
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

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

Date of Report (Date of earliest event reported): March 25, 2021

ULTA BEAUTY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

001-33764
(Commission File
Number)

38-4022268
(IRS Employer
Identification No.)

1000 Remington Blvd., Suite 120, Bolingbrook, Illinois 60440
(Address of principal executive offices, including ZIP code)

(630) 410-4800
(Registrant's telephone number, including area code)

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:

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

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	ULTA	The 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.

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

On March 25, 2021, the Compensation Committee of the Board of Directors of Ulta Beauty, Inc. (the “Company”) approved new form of award agreements evidencing restricted stock units that vest in part based upon satisfaction of performance goals (“PSUs”) and stock options granted under the Company’s 2011 Incentive Award Plan in the forms attached hereto as Exhibits 10.1 and 10.2, respectively. Under the PSU agreement, the number of restricted stock units earned is determined based on satisfaction of earnings before income taxes (“EBT”) and revenue goals for the Company’s 2021 and 2022 fiscal years, with a target level performance cap if the Company’s total shareholder return for its 2021-2023 fiscal years is not positive. The PSUs also require a third year of time vesting. The stock options vest in 25% annual increments beginning March 15, 2022 and each anniversary thereafter through March 15, 2025.

Also on March 25, 2021, the Compensation Committee approved the following grants of PSUs (50% of award value), stock options (30% of award value) and restricted stock units (“RSUs”) (20% of award value) for the Company’s Chief Executive Officer and other named executive officers. Other than with respect to Ms. Dillon, the grants of PSUs and stock options are based on Exhibits 10.1 and 10.2, respectively, and the RSUs are based on the form of award agreement previously filed. The RSUs 100% cliff vest on March 15, 2024.

	Grant Date Fair Value of PSUs (\$)	Grant Date Fair Value of Stock Options (\$)	Grant Date Fair Value of RSUs (\$)
Mary N. Dillon	2,600,000	1,560,097	1,040,260
David C. Kimbell	2,255,000	1,353,033	902,294
Scott M. Settersten	832,249	499,434	332,957
Jodi J. Caro	439,234	263,572	175,983
Jeffrey J. Childs	296,712	178,095	118,957

Ms. Dillon’s awards reflect her ongoing commitment and leadership in her role as Chief Executive Officer through June 2, 2021 and thereafter as Executive Chair of the Company’s Board of Directors. To further align her interests with the Company, Ms. Dillon retains her right to vest in her PSUs, stock options and RSUs at the same time and based on the same performance factors as other executives, as long as she continues to provide services as Chief Executive Officer through June 2, 2021, as Executive Chair of the Board through the Company’s annual meeting of stockholders in 2022 and, thereafter complies with certain non-compete, non-solicitation and confidential information covenants through the normal scheduled vesting date. Ms. Dillon’s PSU, stock option and time vesting RSU agreements are attached as Exhibits 10.3, 10.4 and 10.5, respectively, and the agreement which details the restrictive covenants is attached as Exhibit 10.6.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The exhibits listed in the Exhibit Index below are being filed herewith.

<i>Exhibit No.</i>	<i>Description</i>
10.1	<u>New Form of Restricted Stock Unit Award Agreement—PSUs—under the Amended and Restated Ulta Beauty, Inc. 2011 Incentive Award Plan.</u>
10.2	<u>New Form of Stock Option Agreement under the Amended and Restated Ulta Beauty, Inc. 2011 Incentive Award Plan.</u>
10.3	<u>Restricted Stock Unit Award Agreement—PSUs—dated March 25, 2021, with Mary Dillon.</u>
10.4	<u>Stock Option Agreement dated March 25, 2021, with Mary Dillon.</u>
10.5	<u>Restricted Stock Unit Award Agreement dated March 25, 2021, with Mary Dillon.</u>
10.6	<u>Confidential Information & Restrictive Covenants Agreement with Mary Dillon.</u>
104	Cover Page Interactive Data File (the cover page tags are embedded within the Inline XBRL document).

SIGNATURES

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

ULTA BEAUTY, INC.

