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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) January 11, 2022**

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**URBAN OUTFITTERS, INC.**  
(Exact Name of Registrant as Specified in its Charter)

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**Pennsylvania**  
(State or other jurisdiction  
of incorporation)

**000-22754**  
(Commission  
File Number)

**23-2003332**  
(IRS Employer  
Identification No.)

**5000 South Broad Street, Philadelphia, PA**  
(Address of principal executive offices)

**19112**  
(Zip Code)

**Registrant's telephone number, including area code (215) 454-5500**

**N/A**

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, par value \$.0001 per share	URBN	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Attached hereto as Exhibits 99.2 through 99.5 are forms of award agreements to be used in connection with grants of restricted stock units, incentive stock options, non-qualified stock options and stock appreciation rights to eligible participants in the Urban Outfitters 2017 Stock Incentive Plan.

**Item 8.01. Other Events**

On January 11, 2022, Urban Outfitters, Inc. (the “Company”) issued a sales release, which is attached hereto as Exhibit 99.1 and incorporated herein by reference. The sales release disclosed material non-public information regarding the Company’s sales for the two-month holiday selling season and the eleven months ended December 31, 2021.

**Item 9.01. Financial Statements and Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Sales Release, dated January 11, 2022 – Fiscal Year 2022 Holiday Sales</a>
99.2	<a href="#">Form of 2017 Plan—Non-Qualified Stock Option Agreement</a>
99.3	<a href="#">Form of 2017 Plan—Incentive Stock Option Agreement</a>
99.4	<a href="#">Form of 2017 Plan—Performance/Restricted Stock Unit Agreement</a>
99.5	<a href="#">Form of 2017 Plan—Stock Appreciation Right Agreement</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**URBAN OUTFITTERS, INC.**

Date: January 11, 2022

By: /s/ Melanie Marein-Efron  
Melanie Marein-Efron  
Chief Financial Officer

**URBAN OUTFITTERS, INC.**  
**Holiday Sales Results**  
**Philadelphia, PA – January 11, 2022**

**For Immediate Release**

Contact: Oona McCullough  
Executive Director of Investor Relations  
(215) 454-4806

**URBN Reports Record Holiday Sales**

PHILADELPHIA, PA, January 11, 2022 – Urban Outfitters, Inc. (NASDAQ:URBN), a leading lifestyle products and services company which operates a portfolio of global consumer brands comprised of the Anthropologie, BHLDN, Free People, FP Movement, Terrain, Urban Outfitters, Nuuly and Menus & Venues brands, today announced net sales for the two and eleven months ended December 31, 2021.

Due to the material impact of COVID-19 on our business operations in fiscal 2021, including mandated store closures, this release includes a comparison of fiscal 2022 results to fiscal 2020. Management views the comparison of fiscal 2022 results to fiscal 2020 as the more meaningful measurement of the Company's business performance.

Total Company net sales for the two months ended December 31, 2021, increased 14.6% compared to the two months ended December 31, 2019. Comparable Retail segment net sales increased 14%, driven by strong double-digit growth in digital channel sales, partially offset by high single-digit negative retail store sales primarily due to reduced store traffic. By brand, comparable Retail segment net sales increased 47% at the Free People Group, 15% at the Anthropologie Group and 3% at Urban Outfitters. Total Retail segment net sales increased 15%. Wholesale segment net sales decreased 18% primarily from reducing the Free People Group's sales to promotional wholesale customers. URBN now believes that the total Company fourth quarter gross margin could deleverage due to higher than anticipated inbound transportation costs.

For the eleven months ended December 31, 2021, total Company net sales increased 14.4% compared to the eleven months ended December 31, 2019. Comparable Retail segment net sales increased 16%, driven by strong double-digit growth in digital channel sales, partially offset by low double-digit negative retail store sales due to reduced store traffic. Wholesale segment net sales decreased 22% primarily from reducing the Free People Group's sales to promotional wholesale customers.

During the eleven months ended December 31, 2021, the Company opened a total of 56 new retail locations including: 29 Free People Group stores (including 18 FP Movement stores), 17 Urban Outfitters stores, 9 Anthropologie Group stores and 1 Menus & Venues restaurant; and closed 10 retail locations including: 4 Anthropologie Group stores, 2 Free People Group stores, 2 Urban Outfitters stores and 2 Menus & Venues restaurants. During the eleven months ended December 31, 2021, 1 Urban Outfitters franchisee-owned store and 1 Anthropologie Group franchisee-owned store were opened.

Urban Outfitters, Inc., offers lifestyle-oriented general merchandise and consumer products and services through a portfolio of global consumer brands comprised of 262 Urban Outfitters stores in the United States, Canada and Europe and websites; 242 Anthropologie Group stores in the United States, Canada and Europe, catalogs and websites; 176 Free People stores in the United States, Canada and Europe, catalogs and websites, 10 Menus & Venues restaurants, 2 Urban Outfitters franchisee-owned stores and 1 Anthropologie Group franchisee-owned store, as of December 31, 2021. Free People, FP Movement and Urban Outfitters wholesale sell their products through department and specialty stores worldwide, digital businesses and the Company's Retail segment.

**This news release is being made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.** *Certain matters contained in this release may contain forward-looking statements. When used in this release, the words "project," "believe," "plan," "will," "anticipate," "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any one, or all, of the following factors could cause actual financial results to differ materially from those financial results mentioned in the forward-looking statements: the impacts of public health crises such as the coronavirus (COVID-19) pandemic, overall economic and market conditions and worldwide political events and the resultant impact on consumer spending patterns, the*

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*difficulty in predicting and responding to shifts in fashion trends, changes in the level of competitive pricing and promotional activity and other industry factors, the effects of the implementation of the United Kingdom's withdrawal from membership in the European Union (commonly referred to as "Brexit"), including currency fluctuations, economic conditions and legal or regulatory changes, any effects of war, terrorism and civil unrest, natural disasters, severe or unseasonable weather conditions (including as a result of climate change) or public health crises, increases in labor costs, increases in raw material costs, availability of suitable retail space for expansion, timing of store openings, risks associated with international expansion, seasonal fluctuations in gross sales, response to new concepts, our ability to integrate acquisitions, risks associated with digital sales, our ability to maintain and expand our digital sales channels, any material disruptions or security breaches with respect to our technology systems, the departure of one or more key senior executives, import risks (including any shortage of transportation capacities or delays at ports), changes to U.S. and foreign trade policies (including the enactment of tariffs, border adjustment taxes or increases in duties or quotas), the closing or disruption of, or any damage to, any of our distribution centers, our ability to protect our intellectual property rights, failure of our manufacturers and third-party vendors to comply with our social compliance program, risks related to environmental, social and governance activities, changes in our effective income tax rate, changes in accounting standards and subjective assumptions, regulatory changes and legal matters and other risks identified in our filings with the Securities and Exchange Commission. The Company disclaims any intent or obligation to update forward-looking statements even if experience or future changes make it clear that actual results may differ materially from any projected results expressed or implied therein.*

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URBAN OUTFITTERS
2017 STOCK INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

NON-QUALIFIED STOCK OPTION AGREEMENT (the "Agreement") dated as of the day of , 20 (the "Grant Date") between Urban Outfitters, Inc., a Pennsylvania corporation (the "Company"), and (the "Optionee"), an employee of the Company or a Related Corporation, as defined in the Urban Outfitters 2017 Stock Incentive Plan, as amended from time to time (the "Plan").

