

URBAN OUTFITTERS INC
Form PX14A6G
April 11, 2013

FORM PX14A6G

URBAN OUTFITTERS, INC. – URBN

Filed: April 11, 2013

Notice of Exempt Solicitation. Definitive Materials.

United States Securities and Exchange Commission

Washington, D.C. 20549

Notice of Exempt Solicitation

Pursuant to Rule 14a-103

1. Name of Registrant:

Urban Outfitters, Inc.

2. Name of person(s) relying on exemption:

- a. Calvert VP S&P 500 Index Portfolio, acting through Calvert Investment Management, Inc.
- b. The Comptroller of the State of New York as trustee of the New York State Common Retirement Fund.
- c. The Treasurer of the State of Connecticut as trustee for the Connecticut Retirement Plans and Trust Funds.
- d. Portico Benefit Services / A Ministry of the ELCA
- e. Mercy Investment Services.

3. Address of person(s) relying on Exemption:

- a. 4550 Montgomery Avenue, Suite 1000N, Bethesda, MD 20814
- b. 110 State Street, Albany, NY 12236
- c. 55 Elm Street, Hartford, CT 06106
- d. 800 Marquette Ave., Suite 1050, Minneapolis, MN 55402
- e. 2039 North Geyer Road, St. Louis, MO 63131

4. Written Materials:

Attached are written materials, submitted pursuant to Rule 14a-6(g) promulgated under the Securities Exchange Act of 1934, in connection with a proxy proposal to be voted on at the Registrant's 2013 Annual Meeting.

IMPORTANT PROXY VOTING MATERIAL

**Shareholder Rebuttal to the Urban Outfitters, Inc.
Opposition Statement Regarding Board Diversity**

(p. 23 of Urban Outfitters' Proxy)

Proposal # 6. Shareholder Proposal

This proposal has been filed by Calvert Investment Management, Inc., the Comptroller of the State of New York, Thomas P. DiNapoli, as the trustee of the New York State Common Retirement Fund, the Treasurer of the State of Connecticut as Trustee for the Connecticut Retirement Plans and Trust Funds, Portico Benefit Services, and Mercy Investment Services. These investors share a common concern about the lack of gender and racial diversity on the Board of Directors of Urban Outfitters. The proponents view diversity as a strategic business and investment imperative. We believe in an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company's success. Further, we recognize diversity as an essential measure of sound governance and a critical attribute to a well-functioning board.

Urban Outfitters' opposition statement and primary arguments against this proposal are that:

Urban Outfitters acknowledges the benefits of achieving board diversity but believes its existing processes are designed to identify the best possible nominees and the company would be unduly restricted by the imposition of gender and minority requirements on the nominating process.

Urban Outfitters' employment policies and practices are guided by the fundamental principle that decisions are made on the basis of whether the individual's personal capabilities and qualifications fit the Company's needs and meet the requirements of the position.

Our Rebuttal and Rationale for a YES vote follows:

This proposal seeks to expand current director selection criteria to include, among other considerations, diversity. While we appreciate that the Board agrees with the merits of achieving diversity throughout the company, we do not

believe the company's current director selection process sufficiently prioritizes diversity. We feel our Board is not capitalizing on the competitive advantages that a comprehensive approach to diversity can bring to bear and that this is reflected in the fact that our Board of Directors has no racial or gender diversity. The company's policy of non-discrimination does not proactively address the lack of diversity among the Board of Directors. Urban Outfitters is a clear laggard within its peer group where approximately 90 percent of their S&P 500 peers have at least one woman on their boards of directors.

1. Our current Board is NOT representative of its shareholders, consumers, or employees.

The Board claims it agrees with the “merits of achieving diversity” however the Board gives no indication how it plans to move from a board that has NO women and NO minorities to a board that is more reflective of its shareholders, consumers, and employees. The primary clientele for our company is women. In fact, three major brands of Urban Outfitters – Anthropologie, Free People, and BHLDN – target their merchandise ONLY to women. For our Board to properly respond to changing consumer needs, Urban Outfitters must take steps to address the lack of diversity on its board.

In addition to consumer interests, Urban Outfitters must address the growing number of shareholders who believe that the company’s lack of women and minorities on the Board is a disadvantage. While the Board notes that our similar proposals, filed in 2011 and 2012, did not garner majority votes, the increase in shareholders supporting these proposals commands attention from the Board, as 39% voted in favor in 2012, versus 22% in 2011.

We remain unconvinced that the company has truly recognized the value that diversity brings to bear on a range of issues. In our view, companies combining competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term value for their shareholders. As such, we urge the Board to broaden its pool of candidates and publicly commit to taking steps to establish an inclusive Board.

2. The Urban Outfitters Board recommends a vote AGAINST by claiming the proposal is restrictive:

The proposal recommends that the company *expand* director searches to include nominees from both corporate positions beyond the executive suite and include non-traditional environments such as government, academia, and non-profit organizations. In this regard, we are encouraging the company to develop its current search process to ensure women and minorities are included among the pool of candidates considered. We are not recommending that the Board limit its nominations for director seats to women and minority candidates but rather that the Board evaluate and assess applications for such positions from diverse candidates. Rather than restricting the Board, our recommendations would enhance the board’s current selection process and require the board to review and evaluate a wider range of candidates.

Shareholders are urged to vote **FOR** Proposal #6 following the instruction provided on the company's proxy mailing.

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*For questions regarding **Urban Outfitters Proposal #6 on Board Diversity**, please contact Christine De Groot, Calvert Investments, 301.961.4754, christine.degroot@calvert.com.*

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