Date: March 29, 2021

By: /s/ Jodi J. Caro
Jodi J. Caro
General Counsel, Chief Compliance Officer &
Corporate Secretary

ULTA BEAUTY, INC.
 AMENDED AND RESTATED 2011 INCENTIVE AWARD PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT – Performance Shares

Ulta Beauty, Inc. (the “**Company**”) pursuant to the Ulta Beauty, Inc. Amended and Restated 2011 Incentive Award Plan (the “**Plan**”) hereby grants the following individual the right to earn Restricted Stock Units (each, an “**RSU**”), subject to the requirements set forth herein and in the Plan. Each RSU earned entitles the Holder to receive an equal number of shares of common stock, par value \$0.01 per share (“**Shares**”) at settlement, as described herein.

Grant:

Holder	Name: Address: Location:
Grant Date	
Exercise Price per Share	
Target Number of RSUs Granted (“Target Award”)	

Performance Conditions:

Performance Period	[ADD PERFORMANCE PERIOD]
Earning of RSUs and Vesting Date	The RSUs are earned (or not) and become “ Vesting Eligible RSUs ”) based on achievement relative to the performance goals and the formulas set forth on <u>Exhibit A</u> to this Award Agreement. To the extent that the performance goals are met, then any Vesting Eligible RSUs (and any earned Dividend Equivalents thereon) shall be paid to the Holder on [ADD VESTING DATE] (the “ Vesting Date ”), provided the Holder has not incurred a Termination of Service prior to the Vesting Date (except as otherwise provided in Exhibit A).

Unless otherwise defined herein, capitalized terms shall have the same meanings set forth in the Plan.

1. **Determination of Earned RSUs.** The number of Performance Units granted, represents a target number of shares that may be earned based upon satisfaction of the target Performance Goal(s) as set forth on Exhibit A (the “**Target Award**”). The actual number of RSUs earned (“**Vesting Eligible RSUs**”) may be greater or less than the Target Award, or even zero and will be determined based on the Company's actual performance level achieved according to the formulas set forth on Exhibit A. All RSUs that do not become Vesting Eligible RSUs shall be



forfeited. Once the performance conditions for becoming Vesting Eligible RSUs are satisfied, such Vesting Eligible RSUs remain subject forfeiture until RSUs become “**Vested RSUs**” on the Vesting Date, unless otherwise provided on Exhibit A.

2. **Limits on Transfer.** Holder may not sell, pledge, transfer, subject to lien, assign or otherwise hypothecate the RSUs unless and until the RSUs become Vested RSUs, and all other terms and conditions set forth herein and in the Plan have been satisfied. Any attempt to do so contrary to the provisions of this Award Agreement shall be null and void.

3. **Non-Compete, Non-Solicitation and Confidential Information** The grant of the RSUs is subject to Holder either consenting to or having already consented to and abiding by the terms of the Confidential Information & Protective Covenants Agreement.

4. **Forfeiture.** Unless otherwise provided in Exhibit A, the RSUs shall be forfeited upon the Holder’s Termination of Service with the Company or if Holder violates the Confidential Information & Protective Covenants Agreement prior to the Vesting Date, whether or not such RSUs were otherwise Vesting Eligible RSUs.

5. **Settlement and Payment of RSUs.** Unless an earlier date is required in Exhibit A, the Company will deliver to Holder the number of Shares equal to the Vested RSUs as on the Vesting Date. The Company shall deliver the Shares electronically into a brokerage account designated by Holder and shall not be required to deliver actual physical Share certificates. The issuance of Shares in settlement of vested RSUs will be subject to tax withholding, as provided below.

6. **Withholding.** The Company has the authority to deduct or withhold, or require Holder to remit to the Company, an amount sufficient to satisfy applicable federal, state, local and foreign withholding taxes with respect to the Shares issued in settlement of vested RSUs. A Holder may elect to satisfy his tax obligation, in whole or in part: (i) with the consent of the Company, by surrendering Shares or having the Company withhold Shares otherwise issuable under this Award Agreement, in each case with a Fair Market Value on the date of such surrender or withholding equal to the minimum amount of the tax withholding obligation or (ii) by payment in cash or check. Notwithstanding anything to the contrary herein, if the Holder made no such election or the tax obligation arises during a period in which the Holder is prohibited from trading under any policy of the Company or by reason of the Securities Exchange Act of 1934, then the tax withholding obligation shall automatically be satisfied by the Company withholding Shares having a Fair Market Value equal to the minimum amount of the tax withholding obligation. No Shares will be delivered to Holder in settlement of vested RSUs under Section 5 unless and until all tax withholding obligations have been satisfied.