WITNESSETH

WHEREAS, the Company desires to afford the Optionee an opportunity to purchase shares of the Company's common stock ("Common Stock") as hereinafter provided, in accordance with the provisions of the Plan, a copy of which has been provided to the Optionee. Except as otherwise provided in this Agreement, capitalized terms used in this Agreement shall have the same meaning as in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereunder, agree as follows:

- 1. Grant of Option. The Company hereby confirms the grant to the Optionee of the right and option ("Option") to purchase all or any part of an aggregate of shares of Common Stock. [Upon the sale of Common Stock purchased under the Option, the Company shall be entitled to any proceeds representing that portion of the sales price which exceeds [500]% of the Fair Market Value at the Grant Date (the "Excess"). For example, if the Fair Market Value is \$10.00, any proceeds above \$50.00 shall accrue to the Company and not to the Optionee.] The Option is in all respects limited and conditioned as hereinafter provided, and is subject in all respects to the terms and conditions of the Plan now in effect and as it may be amended from time to time (but only to the extent that such amendments apply to outstanding options). Such terms and conditions are incorporated herein by reference and are made a part hereof. To the extent any conflict may exist between any term or provision of this Agreement and any term or provision of the Plan, the term or provision of the Plan shall control.
2. Purchase Price. The purchase price of each share of Common Stock covered by the Option shall be \$ per share (the "Option Price").
3. Term. Unless earlier terminated pursuant to any provision of this Agreement or of the Plan, this Option shall expire on , 20 [(seven years from the Grant Date)].
4. Exercise of Option.

[INSTALLMENT ALTERNATIVE:

Subject to Section 14 of the Plan and to Paragraphs 3 and 8 through 10 of this Agreement, this Option shall become exercisable in ( ) installments and the Optionee shall have the right to purchase from the Company, on or after the following dates, the following number of shares of Common Stock:

Table with 2 columns: Date Installment Becomes Exercisable, Number of Option Shares. The table body is redacted with blue bars.

[PERFORMANCE-BASED ALTERNATIVE:

The performance period for this Option shall commence on , 20 and shall end on , 20 (the "Performance Period"). Subject to Section 14 of the Plan and to Paragraphs 3 and 8 through 10 of this Agreement, this Option shall become exercisable upon the achievement of the following Performance Goals, as determined at the end of the Performance Period in accordance with the administrative procedures of the Committee and the terms of the Plan: [INSERT PERFORMANCE GOALS.]

No additional vesting shall occur after the Optionee's Termination of Service.

The right of the Optionee to purchase the shares which are the subject of [any installment of] the Option which [has][have] become exercisable may be exercised in whole or in part at any time or times prior to the expiration or other termination of the Option. The foregoing provisions of this Paragraph 4 notwithstanding, the exercisability of the Option is subject to the terms and conditions of the Plan.

5. Method of Exercising Option. Subject to the terms and conditions of this Agreement and the Plan, the Option may be exercised upon written notice to the Company, at its principal office, which is located at 5000 South Broad Street, Philadelphia, Pennsylvania 19112. Such notice shall (i) state the election to exercise the Option and the number of shares with respect to which it is being exercised; (ii) be signed by the person or persons so exercising the Option; (iii) be accompanied by the investment certificate referred to in Paragraph 6 hereof, if the Company so requests; and (iv) be accompanied by payment of the full Option Price of such shares. Only full shares will be issued. Any fractional share will be forfeited.

The Option Price shall be paid to the Company:

- (a) in cash, or in its equivalent: certified check, bank draft, or postal or express money order;
- (b) in Common Stock previously acquired by the Optionee;
- (c) by decreasing the number of shares for which the Option is exercisable;
- (d) by delivering a properly executed notice of exercise of the Option to the Company and a broker, with irrevocable instructions to the broker promptly to deliver to the Company the amount necessary to pay the exercise price of the Option; or
- (e) in any combination of (a), (b), (c) and (d) above; provided, however, that the Committee shall have discretion to limit or prohibit any of the above methods.

Upon receipt of such notice and payment, the Company, as promptly as practicable, shall deliver or cause to be delivered a certificate or certificates representing the shares with respect to which the Option is so exercised. The certificate or certificates for the shares as to which the Option shall have been so exercised shall be registered in the name of the person or persons so exercising the Option (or, if the Option shall be exercised by the Optionee and if the Optionee shall so request in the notice exercising the Option, shall be registered in the name of the Optionee and the Optionee's spouse, jointly, with right of survivorship) and shall be delivered as provided above to or upon the written order of the person or persons exercising the Option. In the event the Option shall be exercised by any person or persons after the legal disability or death of the Optionee, such notice shall be accompanied by appropriate proof of the right of such person or persons to exercise the Option. All shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and non-assessable by the Company.

[The Optionee shall pay to the Company the amount of any Excess realized by the Optionee upon the sale of the Common Stock issued upon exercise of this Option within 20 business days after realization thereof. Any Excess not timely paid shall bear interest at the rate of 10% per annum until paid.]

6. Shares to be Purchased for Investment. Unless the Company has theretofore notified the Optionee that a registration statement covering the shares to be acquired upon the exercise of the Option has become effective under the Securities Act of 1933, as amended (the "Securities Act"), and the Company has not thereafter notified the Optionee that such registration statement is no longer effective, it shall be a condition to any exercise of this Option that the shares acquired upon such exercise be acquired for investment and not with a view to distribution, and the person effecting such exercise shall submit to the Company a certificate of such investment intent, together with such other evidence supporting the same as the Company may request. The Company shall be entitled to restrict the transferability of the shares issued upon any such exercise to the extent necessary to avoid a risk of violation of the Securities Act or of any rules or regulations promulgated thereunder. Such restrictions may, at the option of the Company, be noted or set forth in full on the share certificates.
7. Non-transferability of Option. This Option is not assignable or transferable, in whole or in part, by the Optionee other than by will or by the laws of descent and distribution and, during the lifetime of the Optionee, this Option shall be exercisable only by Optionee or, in the event of legal disability, by his or her guardian or legal representative.
8. Termination of Service for a Reason Other Than Death or Disability. If the Optionee's Termination of Service occurs for any reason other than death or disability (as defined below) prior to the expiration date of this Option as set forth in Paragraph 3, this Option may be exercised, to the extent of the number of shares with respect to which the Optionee could have exercised it on the date of such Termination of Service, or to any greater extent permitted by the Committee, by the Optionee at any time prior to the earlier of (i) [30 days] following the date of such Termination of Service or (ii) the expiration date set forth in Paragraph 3.

