

URBAN OUTFITTERS INC
Form DEF 14A
April 02, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

URBAN OUTFITTERS, INC.

(Name of Registrant as Specified In Its Charter)

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

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-

Dear Shareholder:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders of Urban Outfitters, Inc. to be held at 10:30 a.m., on Tuesday, June 5, 2018, at our corporate headquarters, 5000 South Broad Street, Building 543, Philadelphia, Pennsylvania 19112-1495 (the "Annual Meeting").

The matters to be considered and voted upon are described in the 2018 Notice of Annual Meeting of Shareholders and the Proxy Statement that accompany this letter. It is important that your shares be represented and voted at the Annual Meeting. Kindly read the attached Proxy Statement and vote your shares over the Internet, by telephone or, if you received one, by signing and dating the paper copy of the proxy card and returning it promptly.

I look forward to seeing you at the Annual Meeting where we will review the business and operations of Urban Outfitters.

Sincerely,

Richard A. Hayne
Chairman of the Board

DATE: April 2, 2018

URBAN OUTFITTERS, INC.

5000 South Broad Street

Philadelphia, Pennsylvania 19112-1495

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

June 5, 2018

TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Urban Outfitters, Inc. (the "Company") will be held at our corporate headquarters, 5000 South Broad Street, Building 543, Philadelphia, Pennsylvania 19112-1495, on June 5, 2018 at 10:30 a.m., for the following purposes:

1. To elect eight directors to serve a term expiring at the Annual Meeting of Shareholders in 2019.
2. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for Fiscal Year 2019.
3. To hold an advisory vote to approve executive compensation.
4. To transact such other business as may properly come before the Annual Meeting of Shareholders.

The Board of Directors of the Company unanimously recommends that you vote "FOR" the election of each of the nominees for director listed in Proposal 1 and "FOR" Proposals 2 and 3.

The Board of Directors of the Company has fixed April 6, 2018, as the record date for determining which shareholders are entitled to notice of, and to vote at, the Annual Meeting of Shareholders or any adjournment or postponement thereof.

By Order of the Board of Directors,

Azeez Hayne
Secretary

DATE: April 2, 2018

URBAN OUTFITTERS, INC.

5000 South Broad Street

Philadelphia, Pennsylvania 19112-1495

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

The Board of Directors of Urban Outfitters, Inc. (the “Company”) is furnishing this proxy statement to solicit proxies from the Company’s shareholders for use at the Annual Meeting of Shareholders (the “Annual Meeting”), to be held on Tuesday, June 5, 2018 at 10:30 a.m., at the Company’s corporate headquarters, 5000 South Broad Street, Building 543, Philadelphia, Pennsylvania 19112-1495, and any adjournments or postponements thereof. The Company is making its proxy statement (this “Proxy Statement”) and its annual report to shareholders available electronically via the Internet. On or before April 26, 2018, we will mail to our shareholders a Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access this Proxy Statement and our annual report and how to vote. Shareholders who receive the Notice will not receive a printed copy of the proxy materials in the mail, although a proxy card will be mailed separately to each shareholder that beneficially owns more than 1,000 of the Company’s common shares, par value \$.0001 per share (the “Common Shares”). If you would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice.

Only shareholders of record, as shown on the transfer books of the Company at the close of business on April 6, 2018 (the “Record Date”), are entitled to notice of, and to vote at, the Annual Meeting. On March 16, 2018, there were 108,529,506 Common Shares outstanding. Shareholders of record on the Record Date may vote by (i) Internet by visiting the website specified in the Notice and on the proxy card, (ii) telephone using the instructions provided in the Notice and on the proxy card or (iii) marking, executing and returning the proxy card, in accordance with the instructions thereon. Shareholders who hold their Common Shares in “street name” through a bank, broker or other holder of record (a “nominee”) must vote their Common Shares in the manner prescribed by their nominee.

Presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the Common Shares entitled to vote is necessary to constitute a quorum, which is required for the Company to conduct business at the Annual Meeting. Each Common Share entitles the holder to one vote on each matter presented at the Annual Meeting. When voting is properly authorized over the Internet or by telephone or proxy cards are properly dated, executed and returned, the Common Shares will be voted in accordance with the instructions of the shareholder.