7. **Rights as Stockholder.** The RSUs awarded under this Award Agreement do not confer upon Holder any rights as a stockholder, including but not limited to any right to vote or receive dividends. To the extent that dividends are paid on Shares, Holder shall be entitled to receive with respect to the RSUs, dividend equivalent amounts equal to the regular cash dividend payable to holders of Shares (to the extent regular cash dividends are paid) as if Holder were an actual shareholder with respect to the number of Shares equal to his outstanding RSUs (the “**Dividend Equivalents**”). Holder’s rights to Dividend Equivalents shall cease upon forfeiture or payment of the RSUs. The aggregate amount of such Dividend Equivalents shall be held by the Company, without interest thereon, and paid to Holder as of the next payroll period after the RSUs are settled as provided in Section 5. Any Dividend Equivalents held by the Company on RSUs which do not become Vested RSUs shall be forfeited and retained by the Company.

8. **Employment.** This Award Agreement does not constitute a contract of employment, and does not confer upon Holder the right to be retained in the employ of the Company or any Subsidiary. In addition, nothing in the Plan or this Award Agreement shall be interpreted to interfere with or limit in any way the right of the Company to terminate Holder’s employment or services at any time.


9. **No Additional Rights.** Participation in the Plan is voluntary. The value of the RSUs is an extraordinary item that is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pensions or retirement benefits or similar

payments unless specifically and otherwise provided in such plans. Rather, the awarding of the RSUs under the Plan represents a mere investment.

10. **Limitations on Plan Rights.** The RSUs are granted under and governed by the terms and conditions of the Plan. By acceptance of the RSUs, Holder acknowledges and agrees that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the RSUs under the Plan is a one-time benefit and does not create any contractual or other rights in Holder to receive a grant of stock or benefits in lieu of RSUs in the future. Future grants of RSUs, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of the grant, the number of RSUs, and vesting provisions. The Plan has been introduced voluntarily by the Company and in accordance with the provisions of the Plan may be terminated by the Company at any time. By acceptance of the Restricted Stock Unit Award, Holder consents to the provisions of the Plan and this Award Agreement.

11. **Clawback.** Notwithstanding anything contained in the Award Agreement to the contrary, all RSUs subject this Award Agreement, and any Shares issued upon settlement hereunder shall be subject to forfeiture, or repayment pursuant to the terms of the Company's Senior Leadership Clawback Policy or any other policy that the Company may implement in compliance with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

COMPANY:
ULTA BEAUTY, INC., a Delaware corporation

By: 

Name: Jeffrey Childs
Title: Chief Human Resources Officer

PERFORMANCE VESTING

Defined terms used in this Exhibit A that are not otherwise defined in the Award Agreement or the Plan have the meanings given to such terms in this Exhibit A, including Section 5 below.

1. Vesting Eligible RSUs. Except as provided in Sections 2 or 3 below, the number of RSUs in which Holder shall be eligible to vest (the “**Vesting Eligible RSUs**”) shall be determined according to the following formula:

(a) $((\text{Target Award} \times 50\%) \times 50\% \times \text{First EBT Payout Percentage}) + ((\text{Target Award} \times 50\%) \times \text{First Revenue Payout Percentage}) = \text{“First Vesting Eligible RSUs”}$

(b) $((\text{Target Award} \times 50\%) \times 50\% \times \text{Second EBT Payout Percentage}) + ((\text{Target Award} \times 50\%) \times \text{Second Revenue Payout Percentage}) = \text{“Second Vesting Eligible RSUs”}$

(c) **“Vesting Eligible RSUs”** = First Vesting Eligible RSUs + the Second Vesting Eligible RSUs, but in no event will the Vesting Eligible RSUs exceed the Target Award if the TSR for the Performance Period is zero or negative.

The Committee shall have the sole authority and discretion to determine the Vesting Eligible RSUs at the end of the Performance Period based on the Company’s achievement of EBT, Revenue and TSR goals, and to adjust the performance goals or actual achievement against the goals as provided in the Plan. No RSUs will become Vesting Eligible RSUs until the date the Committee determines and certifies the level of achievement. All RSUs that do not become Vesting Eligible RSUs will be forfeited.

