment terminates for any other reason, all Performance Units shall be forfeited by the Participant to the Company.

9.5 Nontransferability. Unless otherwise provided in an Agreement, Performance Units may not be sold, assigned, margined, transferred, encumbered, conveyed, gifted, alienated, hypothecated, pledged, or otherwise disposed of, other than by will or by the laws of descent and distribution.

9.5 Election to Defer. If so provided in an Award Agreement, a Participant may elect to defer settlement of the Performance Units for a specified period or until a specified event, subject to the Committee's approval, on such terms as are determined by the Committee, and subject to compliance with Section 409A of the Code.

9.6 Payment. Payment with respect to Performance Units shall be made in accordance with the related Agreement. Subject to Section 9.5, payment with respect to a Performance Unit shall be made no later than the fifteenth day of the third month after the last day of the applicable Performance Period.

9.7 Performance Goals. Performance goals applicable to Performance Units may be based on such criteria determined by the Committee, either alone or in any combination, on either an individual, consolidated or business unit level, and on an absolute or relative basis compared to other companies or indexes or other external measures, as the Committee may determine, including, without limitation: earnings per share ("EPS"); tax-adjusted EPS; pre-tax EPS; sales; cash flow; cash flow from operations; operating profit or income; net income; operating margin; net income margin; return on net assets; economic value added; return on total assets; return on common equity; return on total capital; total shareholder return; revenue; revenue growth; earnings before interest, taxes, depreciation and amortization ("EBITDA"); EBITDA growth; funds from operations per share and per share growth; cash available for distribution; cash available for distribution per share and per share growth; share price performance or improvements in the Company's attainment of expense levels; implementing or completion of critical projects and any other performance criteria approved in the discretion of the Committee. The foregoing criteria shall have any reasonable definitions that the Committee may specify, which may include or exclude any or all of the following items as the Committee may specify: unusual or non-recurring items, as defined by GAAP; effects of changes in applicable tax laws or accounting principles; effects of financing activities (e.g., effect on earnings per share of issuance of convertible debt securities); expenses for restructuring or productivity initiatives; other non-operating items; spending for acquisitions; effects of divestitures; and effects of litigation activities and settlements. Any such performance criterion or combination of such criteria may apply to the Participant's Award opportunity in its entirety or to any designated portion or portions of the Award opportunity, as the Committee may specify. The Committee has the right to adjust any amount determined to be otherwise payable in connection with such an Award.

X. Other Stock-Based Awards

Other Awards of Common Stock and other Awards that are valued in whole or in part by reference to, or are otherwise based upon or settled in, Common Stock, including (without limitation) unrestricted shares of Common Stock may be granted under the Plan.

XI. Change In Control Provisions

Edgar Filing: - Form

11.1 In the event of a Change in Control, each outstanding Award will be treated as the Committee determines, including, without limitation, that (1) Awards may be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (2) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such Change in Control; (3) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Committee determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (4) (A) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction

TABLE OF CONTENTS

A-16 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

(and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (B) the replacement of such Award with other rights or property selected by the Committee in its sole discretion; or (5) any combination of the foregoing. In taking any of the actions permitted under this Section 11.1, the Committee will not be required to treat all Awards similarly in the transaction.

11.2 In the event that the successor corporation does not assume or substitute for the Award (or portion thereof) (such Awards that are assumed or substituted for are referred to as "Replaced Awards" and the awards issued in respect of such Replaced Awards are referred to as "Replacement Awards"), except as otherwise provided in an Agreement, the Participant will fully vest in and have the right to exercise such outstanding Option and Stock Appreciation Right, including shares of Common Stock as to which such Award would not otherwise be vested or exercisable, all restrictions on such Restricted Stock, Restricted Stock Units and any other stock-based awards described in Article X will lapse, and, with respect to such Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a merger or Change in Control, the Committee will notify the Participant in writing or electronically that such Option or Stock Appreciation Right will be exercisable for a period of time determined by the Committee in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