Any shareholder giving a proxy has the power to revoke it prior to its exercise either by giving written notice to the Secretary of the Company, by voting in person at the Annual Meeting, by executing a subsequent proxy card or by submitting a subsequent proxy over the Internet or by telephone. Shareholders who hold their Common Shares in “street name” must obtain a legal proxy from their nominee in order to vote at the Annual Meeting and must otherwise follow instructions provided by their nominee with respect to revocation of voting instructions.

The following table summarizes the vote threshold required for approval of each proposal and the effect on the outcome of the vote of abstentions and uninstructed shares held by nominees. When a shareholder who holds his or her Common Shares in “street name” does not provide voting instructions to his or her nominee, the nominee may not vote those shares on matters deemed non-routine (referred to as broker non-votes). Proposals 1 and 3 below are non-routine matters.

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Signed but unmarked proxy cards will be voted “FOR” the election of each of the nominees for director listed in Proposal 1, “FOR” Proposals 2 and 3 and in accordance with the judgment of the persons voting the proxies with respect to such other matters as may come before the Annual Meeting and any adjournments or postponements thereof.

Proposal Number	Item	Votes Required for Approval	Effect of Abstentions	Uninstructed Shares/Effect of Broker Non-votes Not voted/No effect
1	Election of directors	Affirmative vote of a majority of the votes cast (a “Majority Vote”) with respect to each nominee	No effect	Not voted/No effect
2	Ratification of the appointment of Deloitte & Touch LLP as the Company’s independent public accounting firm for Fiscal Year 2019	Majority Vote	No effect	Discretionary vote by nominee
3	Advisory, non-binding vote to approve executive compensation	Majority Vote	No effect	Not voted/No effect

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PROPOSAL 1. ELECTION OF DIRECTORS

The Company's Amended and Restated By-laws the ("By-laws") provide for the Board of Directors to be composed of as many directors as are designated from time to time by the Board of Directors. Currently, there are nine directors. Each director elected shall serve for a term of one year and until a successor is elected and qualified.

Unless otherwise directed, the persons named on the proxy intend to vote all valid proxies received by them "FOR" the election of the listed nominees. In the event any of the nominees shall be unable or unwilling to serve as a director, the persons named on the proxy intend to vote "FOR" the election of any person as may be nominated by the Board of Directors in substitution. The Company has no reason to believe that any of the nominees named below will be unable or unwilling to serve as a director if elected.

A nominee for election as a director must receive a majority of the votes cast to be elected. A majority of the votes cast means that the number of the votes cast "for" a nominee must exceed the number of votes cast "against" that nominee. Each shareholder is entitled to only one vote per share in the election of directors and each director nominee is voted upon separately. If an incumbent director who is a candidate for re-election is not elected, the director will be deemed to have tendered his or her resignation to the Board of Directors. The Nominating and Governance Committee of the Board of Directors (the "Nominating Committee") will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken, and the Board of Directors will be required to act on the Nominating Committee's recommendation and disclose its decision and the rationale for the decision.

The nominees for re-election to the Board of Directors are Edward N. Antoian, Sukhinder Singh Cassidy, Harry S. Cherken, Jr., Scott Galloway, Margaret A. Hayne, Richard A. Hayne, Elizabeth Ann Lambert and Joel S. Lawson III. Scott A Belair and Robert H. Strouse are not standing for re-election, and the Company thanks them for their service and many contributions to the Company. The Board of Directors has determined that six of the nominees, Messrs. Edward N. Antoian, Harry S. Cherken, Jr., Scott Galloway and Joel S. Lawson III, and Mmes. Elizabeth Ann Lambert and Sukhinder Singh Cassidy, are independent under the listing standards of the NASDAQ Global Select Market ("NASDAQ"). The Board of Directors believes that all of its directors possess personal and professional integrity, good judgment, a high level of ability and business acumen, and have performed exceptionally well in their respective time served as directors.