2. Death or Disability. Notwithstanding Section 1 in the event of the Holder’s death or Disability during the Performance Period (a **“Qualifying Termination”**), then the Vesting Eligible RSUs shall equal:

(a) if such Qualifying Termination occurs prior to the end of the Company’s FY2021, then a prorated portion of the Target Award based on the number of days elapsed in the Performance Period through the Holder’s Termination of Service;

(b) if such Qualifying Termination occurs during the Company’s FY2022 then the sum of (i) the First Vesting Eligible RSUs and (ii) 50% of the Target Award, with such amount prorated based on the number of days elapsed in the Performance Period through the Holder’s Termination of Service; and

(c) if such Qualifying Termination occurs following the end of FY2022 but prior to the Vesting Date, then the sum of the First Vesting Eligible RSUs and the Second Vesting Eligible RSUs, with such amount prorated based on the number of days elapsed in the Performance Period through the Holder’s Termination of Service;

(d) Provided, however, if the Company’s TSR as of the date of the Qualifying Termination is negative, the Vesting Eligible RSUs shall not exceed the Target Award.

3. Change in Control. Upon a Change in Control the Performance Period shall terminate and the number of Vesting Eligible RSUs shall equal the greater of (1) the Target Award and (2) the number of RSUs that would be Vesting Eligible RSUs applying the formula in Section 1 based on actual performance through the Change in Control; provided that if the Company’s TSR as of the date of the Change in Control is negative, the Vesting Eligible RSUs shall not exceed the Target Award.

4. Vesting and Settlement Date. Except as otherwise provided in this Section the Vesting Eligible RSUs will vest and be payable on the Vesting Date, provided the Holder has not incurred a Termination of Service prior to the Vesting Date. Notwithstanding the foregoing in the event of the Holder’s death or Disability or termination without Cause during Performance Period but within the twelve (12) month period following a Change in Control, then the

Vesting Eligible RSUs shall vest upon such Termination of Service and will become payable and settled as soon as practicable following the Holder's Termination of Service, but no later than March 15 of the year following the year in which the Holder's Termination of Service occurs.

5. **Definitions.** For purposes of this Award Agreement, the following terms shall have the meanings given below:

(a) **"Cause"** shall mean, as determined in the sole discretion of the Administrator, the Holder's (i) commission of a felony; (ii) dishonesty or misrepresentation involving the Company; (iii) serious misconduct in the performance or non-performance of his or her responsibilities to the Company (e.g., gross negligence, willful misconduct, gross insubordination or unethical conduct) or (iv) violation of any material condition of employment if Holder is an employee of the Company.

(b) **"Disability"** means that the Holder qualifies to receive long-term disability payments under the Company's long-term disability insurance program, as it may be amended from time to time.

(c) **"EBT"** shall mean the operating earnings of the Company for such fiscal year as reported in the Company's publicly filed financial statements.

(d) **"Final Stock Price"** means the Company's 20-trading day average closing stock price on its principal stock exchange through and including the last trading-day of the Performance Period.

(e) **"First EBT Payout Percentage"** shall be the percentage determined pursuant to the Payout Chart for the level of achievement of Company's FY2021 EBT.

(f) **"First Revenue Payout Percentage"** shall be the percentage determined pursuant to the Payout Chart for the level of achievement of the Company's FY2021 Revenue.

(g) **"Payout Chart"** means the following with performance between levels interpolated linearly:

	Below Threshold	Threshold	Target	Maximum
EBT Achievement	Less than 89% Budget	89% of Budget	Budget	110% of Budget
	0%	50%	100%	200%
Revenue Achievement	Less than 89% Budget	89% of Budget	Budget	107% of Budget
Payout Percentage	0%	50%	100%	170%

(h) **"Revenue"** for any fiscal year shall mean the annual revenue of the Company for such fiscal year as reported in the Company's publicly filed financial statements.

(i) **"Second EBT Payout Percentage"** shall be the percentage determined pursuant to the Payout Chart for the level of achievement of Company's FY2022 EBT.

(j) **"Second Revenue Payout Percentage"** shall be the percentage determined pursuant to the Payout Chart for the level of achievement of the Company's FY2022 Revenue.

(k) **"TSR"** shall mean the quotient obtained by dividing Company's Final Stock Price, plus per share dividends paid during the Performance Period (assuming reinvestment in the Company's common stock as of the applicable ex-dividend date), less \$[•], divided by (ii) \$[•].