9. Disability. If the Optionee becomes disabled (within the meaning of section 22(e)(3) of the Code) prior to the expiration date of this Option as set forth in Paragraph 3, and the Optionee's Termination of Service occurs as a consequence of such disability, this Option may be exercised, to the extent of the number of shares with respect to which the Optionee could have exercised it on the date of such Termination of Service, or to any greater extent permitted by the Committee, by the Optionee (or in the event of the Optionee's legal disability, by the Optionee's legal representative) at any time prior to the earlier of (i) [six months] following the date of such Termination of Service or (ii) the expiration date set forth in Paragraph 3.
10. Death. If the Optionee's Termination of Service occurs as a result of death, or if the Optionee dies after his or her Termination of Service but prior to the expiration of the period determined under Paragraph 8 or 9 above, this Option may be exercised, to the extent of the number of shares with respect to which the Optionee could have exercised it on the date of his or her death, or to any greater extent permitted by the Committee, by the Optionee's estate, personal representative or beneficiary who acquired the right to exercise this Option by bequest or inheritance or by reason of the Optionee's death, at any time prior to the earlier of (i) [six months] following the date of such death or (ii) the expiration date set forth in Paragraph 3.
11. Change in Control. [This Option [shall] [shall not] become fully exercisable on a Change in Control if the Optionee has not incurred a Termination of Service before the date of the Change in Control.] [The Option shall become fully exercisable upon an involuntary Termination of Service by action of the Company other than for Cause or by action of the Optionee for Good Reason, which occurs within twelve (12) months following a Change in Control. For purposes of this Agreement, "Cause" and "Good Reason" shall have the following meanings:
  - (a) "Cause" means any of the following (in each case as determined by the Committee): (i) the Optionee's conviction of, or plea of *nolo contendere* or equivalent to any felony; (ii) the Optionee's fraud, willful misconduct, dishonesty or act of moral turpitude in the course of or related to the Optionee's employment or that could reasonably be expected to be materially injurious to the Company or an affiliate; or (iii) the Optionee's willful failure to perform the Optionee's job duties (other than any such failure resulting from incapacity due to physical or mental illness) after notice from the Company and a reasonable opportunity to cure.
  - (b) "Good Reason" means any of the following, without the Optionee's written consent: (i) a material and adverse change to, or diminution to, the Optionee's job duties, reporting structure, or compensation in effect on the Grant Date (other than temporarily while the Optionee is physically or mentally incapacitated or as required by applicable law); or (ii) permanent relocation of the Optionee's primary place of employment that increases the commuting distance from the Optionee's primary residence on the Grant Date by more than thirty (30) miles. The Optionee may not have a Termination of Service by for Good Reason hereunder unless the Optionee has provided written notice to the Company of the existence of the circumstances providing grounds for Termination of Service for Good Reason within thirty (30) days of the initial existence of such grounds and the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If the Optionee does not terminate the Optionee's service with the Company for Good Reason within ninety (90) days after the first occurrence of the applicable grounds, then the Optionee will be deemed to have waived the Optionee's right to have a Termination of Service for Good Reason with respect to such grounds.]
12. Clawback or Recoupment Policy. This Option, Common Stock delivered pursuant to this Option, and any gains or profits on the sale of such Common Stock shall be subject to any "clawback" or recoupment policy adopted by the Company. Under the current Clawback Policy, the Company has the discretion, as determined by the Committee, to recoup Common Stock delivered pursuant to this award and any gains or profits on the sale of such Common Stock, plus a reasonable rate of interest, upon any of the following: (i) the Grantee has an involuntary Termination of Service by action of the Company for Cause (as defined above), or (ii) with respect to an award based on certain financial results, the Grantee engages in misconduct that causes or partially causes the need for such a restatement which would have resulted in a lower award or a lesser amount to have vested.
13. Governing Law. This Agreement shall be governed by Pennsylvania law (without reference to the principles of conflicts of laws), to the extent not governed by federal law.



14. Withholding of Taxes. The obligation of the Company to deliver shares of Common Stock upon the exercise of the Option shall be subject to applicable federal, state and local tax withholding requirements. If the exercise of any Option is subject to the withholding requirements of applicable tax laws, the Optionee, subject to the provisions of the Plan and such additional withholding rules (the "Withholding Rules") as shall be adopted by the Committee, may satisfy the withholding tax, in whole or in part, by electing to have the Company withhold (or by returning to the Company) shares of Common Stock, which shares shall be valued, for this purpose, at their Fair Market Value on the date the amount attributable to the exercise of the Option is includable in income by the Optionee under section 83 of the Code. Such election must be made in compliance with and subject to the Withholding Rules. The number of shares withheld for purposes of taxes shall be limited, to the extent necessary, to avoid adverse accounting consequences.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Non-Qualified Stock Option Agreement to be duly executed by a duly authorized officer, and the Optionee has hereunto set his or her hand.

OPTIONEE

URBAN OUTFITTERS, INC.

\_\_\_\_\_  
Optionee's Signature

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

URBAN OUTFITTERS  
2017 STOCK INCENTIVE PLAN

INCENTIVE STOCK OPTION AGREEMENT

INCENTIVE STOCK OPTION AGREEMENT (the "Agreement") dated as of the day of , 20 (the "Grant Date") between Urban Outfitters, Inc., a Pennsylvania corporation (the "Company"), and (the "Optionee"), an employee of the Company or a Related Corporation, as defined in the Urban Outfitters 2017 Stock Incentive Plan, as amended from time to time (the "Plan").

WITNESSETH

WHEREAS, the Company desires to afford the Optionee an opportunity to purchase shares of the Company's common stock ("Common Stock") as hereinafter provided, in accordance with the provisions of the Plan, a copy of which has been provided to the Optionee. Except as otherwise provided in this Agreement, capitalized terms used in this Agreement shall have the same meaning as in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereunder, agree as follows:

- Grant of Option. The Company hereby confirms the grant to the Optionee of the right and option ("Option") to purchase all or any part of an aggregate of shares of Common Stock. [Upon the sale of Common Stock purchased under the Option, the Company shall be entitled to any proceeds representing that portion of the sales price which exceeds [500]% of the Fair Market Value at the Grant Date (the "Excess"). For example, if the Fair Market Value is \$10.00, any proceeds above \$50.00 shall accrue to the Company and not to the Optionee.] The Option is in all respects limited and conditioned as hereinafter provided, and is subject in all respects to the terms and conditions of the Plan now in effect and as it may be amended from time to time (but only to the extent that such amendments apply to outstanding options). Such terms and conditions are incorporated herein by reference and are made a part hereof. To the extent any conflict may exist between any term or provision of this Agreement and any term or provision of the Plan, the term or provision of the Plan shall control. It is intended that the Option granted hereunder be an incentive stock option ("ISO") meeting the requirements of the Plan and section 422 of the Internal Revenue Code of 1986, as amended (the "Code").
- Purchase Price. The purchase price of each share of Common Stock covered by the Option shall be \$ per share (the "Option Price"), which the Committee has determined was not less than [100%] [110%] of the Fair Market Value of a share of the Common Stock on the Grant Date.
- Term. Unless earlier terminated pursuant to any provision of this Agreement or of the Plan, this Option shall expire on , 20 which date is not more than ten years from the Grant Date (five years in the case of an Optionee who owns (or is deemed to own) more than 10% of the total combined voting power of all shares of stock of the Company or of a Related Corporation).
- Exercise of Option.

