

CtW Investment Group

Shareholder Vote at Urban Outfitters Reveals Waning Confidence in Board

Philadelphia, Pennsylvania, May 30, 2017 – After years of declining performance, low independence and poor board diversity, shareholders demonstrated a waning confidence in the board of Urban Outfitters (NYSE: URBN), with 30.5% of outside shareholders opposing the reelection of director Robert H. Strouse, and 64.5% of outside shareholder in opposition to Harry S. Cherken. The sizable opposition votes came from major public funds, including CalSTRS and Norges Bank.

The level of opposition is high given that the average opposition votes for the Russell 3000 is 3.8% year to date, and insider ownership constitutes approximately 35% of shares outstanding. These results reflect years of low shareholder support levels for both Strouse and Cherken, who received 11.3% and 37.9% opposition in 2016 and 20.7% and 39.6% opposition in 2015, respectively.

“This is a clear vote of no confidence in the board’s composition and the company’s broken nomination process,” said Dieter Waizenegger, Executive Director of the CtW Investment Group who had urged investors of Urban Outfitters to vote against long-tenured directors.

After CtW’s letter to shareholders on May 1, 2017, the company committed to adding one or two new directors, but has not articulated a clear refreshment plan outlining the off rotation of certain non- independent directors nor whether it would consider adding a requirement for women and minorities to be part of the candidate pool for open board seats. At the company’s annual meeting on May 23, 2017, Chairman and CEO Richard Hayne stated that the search firm retained by Urban had referred him approximately 30 candidates, which he had personally reviewed, and subsequently passed on to the Nominating Committee.

“We’re demanding the board start demonstrating its independence by sending these new director candidates directly to the Nominating Committee before the candidates get to the CEO’s desk for vetting,” said Waizenegger.

The CtW Investment Group works with union-sponsored pension funds sponsored by affiliates of Change to Win to enhance long-term shareholder value through active ownership. These funds have over \$250 billion in assets under management and are substantial Urban Outfitters’ shareholders.

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