11.3 For the purposes of this Article XI, an Award will be considered assumed or substituted for if, with respect to the applicable Replacement Award, (1) it is of the same type as the Replaced Award; (2) it has a value equal to the value of the Replaced Award as of the date of the Change in Control, as determined by the Committee in its sole discretion consistent with this Article XI; (3) the underlying Replaced Award was an equity-based Award, it relates to publicly traded equity securities of the Company or the entity surviving the Company (or such surviving entity's parent) following the Change in Control; (4) it contains terms relating to vesting (including with respect to a termination of employment) that are substantially identical to those of the Replaced Award; and (5) its other terms and conditions are not less favorable to the Participant than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control) as of the date of the Change in Control. Without limiting the generality of the foregoing, a Replacement Award may take the form of a continuation of the applicable Replaced Award if the requirements of the preceding sentence are satisfied. The determination whether the conditions of this Section 11.3 are satisfied shall be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

11.4 Unless otherwise provided in the applicable Award Agreement, if an Award is assumed or substituted for a Replacement Award, upon a Qualifying Termination of Service, the Participant will fully vest in and have the right to exercise such outstanding Replacement Awards that are Options and Stock Appreciation Rights, including shares of Common Stock as to which such Replacement Award would not otherwise be vested or exercisable, all restrictions on any Replacement Awards that are Restricted Stock, Restricted Stock Units and/or other stock-based awards described in Article X will lapse, and, with respect to such Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

Edgar Filing: - Form

11.5 Notwithstanding anything to the contrary in Article XI, with respect to Awards granted to an Outside Director, in the event of a Change in Control, the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the shares of Common Stock underlying such Award, including those shares of Common Stock which otherwise would not be vested or exercisable, all restrictions on Restricted Stock, Restricted Stock Units and/or other stock-based awards described in Article X will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

TABLE OF CONTENTS

2018 Proxy Statement | A-17

Appendix a: 2018 LONG TERM INCENTIVE PLAN

XII. Provisions Applicable To Shares Acquired Under This Plan

12.1 No Company Obligation. Except to the extent required by applicable securities laws, none of the Company, an Affiliate or the Committee shall have any duty or obligation to affirmatively disclose material information to a record or beneficial holder of Common Stock or an Award, and such holder shall have no right to be advised of any material information regarding the Company or any Affiliate at any time prior to, upon, or in connection with receipt, exercise or distribution of an Award. The Company makes no representation or warranty as to the future value of the Common Stock issued or acquired in accordance with the provisions of the Plan.

VIII. Miscellaneous

13.1 Amendments and Termination; No Repricing. Unless earlier terminated by the Board, the Plan shall terminate on October 23, 2028. The Board may amend, alter, or discontinue the Plan at any time, but no termination, amendment, alteration or discontinuation shall be made which would materially impair the rights of a Participant under an Award theretofore granted without the Participant's consent, except such an amendment (a) made to cause the Plan to comply with applicable law, including without limitation an amendment to bring the Award into compliance with, or obtain an exemption from, the requirements of Code Section 409A; or (b) made to permit the Company or an Affiliate a tax deduction under applicable law. Subject to Section 13.17, the Committee may amend, alter or discontinue the terms of any Award theretofore granted, prospectively or retroactively, on the same conditions and limitations (and exceptions to limitations) as apply to the Board, and further subject to any approval or limitations the Board may impose. Notwithstanding the foregoing, any material amendments (as determined under the rules of the New York Stock Exchange, as amended from time to time or otherwise required by law) to the Plan shall require shareholder approval. Except as provided in Section 4.7, no Option or Stock Appreciation Right Award granted under the Plan may be (i) amended to decrease the Exercise Price thereof, (ii) cancelled in conjunction with the grant of any new Option or Stock Appreciation Right Award with a lower Exercise Price, (iii) cancelled in exchange for cash, other property or the grant of any Full Value Award at a time when the per share Exercise Price of the Option or Stock Appreciation Right Award is greater than the current Fair Market Value of a Share, or (iv) otherwise subject to any action that would be treated under accounting rules as a "repricing" of such Option or Stock Appreciation Right Award, unless such action is first approved by the Company's shareholders.

13.2 Unfunded Status of Plan. It is intended that the Plan be an "unfunded" plan for incentive compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments; provided, however, that, unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan.

13.3 No Additional Obligation. Nothing contained in the Plan shall prevent the Company or an Affiliate from adopting other or additional compensation or benefit arrangements for its employees.