[INSTALLMENT ALTERNATIVE:

Subject to Section 14 of the Plan and to Paragraphs 3 and 8 through 10 of this Agreement, this Option shall become exercisable in ( ) installments and the Optionee shall have the right to purchase from the Company, on or after the following dates, the following number of shares of Common Stock:

Date Installment Becomes Exercisable	Number of Option Shares

[PERFORMANCE-BASED ALTERNATIVE:



The performance period for this Option shall commence on \_\_\_\_\_, 20\_\_\_\_ and shall end on \_\_\_\_\_, 20\_\_\_\_ (the "Performance Period"). Subject to Section 14 of the Plan and to Paragraphs 3 and 8 through 10 of this Agreement, this Option shall become exercisable upon the achievement of the following Performance Goals, as determined at the end of the Performance Period in accordance with the administrative procedures of the Committee and the terms of the Plan: [INSERT PERFORMANCE GOALS.]

No additional vesting shall occur after the Optionee's Termination of Service.

The right of the Optionee to purchase the shares which are the subject of [any installment of] the Option which [has][have] become exercisable may be exercised in whole or in part at any time or times prior to the expiration or other termination of the Option. The foregoing provisions of this Paragraph 4 notwithstanding, the exercisability of the Option is subject to the terms and conditions of the Plan.

5. Method of Exercising Option. Subject to the terms and conditions of this Agreement and the Plan, the Option may be exercised upon written notice to the Company, at its principal office, which is located at 5000 South Broad Street, Philadelphia, Pennsylvania 19112. Such notice shall (i) state the election to exercise the Option and the number of shares with respect to which it is being exercised; (ii) be signed by the person or persons so exercising the Option; (iii) be accompanied by the investment certificate referred to in Paragraph 6 hereof, if the Company so requests; and (iv) be accompanied by payment of the full Option Price of such shares. Only full shares will be issued. Any fractional share will be forfeited.

The Option Price shall be paid to the Company:

- (a) in cash, or in its equivalent: certified check, bank draft, or postal or express money order;
- (b) in Common Stock previously acquired by the Optionee;
- (c) by decreasing the number of shares for which the Option is exercisable (which shall constitute a disqualifying disposition for purposes of ISO tax rules);
- (d) by delivering a properly executed notice of exercise of the Option to the Company and a broker, with irrevocable instructions to the broker promptly to deliver to the Company the amount necessary to pay the exercise price of the Option; or
- (e) in any combination of (a), (b), (c) and (d) above; provided, however, that the Committee shall have discretion to limit or prohibit any of the above methods

Upon receipt of such notice and payment, the Company, as promptly as practicable, shall deliver or cause to be delivered a certificate or certificates representing the shares with respect to which the Option is so exercised. The certificate or certificates for the shares as to which the Option shall have been so exercised shall be registered in the name of the person or persons so exercising the Option (or, if the Option shall be exercised by the Optionee and if the Optionee shall so request in the notice exercising the Option, shall be registered in the name of the Optionee and the Optionee's spouse, jointly, with right of survivorship) and shall be delivered as provided above to or upon the written order of the person or persons exercising the Option. In the event the Option shall be exercised by any person or persons after the legal disability or death of the Optionee, such notice shall be accompanied by appropriate proof of the right of such person or persons to exercise the Option. All shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and non-assessable by the Company.

[The Optionee shall pay to the Company the amount of any Excess realized by the Optionee upon the sale of the Common Stock issued upon exercise of this Option within 20 business days after realization thereof. Any Excess not timely paid shall bear interest at the rate of 10% per annum until paid.]

6. Shares to be Purchased for Investment. Unless the Company has theretofore notified the Optionee that a registration statement covering the shares to be acquired upon the exercise of the Option has become effective under the Securities Act of 1933, as amended (the "Securities Act"), and the Company has not thereafter notified the Optionee that such registration statement is no longer effective, it shall be a condition to any exercise of this Option that the shares acquired upon such exercise be acquired for investment and not with a view to distribution, and the person effecting such exercise shall submit to the Company a certificate of such investment intent, together with such other evidence supporting the same as the Company may request. The Company shall be entitled to restrict the transferability of the shares issued upon any such exercise to the extent necessary to avoid a risk of violation of the Securities Act or of any rules or regulations promulgated thereunder. Such restrictions may, at the option of the Company, be noted or set forth in full on the share certificates.

7. Non-transferability of Option. This Option is not assignable or transferable, in whole or in part, by the Optionee other than by will or by the laws of descent and distribution and, during the lifetime of the Optionee, this Option shall be exercisable only by Optionee or, in the event of legal disability, by his or her guardian or legal representative.
8. Termination of Service for a Reason Other Than Death or Disability. If the Optionee's Termination of Service occurs for any reason other than death or disability (as defined below) prior to the expiration date of this Option as set forth in Paragraph 3, this Option may be exercised, to the extent of the number of shares with respect to which the Optionee could have exercised it on the date of such Termination of Service, or to any greater extent permitted by the Committee, by the Optionee at any time prior to the earlier of (i) [30 days] following the date of such Termination of Service or (ii) the expiration date set forth in Paragraph 3.
9. Disability. If the Optionee becomes disabled (within the meaning of section 22(e)(3) of the Code) prior to the expiration date of this Option as set forth in Paragraph 3, and the Optionee's Termination of Service occurs as a consequence of such disability, this Option may be exercised, to the extent of the number of shares with respect to which the Optionee could have exercised it on the date of such Termination of Service, or to any greater extent permitted by the Committee, by the Optionee (or in the event of the Optionee's legal disability, by the Optionee's legal representative) at any time prior to the earlier of (i) [six months] following the date of such Termination of Service or (ii) the expiration date set forth in Paragraph 3.
10. Death. If the Optionee's Termination of Service occurs as a result of death, or if the Optionee dies after his or her Termination of Service but prior to the expiration of the period determined under Paragraph 8 or 9 above, this Option may be exercised, to the extent of the number of shares with respect to which the Optionee could have exercised it on the date of his or her death, or to any greater extent permitted by the Committee, by the Optionee's estate, personal representative or beneficiary who acquired the right to exercise this Option by bequest or inheritance or by reason of the Optionee's death, at any time prior to the earlier of (i) [six months] following the date of such death or (ii) the expiration date set forth in Paragraph 3.
11. Change in Control. [This Option [shall] [shall not] become fully exercisable on a Change in Control if the Optionee has not incurred a Termination of Service before the date of the Change in Control.] [The Option shall become fully exercisable upon an involuntary Termination of Service by action of the Company other than for Cause or by action of the Optionee for Good Reason, which occurs within twelve (12) months following a Change in Control. For purposes of this Agreement, "Cause" and "Good Reason" shall have the following meanings:
  - (a) "Cause" means any of the following (in each case as determined by the Committee): (i) the Optionee's conviction of, or plea of *nolo contendere* or equivalent to any felony; (ii) the Optionee's fraud, willful misconduct, dishonesty or act of moral turpitude in the course of or related to the Optionee's employment or that could reasonably be expected to be materially injurious to the Company or an affiliate; or (iii) the Optionee's willful failure to perform the Optionee's job duties (other than any such failure resulting from incapacity due to physical or mental illness) after notice from the Company and a reasonable opportunity to cure.
  - (b) "Good Reason" means any of the following, without the Optionee's written consent: (i) a material and adverse change to, or diminution to, the Optionee's job duties, reporting structure, or compensation in effect on the Grant Date (other than temporarily while the Optionee is physically or mentally incapacitated or as required by applicable law); or (ii) permanent relocation of the Optionee's primary place of employment that increases the commuting distance from the Optionee's primary residence on the Grant Date by more than thirty (30) miles. The Optionee may not have a Termination of Service by for Good Reason hereunder unless the Optionee has provided written notice to the Company of the existence of the circumstances providing grounds for Termination of Service for Good Reason within thirty (30) days of the initial existence of such grounds and the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If the Optionee does not terminate the Optionee's service with the Company for Good Reason within ninety (90) days after the first occurrence of the applicable grounds, then the Optionee will be deemed to have waived the Optionee' right to have a Termination of Service for Good Reason with respect to such grounds.]
12. Disqualifying Disposition of Option Shares. The Optionee agrees to give written notice to the Company, at its principal office, if a "disposition" of the shares acquired through exercise of the Option granted hereunder occurs at any time within two years after the Grant Date or within one year after the transfer to the Optionee of such shares. For purposes of this Paragraph, the term "disposition" shall have the meaning assigned to such term by section 424(c) of the Code.