EDWARD N. ANTOIAN Director Since 2011

Mr. Antoian, 62, is a partner of and Chief Investment Officer for Zeke Capital Advisors, a financial advisory firm. He is also employed by Chartwell Investment Partners, an investment advisory firm, where he has worked since its inception in 1997. In addition, Mr. Antoian is the General Partner of Zeke, L.P., a privately offered long-short equity hedge fund. From 1984 until 1997, Mr. Antoian was the Senior Portfolio Manager of Delaware Management Co. Prior to that, Mr. Antoian worked at E.F. Hutton in Institutional Sales and as a certified public accountant for Price Waterhouse. Mr. Antoian holds an MBA in Finance and has financial and investment experience as a result of his experience as a CPA, financial advisor and portfolio manager. Mr. Antoian also serves as a director of a not-for-profit entity. As an independent director, Mr. Antoian brings his in-depth understanding of, and expertise in, finance and accounting to the Board of Directors.

SUKHINDER SINGH CASSIDY Director Since 2017

Ms. Singh Cassidy, 48, is chairman of theBoardlist, a premium talent marketplace she founded in 2015 that is aimed at connecting highly endorsed women leaders with board opportunities in the technology industry. Prior to theBoardlist, Ms. Singh Cassidy served as chairman of Joyus, a video commerce platform that she founded in 2011. Ms. Singh Cassidy served as chief executive officer of Joyus from January 2011 until February 2017. She has previously held

various executive and managerial positions at companies including Google, Amazon, Polyvore, Inc., Accel Partners, Yodlee.com, News Corporation, and Merrill Lynch & Co., Inc. Ms. Singh Cassidy currently serves on the board of Trip Advisor, Inc. (NASDAQ: TRIP) and LM Ericsson Telephone Company (NASDAQ: ERIC) and has previously served on the boards of J. Crew Group, Inc., J. Hilburn, Inc., StitchFix, Inc., and Polyvore, Inc. As a consumer Internet and media executive, Ms. Singh Cassidy's in-depth knowledge of the online media and advertising sectors, as well as her extensive executive, strategic and operational experience, bring a plethora of talent and expertise to the Board of Directors.

HARRY S. CHERKEN, JR. Director Since 1989

Mr. Cherken, 68, has been a partner of the law firm of Drinker Biddle & Reath LLP in Philadelphia, Pennsylvania since 1984, is a former managing partner of that firm, and previously served as either Chair or Co-Chair of its Real Estate Group for 17 years. As a real estate lawyer with over 40 years' experience representing public and private companies in the acquisition, construction, development, financing, leasing, management, consolidation, and disposition of commercial real estate, he has extensive experience with various types of real estate transactions and retail leases, including negotiating real estate transactions and leases on behalf of the

Company nearly from its inception. Mr. Cherken also holds a Masters in Liberal Arts degree and serves as a trustee of various not-for-profit entities and academic institutions.

SCOTT GALLOWAY Director Since 2016

Mr. Galloway, 53, is a Clinical Professor of Marketing at NYU Stern School of Business, where he has taught since 2002. He currently teaches brand strategy and digital marketing. His teaching is rooted in years of experience as a marketing practitioner and entrepreneur. Mr. Galloway's niche in the field is digital marketing, with his most influential contribution being the Digital IQ index, an assessment and ranking of luxury brands on the basis of mobile, social media, and digital marketing. In 2010, he founded L2, a subscription business intelligence firm for luxury brands and serves as chairman of its board. Mr. Galloway is also the founder of several other firms, including RedEnvelope Inc. and Prophet Brand Strategy, Inc. With respect to those firms, Mr. Galloway managed outside financing rounds, grew revenues and played an integral role in each entity's ultimate sale. He also holds an MBA degree. Mr. Galloway's years of experience as a marketing practitioner and entrepreneur lend valuable expertise to the Board of Directors.

MARGARET A. HAYNE Director Since 2013

Ms. Hayne, 59, joined the Company in August 1982. She is a 41-year veteran of the retail and wholesale industry and has served as Chief Executive Officer of Free People since August 2016 and as Chief Creative Officer of Urban Outfitters, Inc. since November 2013. Ms. Hayne previously served as President of Free People from March 2007 until August 2016. Richard A. Hayne, the Company's current Chairman and Chief Executive Officer, is Ms. Hayne's spouse. As an employee of the Company for over 30 years and a director since 2013, Ms. Hayne brings a wealth of both Company-specific and industry-wide knowledge and experience to the Board of Directors.