13.4 Withholding. No later than the date as of which an amount first becomes includible in the gross income of the Participant for federal income tax purposes with respect to any Award, the Participant shall pay to the Company (or other entity identified by the Committee), or make arrangements satisfactory to the Company or other entity identified by the Committee regarding the payment of, any federal, state, or local taxes of any kind required by law to be withheld with respect to such income. Unless otherwise determined by the Committee, withholding obligations may

Edgar Filing: - Form

be settled with Common Stock, including shares of Common Stock that are part of the Award that give rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant. The Committee may permit a Participant to satisfy all or any part of the required tax withholding obligations (not to exceed the maximum individual statutory tax rate in each applicable jurisdiction) by authorizing the Company to withhold a number of shares of Common Stock that would otherwise be delivered to the Participant pursuant to an Award, or by transferring to the Company shares of Common Stock already owned by the Participant, with the shares of Common Stock so withheld or transferred having a Fair Market Value as of the date the withholding is effected equal to the amount of taxes to be withheld.

TABLE OF CONTENTS

A-18 |

Appendix a: 2018 LONG TERM INCENTIVE PLAN

13.5Controlling Law. The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of Minnesota (other than its law respecting choice of law). The Plan shall be construed to comply with all applicable law and to avoid liability to the Company, an Affiliate or a Participant. The Board and the Committee shall administer the Plan, and shall exercise all authority and discretion under the Plan to satisfy the requirements of Code Section 409A.

13.6Offset. Any amounts owed to the Company or an Affiliate by the Participant of whatever nature may be offset by the Company from the value of any Award to be transferred to the Participant.

13.7Nontransferability; Beneficiaries. No Award shall be assignable or transferable by the Participant, otherwise than by will or the laws of descent and distribution or pursuant to a beneficiary designation, and Awards shall be exercisable during the Participant's lifetime only by the Participant (or by the Participant's legal representatives in the event of the Participant's incapacity). Each Participant may designate a Beneficiary to exercise any Option or Stock Appreciation Right or receive any Award held by the Participant at the time of the Participant's death or to be assigned any other Award outstanding at the time of the Participant's death. If a deceased Participant has named no Beneficiary, any Award held by the Participant at the time of death shall be transferred as provided in his or her will or by the laws of descent and distribution. Except in the case of the holder's incapacity, only the holder may exercise an Option or Stock Appreciation Right. Notwithstanding the foregoing, the Board or the Committee may, in its discretion and subject to such limitations and conditions as the Board or the Committee deems appropriate, permit the transfer of an Award by a Participant without consideration to a Participant's children, stepchildren, grandchildren, parents, stepparents, grandparents, spouse (including an ex-spouse incident to divorce), siblings, in-laws, or persons related by reason of legal adoption (collectively, the "Family Members"), or to a trust for the exclusive benefit of the Grantee's Family Members or a partnership, corporation or limited liability the equity interests of which are owned by the Grantee and/or the Grantee's Family Members.

13.8No Rights with Respect to Continuance of Employment. Nothing contained herein shall be deemed to alter the relationship between the Company or an Affiliate and a Participant, or the contractual relationship between a Participant and the Company or an Affiliate if there is a written contract regarding such relationship. Nothing contained herein shall be construed to constitute a contract of employment between the Company or an Affiliate and a Participant. The Company or an Affiliate and each of the Participants continue to have the right to terminate the employment or service relationship at any time for any reason, except as provided in a written contract. The Company or an Affiliate shall have no obligation to retain the Participant in its employ or service as a result of this Plan. There shall be no inference as to the length of employment or service hereby, and the Company or an Affiliate reserves the same rights to terminate the Participant's employment or service as existed prior to the individual becoming a Participant in this Plan.

13.9Awards in Substitution for Awards Granted by Other Corporations. Awards may be granted under the Plan from time to time in substitution for awards held by employees, directors or service providers of other corporations who are about to become officers, directors or employees of the Company or an Affiliate as the result of a merger or consolidation of the employing corporation with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets of the employing corporation, or the acquisition by the Company or Affiliate of the shares of the employing corporation, as the result of which it becomes an Affiliate under the Plan. The terms and conditions of the Awards so granted may vary from the terms and conditions set forth in this Plan at the time of such grant as the

majority of the members of the Committee may deem appropriate to conform, in whole or in part, to the provisions of the awards in substitution for which they are granted.