13. Clawback or Recoupment Policy. This Option, Common Stock delivered pursuant to this Option, and any gains or profits on the sale of such Common Stock shall be subject to any “clawback” or recoupment policy adopted by the Company. Under the current Clawback Policy, the Company has the discretion, as determined by the Committee, to recoup Common Stock delivered pursuant to this award and any gains or profits on the sale of such Common Stock, plus a reasonable rate of interest, upon any of the following: (i) the Grantee has an involuntary Termination of Service by action of the Company for Cause (as defined above), or (ii) with respect to an award based on certain financial results, the Grantee engages in misconduct that causes or partially causes the need for such a restatement which would have resulted in a lower award or a lesser amount to have vested.
14. Governing Law. This Agreement shall be governed by Pennsylvania law (without reference to the principles of conflicts of laws), to the extent not governed by federal law.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Incentive Stock Option Agreement to be duly executed by a duly authorized officer, and the Optionee has hereunto set his or her hand.

OPTIONEE

URBAN OUTFITTERS, INC.

\_\_\_\_\_  
Optionee's Signature

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**URBAN OUTFITTERS  
2017 STOCK INCENTIVE PLAN**

**[PERFORMANCE] [RESTRICTED] STOCK UNIT AGREEMENT**

This [Performance] [Restricted] Stock Unit Agreement (the "Agreement") is dated as of the        day of       , 20        (the "Grant Date") between Urban Outfitters, Inc., a Pennsylvania corporation (the "Company"), and        (the "Grantee"). Capitalized terms not defined herein shall have the meaning given such terms in the Urban Outfitters 2017 Stock Incentive Plan, as amended from time to time (the "Plan"), a copy of which has been provided to the Grantee.

WITNESSETH

WHEREAS, the Company wishes to award to the Grantee [performance stock units ("PSUs")] [restricted stock units ("RSUs")], as hereinafter provided;

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereunder, agree as follows:

1. Grant. Subject to the terms and conditions of this Agreement and the Plan, the Company hereby grants to the Grantee an award of [PSUs] [RSUs]. Such number of [PSUs] [RSUs] shall be subject to adjustment as provided in Section 12 of the Plan. Each [PSU] [RSU] covered by this Agreement represents the right to receive one share of the Company's common stock ("Common Stock") on the applicable Registration Date (as defined in Paragraph 8), subject to the vesting requirements set forth in Paragraph 2, and any limit set forth in Paragraph 4. The Grantee shall be bound by all of the terms, provisions, conditions and limitations of the Plan (which are incorporated herein by reference) and this Agreement. To the extent any conflict may exist between any term or provision of this Agreement and any term or provision of the Plan, the term or provision of the Plan shall control.
2. Vesting.

[CLIFF ALTERNATIVE – PSUs:

Subject to any limit set forth in Paragraph 4, the Grantee shall vest in all PSUs covered by this Agreement on       , 20        or [in the case of a nonemployee director, the date of the next annual meeting, if earlier] (the "Scheduled Vesting Date"\*), if (a) the Grantee's Termination of Service does not occur on or before the Scheduled Vesting Date and (b)

(i) [the average closing price of one share of Common Stock for each trading day during the [[     ]-month] period immediately preceding the Scheduled Vesting Date, as reported by the principal exchange on which Common Stock is traded, is [at least a dollar amount] [[equal to] [in excess of] the Fair Market Value of a share of Common Stock on the Grant Date] (such amount to be adjusted in accordance with Section 12 of the Plan as if it were an option price)]; OR

(ii) [the Fair Market Value of a share of Common Stock on the Scheduled Vesting Date (or at any later date within [     ] calendar days immediately following the Scheduled Vesting Date) is [at or above a dollar amount] [[equal to] [a dollar amount in excess of] the Fair Market Value of a share of Common Stock on the Grant Date]]\*\*\*; OR

(iii) [the Grantee has achieved the following Performance Goals during the performance period commencing on       , 20        and ending on       , 20        (the "Performance Period"), as determined at the end of the Performance Period in accordance with the administrative procedures of the Committee and the terms of the Plan: [INSERT PERFORMANCE GOALS]]

\* If the Scheduled Vesting Date stated above is not a trading day for the principal exchange on which Common Stock is traded, the Scheduled Vesting Date shall be the trading day immediately following the date stated above.

\*\*\* Such amount or Average Closing Price to be adjusted in accordance with Section 12 of the Plan as if it were an option price.]