RICHARD A. HAYNE Director Since 1976

Mr. Hayne, 70, co-founded Urban Outfitters in 1970. He has been Chairman of the Board of Directors since the Company's incorporation in 1976 and, until February 2016, also served as the Company's President. Mr. Hayne served as the Company's principal executive officer until 2007 and again beginning in January 2012. Margaret A. Hayne, Chief Executive Officer of Free People and Chief Creative Officer of Urban Outfitters, Inc., is Mr. Hayne's spouse. Mr. Hayne's long tenure leading the Company as Chairman of the Board of Directors, his tenure as principal executive officer, and his exceptional leadership skills make him uniquely qualified to serve as a director.

ELIZABETH ANN LAMBERT Director Since 2014

Ms. Lambert, 54, is the founder and a partner of Bunkhouse Group, LLC, a hospitality management company. In 2006, Ms. Lambert formed Bunkhouse Group, LLC to oversee a growing portfolio of eclectic hotels and coffee shops. Bunkhouse currently operates the Hotel San José, the Hotel Saint Cecilia, three Jo's Coffee shops, the Hotel Havana and El Cosmico, an 18-acre vintage trailer, tepee, tent hotel and event space. Prior to her experience as a hotelier, Ms. Lambert worked as a prosecutor in the New York County District Attorney's office and the Austin, Texas Attorney General's office. Currently, Ms. Lambert also serves on the Board of Directors of the National Council on Crime & Delinquency. Ms. Lambert's experience growing a design-centric and customer-focused hospitality company from the ground up gives her a unique perspective and set of skills to contribute to the Board of Directors.

JOEL S. LAWSON III Director Since 1985

Mr. Lawson, 70, is an independent consultant and private investor. From November 2001 until November 2003, he also served as Executive Director of M&A International Inc., a global organization of merger and acquisition advisory firms. From 1980 until November 2001, Mr. Lawson was Chief Executive Officer of Howard, Lawson & Co., an investment banking and corporate finance firm. Howard, Lawson & Co. became an indirect, wholly-owned subsidiary of FleetBoston Financial Corporation in March 2001. As the former Chief Executive Officer of an investment banking and corporate finance firm, Mr. Lawson has extensive experience in financial and investment matters, including financial reporting expertise. In addition, as the former Executive Director of a global organization of merger and acquisition advisory firms, he has specialized knowledge regarding mergers and acquisitions. He also holds an MBA degree and serves as a director of various not-for-profit entities.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR”

THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR.

CORPORATE GOVERNANCE AT URBAN OUTFITTERS

Governance Summary & Highlights

We are committed to corporate governance practices that promote long-term value creation, transparency and accountability to our shareholders. The Company and the Board of Directors engage with shareholders in an effort to ensure that management and the Board are focused on, and responsive to, investor priorities and concerns.

After extensive shareholder engagement efforts and evaluation of best practices over the past several years, the Board of Directors has adopted numerous governance changes, including:

- declassifying the Board of Directors,
- adopting a majority voting standard for director candidates,
- appointing a lead independent director,
- adopting a proxy access bylaw, and
- holding annual say-on-pay votes.

In addition, the Board of Directors has significantly increased the representation of women on the Board of Directors. As the charts below depict, women will represent 38% of the Board of Directors after the Annual Meeting (assuming all nominees are re-elected) — almost double the average for boards of S&P 500 companies, and up from 22% after the 2016 Annual Meeting of Shareholders.

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Over the same period of time, several independent directors have joined the Board of Directors. This multi-year effort has reduced the average tenure of the Company's directors and yielded a slate of candidates for the Annual Meeting that is 75% independent (as defined in the NASDAQ Marketplace Rules).

The matrix below provides summary information regarding the current Board of Directors in an easy to read format.

	Board of Directors									
	Edward N. Antoian	Scott A. Belair	Sukhinder Singh-Cassidy	Harry S. Cherken, Jr.	Scott Galloway	Margaret A. Hayne	Richard Elizabeth Ann Lambert	Joel S. Lawson III	Robert H. Strouse	
Standing For Re-Election	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Chairman of the Board							X			
Lead Independent Director										X
Committee Memberships										
Audit	X	X								