13.10 Foreign Alternatives. Notwithstanding the other provisions of the Plan, in the case of any Award to any Participant who is an employee of a foreign subsidiary or foreign branch of the Company or held by a Participant who is in any other category specified by the Committee, the Committee may specify that such Award shall not be represented by Common Stock or other securities but shall be represented by rights approximately equivalent (as determined by the Committee) to the rights that such Participant would have received if shares of Common Stock or other securities had been issued in the name of such Participant otherwise in accordance with the Plan (such rights being hereinafter called "Share Equivalents"). The Share Equivalents representing any such Award may subsequently, at the option of the Committee, be converted into cash or an equivalent number of shares of Common Stock or other securities under such circumstances and in such manner as the Committee may determine.

TABLE OF CONTENTS

2018 Proxy Statement | A-19

Appendix a: 2018 LONG TERM INCENTIVE PLAN

13.11 Delivery of Stock Certificates. To the extent the Company uses certificates to represent shares of Common Stock, certificates to be delivered to Participants under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the Participant, at the Participant's last known address on file with the Company. Any reference in this Section 13.11 or elsewhere in the Plan or an Agreement to actual stock certificates and/or the delivery of actual stock certificates shall be deemed satisfied by the electronic record-keeping and electronic delivery of shares of Common Stock or other mechanism then utilized by the Company and its agents for reflecting ownership of such shares of Common Stock.

13.12 Headings. The headings contained in this Plan are for reference purposes only and shall not affect the meaning or interpretation of this Plan.

13.13 Severability. If any provision of this Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereby, and this Plan shall be construed as if such invalid or unenforceable provision were omitted.

13.14 Successors and Assigns. This Plan shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon a Participant, and all rights granted to the Company hereunder, shall be binding upon the Participant's heirs, legal representatives and successors.

13.15 Entire Agreement. This Plan and each Agreement constitute the entire agreement with respect to the subject matter hereof and thereof, provided that in the event of any inconsistency between the Plan and each Agreement, the terms and conditions of this Plan shall control.

13.16 Minimum Vesting and Performance Periods. Notwithstanding any other provision of this Plan and except as otherwise provided in an Agreement, Awards that vest based solely on the satisfaction by the Participant of time-based vesting conditions shall be subject to a vesting period of not less than one year from the applicable Grant Date, and Awards whose grant or vesting is subject to the satisfaction of performance goals over a Performance Period shall be subject to a Performance Period of not less than one year. The foregoing minimum vesting and Performance Periods will not, however, apply in connection with: (i) a Change in Control, (ii) a termination of employment or other service without Cause, for Good Reason or due to death or Disability, (iii) to a Substitute Award that does not reduce the vesting period of the award being replaced, (iv) Awards made in payment of or exchange for other compensation already earned and payable, (v) the acquisition of shares of Common Stock for consideration based on the Fair Market Value of the Common Stock and (vi) Awards involving an aggregate number of Shares not in excess of 5% of the Plan's share reserve specified in Section 4.1. For purposes of Awards to Outside Directors, a vesting period will be deemed to be one year if runs from the date of one annual meeting of the Company's shareholders to the date of the next annual meeting of the Company's shareholders.

13.17 Forfeiture and Compensation Recovery. The Committee may specify in an Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture or recovery by the Company upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include termination of employment or other service for Cause; violation of any material Company or Affiliate policy; breach of noncompetition, non-solicitation or

Edgar Filing: - Form

confidentiality provisions that apply to the Participant; a determination that the payment of the Award was based on an incorrect determination that financial or other performance goals were met; or other conduct by the Participant that is detrimental to the business or reputation of the Company or its Affiliates. Awards and any compensation associated therewith may also be made subject to forfeiture or recovery by the Company pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including in response to the requirements of Section 10D of the Exchange Act and any implementing rules and regulations thereunder, or as otherwise required by law. Any Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

TABLE OF CONTENTS

www.regiscorp.com/investor

TABLE OF CONTENTS

TABLE OF CONTENTS