[INSTALLMENT ALTERNATIVE – PSUs:

Subject to any limit set forth in Paragraph 4, the Grantee shall vest in PSUs covered by this Agreement as follows:

Number of PSUs Vesting	Scheduled Vesting Date*	Conditions Required for Vesting
[ ]% of the number stated in Paragraph 1, [plus PSUs credited under Paragraph 3 (dividend equivalent rights) associated with such %]	[Date]	1. Termination of Service does not occur on or before the applicable Vesting Date; and 2. <ol style="list-style-type: none"> <li>a. [The Fair Market Value of a share of Common Stock on the Scheduled Vesting Date (or at any later date within [ ] calendar days immediately following the Scheduled Vesting Date) is [at or above a dollar amount] [[equal to] [a dollar amount in excess of] the Fair Market Value of a share of Common Stock on the Grant Date]]***; OR</li> <li>b. [The Average Closing Price** is [at least a dollar amount] [[equal to] [in excess of] the Fair Market Value of a share of Common Stock on the Grant Date]]***; OR</li> <li>c. [The Grantee has achieved the following Performance Goals, during the performance period commencing on , 20 and ending on , 20 (the “Performance Period”), as determined at the end of the Performance Period in accordance with the administrative procedures of the Committee and the terms of the Plan: [INSERT PERFORMANCE GOALS]]</li> </ol>

\* If the Scheduled Vesting Date stated above is not a trading day for the principal exchange on which Common Stock is traded, the Scheduled Vesting Date shall be the trading day immediately following the date stated above.

\*\* “Average Closing Price” shall mean the average closing price of one share of Common Stock for each trading day during the [[ ]-month] period immediately preceding the applicable Scheduled Vesting Date, as reported by the principal exchange on which Common Stock is traded.

\*\*\* Such amount or Average Closing Price to be adjusted in accordance with Section 12 of the Plan as if it were an option price.]

[CLIFF ALTERNATIVE – RSUs:

Subject to any limit set forth in Paragraph 4, the Grantee shall vest in all RSUs covered by this Agreement on , 20 , or in the case of a nonemployee director, the date of the next annual meeting, if earlier, as long as the Grantee’s Termination of Service does not occur on or before such date.]

[INSTALLMENT ALTERNATIVE – RSUs:

Subject to any limit set forth in Paragraph 4, the Grantee shall vest in RSUs covered by this Agreement as follows, as long as the Grantee’s Termination of Service does not occur on or before the applicable Vesting Date:

Number of RSUs Vesting	Vesting Date
[ ]% of the number stated in Paragraph 1, [plus [RSUs] credited under Paragraph 3 (dividend equivalent rights) associated with such %]	[Date]
3. <u>Dividend Equivalent Rights</u> . On each date that the Company pays an ordinary cash dividend to holders of Common Stock after the Grant Date and prior to a Registration Date (defined in Paragraph 8), the applicable number of [PSUs] [RSUs] shall be increased by an amount equal to (i) the applicable number of [PSUs] [RSUs] on the dividend record date, multiplied by (ii) the dollar amount of the per share cash dividend, and divided by (iii) the Fair Market Value of a share of Common Stock on the dividend payment date. [PSUs] [RSUs] credited pursuant to this Paragraph 3 shall be subject to the same terms and conditions (including vesting, forfeiture and Registration Date) as the [PSUs] [RSUs] to which such dividend equivalent rights relate.	
4. <u>Limit on Common Stock Registered</u> . In no event shall the number of shares of Common Stock registered under Paragraph 8 upon vesting of [PSUs] [RSUs] on the applicable Vesting Date exceed (A) divided by (B), where (A) is the number of [PSUs] [RSUs] vesting on such applicable Vesting Date (determined without regard to this Paragraph 4) times the Fair Market Value of a share of Common Stock on the Grant Date (such Fair Market Value to be adjusted in accordance with Section 12 of the Plan as if it were an option price) times [ ], and (B) is the Fair Market Value of a share of Common Stock on the day before the applicable Vesting Date.	

[Upon vesting, the Grantee shall be entitled to receive a value equal to the Fair Market Value of a share of Common Stock on the applicable Vesting Date up to a maximum of \$[ ] per share of Common Stock *times* the number of [PSUs] [RSUs] that have vested as of the applicable Vesting Date.]

5. Restrictions and Forfeiture. The Grantee may not sell, assign, transfer, pledge or otherwise encumber or dispose of the [PSUs] [RSUs] covered by this Agreement, and any attempt to do so shall be void. The [PSUs] [RSUs] covered by this Agreement shall be forfeited as follows:
  - (a) [PSUs] [RSUs] shall be forfeited on the Vesting Date applicable to such [PSUs] [RSUs] if the conditions required for vesting of such [PSUs] [RSUs] are not met as of such applicable Vesting Date.
  - (b) [PSUs] [RSUs] shall be forfeited on the date of Grantee's Termination of Service (for any reason) if such Termination occurs on or before the applicable Vesting Date.
  - (c) Any [PSUs] [RSUs] that would have otherwise become vested under Paragraph 2 on an applicable Vesting Date but which exceed any limit set forth in Paragraph 4 with respect to such applicable Vesting Date shall be forfeited as of such applicable Vesting Date.
6. Rights as Shareholder. The Grantee shall have no rights as a shareholder with respect to [PSUs] [RSUs] covered by this Agreement unless and until shares of Common Stock are registered pursuant to Paragraph 8.
7. Withholding of Taxes. The obligation to register shares of Common Stock on the Registration Date shall be subject to the Grantee satisfying applicable federal, state and local tax withholding requirements. The Grantee, subject to such withholding rules as shall be adopted by the Committee, may elect to have Common Stock otherwise deliverable under this Agreement withheld to satisfy the minimum federal, state and local tax withholding requirements.
8. Registration of Shares. [For each [PSU] [RSU] that becomes vested under Paragraph 2 on the applicable Vesting Date, one share of Common Stock shall be registered in the Grantee's name. Such registration shall be made on a date in the same calendar year as such applicable Vesting Date (the "Registration Date"), as soon as reasonably practicable following such applicable Vesting Date. Any fractional [PSU] [RSU] becoming vested under Paragraph 2 shall be payable in cash on the applicable Registration Date.] [Subject to the maximum limitation described in Paragraph 2, the [PSUs] [RSUs] covered by this Agreement shall be settled in cash or in shares of Common Stock as soon as reasonably practicable following the applicable Vesting Date, and in each case not later than the later of the last day of the calendar year in which such applicable Vesting Date occurs, or the 15th day of the third calendar month following such applicable Vesting Date. To the extent that the [PSUs] [RSUs] under this Agreement are settled in shares of Common Stock, the Registration Date of such shares shall occur on or before the time limits described in the preceding sentence. In no event shall the Grantee be permitted, directly or indirectly, to designate the Registration Date.]
9. Employment of Grantee. Nothing in this Agreement shall be construed as constituting an agreement or understanding of any kind or nature that the Company or a Related Corporation shall continue to employ the Grantee, nor shall this Agreement affect in any way the right of the Company or a Related Corporation to terminate the employment of the Grantee at any time.
10. Change in Control. [The Grantee [shall] [shall not] vest in the [PSUs] [RSUs] subject to this Agreement upon a Change in Control.] [The Grantee shall vest in the [PSUs][RSUs] subject to this Agreement upon an involuntary Termination of Service by action of the Company other than for Cause or by action of the Grantee for Good Reason, which occurs within twelve (12) months following a Change in Control. For purposes of this Agreement, "Cause" and "Good Reason" shall have the following meanings:
  - (a) "Cause" means any of the following (in each case as determined by the Committee): (i) the Grantee's conviction of, or plea of *nolo contendere* or equivalent to any felony; (ii) the Grantee's fraud, willful misconduct, dishonesty or act of moral turpitude in the course of or related to the Grantee's employment or that could reasonably be expected to be materially injurious to the Company or an affiliate; or (iii) the Grantee's willful failure to perform the Grantee's job duties (other than any such failure resulting from incapacity due to physical or mental illness) after notice from the Company and a reasonable opportunity to cure.
  - (b) "Good Reason" means any of the following, without the Grantee's written consent: (i) a material and adverse change to, or diminution to, the Grantee's job duties, reporting structure, or compensation in effect on the Grant Date (other than temporarily while the Grantee is physically or mentally incapacitated or as required by applicable law); or (ii) permanent relocation of the Grantee's primary place of employment that increases the commuting distance from the Grantee's primary residence on the Grant Date by more than thirty (30) miles. The Grantee may not have a Termination of Service for Good Reason hereunder unless the Grantee has provided written notice to the Company of the existence of the circumstances providing grounds for Termination of Service for Good Reason within thirty (30) days of the initial existence of such grounds and the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If the Grantee does not terminate the Grantee's service with the Company for Good Reason within ninety (90) days after the first occurrence of the applicable grounds, then the Grantee will be deemed to have waived the Grantee's right to have a Termination of Service for Good Reason with respect to such grounds.]

11. Clawback or Recoupment Policy. This [PSU] [RSU], Common Stock delivered pursuant to this [PSU] [RSU], and any gains or profits on the sale of such Common Stock shall be subject to any “clawback” or recoupment policy adopted by the Company. Under the current Clawback Policy, the Company has the discretion, as determined by the Committee, to recoup Common Stock delivered pursuant to this award and any gains or profits on the sale of such Common Stock, plus a reasonable rate of interest, upon any of the following: (i) the Grantee has an involuntary Termination of Service by action of the Company for Cause (as defined above), or (ii) with respect to an award based on certain financial results, the Grantee engages in misconduct that causes or partially causes the need for such a restatement which would have resulted in a lower award or a lesser amount to have vested.
12. No Section 83(b) Election. The Grantee may not make an election under section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to [PSUs] [RSUs].
13. Governing Law. This Agreement shall be governed by Pennsylvania law (without reference to principles of conflicts of laws), to the extent not governed by federal law.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by a duly authorized officer, and the Grantee has hereunto set his hand.

GRANTEE

URBAN OUTFITTERS, INC.

\_\_\_\_\_  
Grantee's Signature

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**URBAN OUTFITTERS  
2017 STOCK INCENTIVE PLAN**

**STOCK APPRECIATION RIGHT AGREEMENT**

This STOCK APPRECIATION RIGHT AGREEMENT (the “Agreement”) dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Grant Date”) between Urban Outfitters, Inc., a Pennsylvania corporation (the “Company”), and \_\_\_\_\_ (the “Grantee”), an employee of the Company or a Related Corporation, as defined in the Urban Outfitters 2017 Stock Incentive Plan, as amended from time to time (the “Plan”).

WITNESSETH

WHEREAS, the Company desires to award the Grantee a stock appreciation right with respect to certain shares of the Company’s common stock (“Common Stock”) as hereinafter provided, in accordance with the provisions of the Plan, a copy of which has been provided to the Grantee. Except as otherwise provided in this Agreement, capitalized terms used in this Agreement shall have the same meaning as in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereunder, agree as follows:

1. Grant of SAR. The Company hereby confirms the award to the Grantee of the right to receive appreciation (a stock appreciation right or “SAR”) with respect to an aggregate of \_\_\_\_\_ shares of Common Stock (the “SAR Shares”). The SAR is an independent SAR and is not granted in tandem with an Option or any other award under the Plan. The SAR is in all respects limited and conditioned as hereinafter provided, and is subject in all respects to the terms and conditions of the Plan now in effect and as it may be amended from time to time (but only to the extent that such amendments apply to outstanding SARs). Such terms and conditions are incorporated herein by reference and are made a part hereof. To the extent any conflict may exist between any term or provision of this Agreement and any term or provision of the Plan, the term or provision of the Plan shall control.
2. Base Price. The base price with respect to each SAR Share shall be the Fair Market Value of a share of Common Stock on the Grant Date (the “Base Price”).
3. Term. Unless earlier terminated pursuant to any provision of this Agreement or of the Plan, this SAR shall expire on \_\_\_\_\_, 20\_\_\_\_, the day before the [ ] anniversary of the Grant Date.
4. Vesting of SAR.

[INSTALLMENT ALTERNATIVE:

Subject to Section 14 of the Plan and to Paragraphs 3 and 7 through 9 of this Agreement, the SAR shall become exercisable [in a number of tranches as determined by the Committee] as follows:

	<b>The SAR Shall Become Exercisable With Respect To The Following Number of SAR Shares:</b>
<b>On The Following Date:</b> [Date]	[ % of the SAR Shares ]

[PERFORMANCE-BASED ALTERNATIVE:

The performance period for the SAR Shares shall commence on \_\_\_\_\_, 20\_\_\_\_ and shall end on \_\_\_\_\_, 20\_\_\_\_ (the “Performance Period”). Subject to Section 14 of the Plan and to Paragraphs 3 and 7 through 9 of this Agreement, the SAR Shares shall become exercisable upon the achievement of the following Performance Goals, as determined at the end of the Performance Period in accordance with the administrative procedures of the Committee and the terms of the Plan: [INSERT PERFORMANCE GOALS].]

No additional vesting shall occur after the Grantee's Termination of Service.

The Grantee may exercise the portion of the SAR which has become exercisable in whole or in part at any time or times prior to the expiration or other termination of the SAR.

5. Exercise of SAR. Subject to the terms and conditions of this Agreement and the Plan, the SAR may be exercised upon written notice to the Company, at its principal office, which is located at 5000 South Broad Street, Philadelphia, Pennsylvania 19112. Such notice shall (i) state the election to exercise the SAR and the number of SAR Shares with respect to which the SAR is being exercised; (ii) be signed by the person so exercising the SAR; and (iii) be accompanied by the investment certificate referred to in Paragraph 11 hereof, if the Company so requests. In the event the SAR is exercised by any person or persons after the legal disability or death of the Grantee, such notice shall be accompanied by appropriate proof of the right of such person or persons to exercise the SAR.

As soon as practicable following receipt of such notice of exercise of the SAR, the Grantee shall be entitled to receive an amount equal to (i) the excess of the Fair Market Value of a share of Common Stock on the exercise date over the Base Price, *times* (ii) the number of SAR Shares for which the SAR is being exercised. The SARs covered by this Agreement shall be settled in cash, shares of Common Stock or a combination thereof. Any fractional share of Common Stock shall be paid in cash. All shares that are issued upon the exercise of the SAR as provided herein shall be deemed to be fully paid and non-assessable by the Company.

[Upon the sale of Common Stock attributable to the appreciation of SAR Shares, the Company shall be entitled to any proceeds representing that portion of the sales price which exceeds [[five] times the Base Price] [\$[ ] per share] (the "Excess"). The Grantee shall pay to the Company the amount of any Excess realized by the Grantee upon the sale of the Common Stock issued upon exercise of the SAR within 20 business days after realization thereof. Any Excess not timely paid shall bear interest at the rate of 10% per annum until paid.]

6. Non-transferability of SAR. This SAR is not assignable or transferable, in whole or in part, by the Grantee other than by will or by the laws of descent and distribution. During the lifetime of the Grantee, the SAR shall be exercisable only by the Grantee or, in the event of legal disability, by his or her guardian or legal representative.
7. Termination of Service for a Reason Other Than Death or Disability. If the Grantee's Termination of Service occurs for any reason other than death or disability (as defined below) prior to the expiration date of this SAR as set forth in Paragraph 3, this SAR may be exercised, to the extent of the number of SAR Shares with respect to which the Grantee could have exercised it on the date of such Termination of Service, or to any greater extent permitted by the Committee, by the Grantee at any time prior to the earlier of (i) [30 days] following the date of such Termination of Service or (ii) the expiration date set forth in Paragraph 3.
8. Disability. If the Grantee becomes disabled (within the meaning of section 22(e)(3) of the Code) prior to the expiration date of this SAR as set forth in Paragraph 3, and the Grantee's Termination of Service occurs as a consequence of such disability, this SAR may be exercised, to the extent of the number of SAR Shares with respect to which the Grantee could have exercised it on the date of such Termination of Service, or to any greater extent permitted by the Committee, by the Grantee (or in the event of the Grantee's legal disability, by the Grantee's legal representative) at any time prior to the earlier of (i) [six months] following the date of such Termination of Service or (ii) the expiration date set forth in Paragraph 3.
9. Death. If the Grantee's Termination of Service occurs as a result of death, or if the Grantee dies after his or her Termination of Service but prior to the expiration of the period determined under Paragraph 7 or 8 above, this SAR may be exercised, to the extent of the number of SAR Shares with respect to which the Grantee could have exercised it on the date of his or her death, or to any greater extent permitted by the Committee, by the Grantee's estate, personal representative or beneficiary who acquired the right to exercise this SAR by bequest or inheritance or by reason of the Grantee's death, at any time prior to the earlier of (i) [six months] following the date of such death or (ii) the expiration date set forth in Paragraph 3.
10. Change in Control. [This SAR [shall][shall not] become exercisable as a result of a Change in Control.] [The Grantee shall vest in the SAR Shares subject to this Agreement upon an involuntary Termination of Service by action of the Company other than for Cause or by action of the Grantee for Good Reason, which occurs within twelve (12) months following a Change in Control. For purposes of this Agreement, "Cause" and "Good Reason" shall have the following meanings:
- (a) "Cause" means any of the following (in each case as determined by the Committee): (i) the Grantee's conviction of, or plea of *nolo contendere* or equivalent to any felony; (ii) the Grantee's fraud, willful misconduct, dishonesty or act of moral turpitude in the course of or related to the Grantee's employment or that could reasonably be expected to be materially injurious to the Company or an affiliate; or (iii) the Grantee's willful failure to perform the Grantee's job duties (other than any such failure resulting from incapacity due to physical or mental illness) after notice from the Company and a reasonable opportunity to cure.
- (b) "Good Reason" means any of the following, without the Grantee's written consent: (i) a material and adverse change to, or diminution to, the Grantee's job duties, reporting structure, or compensation in effect on the Grant Date (other than temporarily while the Grantee is physically or mentally incapacitated or as required by applicable law); or (ii) permanent relocation of the Grantee's primary place of employment that increases the commuting distance from the Grantee's primary residence on the Grant Date by more than thirty (30) miles. The Grantee may not have a Termination of Service by for Good Reason hereunder unless the Grantee has provided written notice to the Company of the existence of the circumstances providing grounds for Termination of Service for Good Reason within thirty (30) days of the initial existence of such grounds and the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If the Grantee does not terminate the Grantee's service with the Company for Good Reason within ninety (90) days after the first occurrence of the applicable grounds, then the Grantee will be deemed to have waived the Grantee' right to have a Termination of Service for Good Reason with respect to such grounds.

11. Shares to be Purchased for Investment. Unless the Company has theretofore notified the Grantee that a registration statement covering the shares to be acquired upon the exercise of the SAR has become effective under the Securities Act of 1933, as amended (the “Securities Act”), and the Company has not thereafter notified the Grantee that such registration statement is no longer effective, it shall be a condition to any exercise of this SAR that the shares acquired upon such exercise be acquired for investment and not with a view to distribution, and the person effecting such exercise shall submit to the Company a certificate of such investment intent, together with such other evidence supporting the same as the Company may request. The Company shall be entitled to restrict the transferability of the shares issued upon any such exercise to the extent necessary to avoid a risk of violation of the Securities Act or of any rules or regulations promulgated thereunder. Such restrictions may, at the option of the Company, be noted or set forth in full on the share certificates.
12. Clawback or Recoupment Policy. This SAR, Common Stock delivered pursuant to this SAR, and any gains or profits on the sale of such Common Stock shall be subject to any “clawback” or recoupment policy adopted by the Company. Under the current Clawback Policy, the Company has the discretion, as determined by the Committee, to recoup Common Stock delivered pursuant to this award and any gains or profits on the sale of such Common Stock, plus a reasonable rate of interest, upon any of the following: (i) the Grantee has an involuntary Termination of Service by action of the Company for Cause (as defined above), or (ii) with respect to an award based on certain financial results, the Grantee engages in misconduct that causes or partially causes the need for such a restatement which would have resulted in a lower award or a lesser amount to have vested.
13. Governing Law. This Agreement shall be governed by Pennsylvania law (without reference to the principles of conflicts of laws), to the extent not governed by federal law.
14. Withholding of Taxes. The obligation of the Company to deliver shares of Common Stock upon the exercise of the SAR shall be subject to applicable federal, state and local tax withholding requirements. If the exercise of the SAR is subject to the withholding requirements of applicable tax laws, the Grantee, subject to the provisions of the Plan and such additional withholding rules (the “Withholding Rules”) as shall be adopted by the Committee, may satisfy the withholding tax, in whole or in part, by electing to have the Company withhold (or by returning to the Company) shares of Common Stock, which shares shall be valued, for this purpose, at their Fair Market Value on the exercise date. Such election must be made in compliance with and subject to the Withholding Rules. The number of shares withheld for purposes of taxes shall be limited, to the extent necessary, to avoid adverse accounting consequences.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this SAR Agreement to be duly executed by a duly authorized officer, and the Grantee has hereunto set his or her hand.

GRANTEE

URBAN OUTFITTERS, INC.

\_\_\_\_\_  
Grantee's Signature

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date