ULTA BEAUTY, INC.
AMENDED AND RESTATED 2011 INCENTIVE AWARD PLAN
OPTION AGREEMENT - CERTIFICATE

The following evidences a grant of an option (the “**Option**”) to purchase shares of common stock of Ulta Beauty, Inc. (the “**Company**”) pursuant to the Ulta Beauty, Inc. Amended and Restated 2011 Incentive Award Plan (the “**Plan**”) to the following individual and upon the following terms:

Optionee:	Name: Address: Location-
Grant Date:	
Exercise Price Per Share:	
Total Number of Shares Granted:	
Type of Option:	

If designated as an Incentive Stock Option, this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code; provided, however, that to the extent that it does not so qualify that portion which does not so qualify shall be treated as a Non-Qualified Stock Option.

Unless otherwise defined herein, capitalized terms shall have the same meanings as set forth in the Plan.

1. **Vesting Schedule.** The Option shall vest and become exercisable based on Optionee’s continued service as an Employee, Director or Consultant to the Company on the following dates and according to the following schedule:

[ADD VESTING SCHEDULE]

Notwithstanding the foregoing, the Option will be fully vested and exercisable if (i) Optionee has a Termination of Service by reason of death or Disability or (ii) Optionee’s Termination of Service without Cause within twelve (12) months following a Change in Control. If Optionee has a Termination of Service for Cause, then the Option will be forfeited, whether or not previously vested, and all rights Optionee may have to exercise the Option shall immediately terminate. For this purpose “Cause” shall mean, as determined in the sole discretion of the Administrator, the Optionee’s (i) commission of a felony; (ii) dishonesty or misrepresentation involving the Company; (iii) serious misconduct in the performance or non-performance of his or her responsibilities to the Company (e.g. gross negligence, willful misconduct, gross insubordination or unethical conduct); and (iv) if Optionee is an employee of the Company, violation of any material condition of employment.

2. **Option Period.** The Option shall be valid for a term commencing on the Grant Date and will expire the earliest of: (i) ten (10) years from the Grant Date; (ii) the date three (3) months after the Optionee’s Termination of Service for any reason other than death, Disability, or Retirement; (iii) the date twelve (12) months after the Optionee’s Termination of Service by reason of death, Disability, or Retirement; or (iv) the date of Optionee’s Termination of Service for reasons of Cause. For this purpose “Disability” means that the Optionee qualifies to receive long-term disability payments under the Company’s long-term disability insurance program, as it may be amended from time to time; and “Retirement” means the date Optionee retires from the Company, on or after the sum of the Optionee’s age and years of [uninterrupted] service with the Company is greater than or equal to seventy (70).

3. **Exercise.** The Option may be exercised at any time during its term to the extent vested. If Optionee has a Termination of Service any unvested portion of the Option will terminate and will no longer be exercisable. The Option may not be exercised for fractional shares. In order to exercise the Option, Optionee shall be required to execute such forms and provide such notice as the Company may require from time to time. The Option will not be deemed exercised until the Exercise Price for each

share, plus any required tax withholding is delivered to the Company. The Exercise Price may be paid pursuant to any method allowable under the Plan.

4. **Non-Compete, Non-Solicitation and Confidential Information** The grant of this Option is subject to the Optionee's either consenting to or having already consented to and abiding by the terms of the attached Confidential Information & Protective Covenants Agreement.

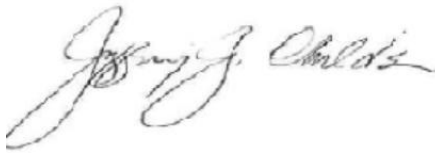
5. **Withholding** The Company has the authority to deduct or withhold, or require Optionee to remit to the Company, an amount sufficient to satisfy applicable federal, state, local and foreign taxes arising from this Option. Optionee may satisfy his or her tax obligation, in whole or in part: (i) with the consent of the Company, by having the Company withhold shares otherwise to be delivered with a fair market value equal to the minimum amount of the tax withholding obligation; (ii) with the consent of the Company, by having the Optionee surrender to the Company previously owned Common Stock with a fair market value equal to the minimum amount of the tax withholding obligation; (iii) by payment in cash or check; or (iv) with the consent of the Company, by delivery of a notice that the Optionee has placed a market sell order with a broker with respect to shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the withholding amount; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale.

6. **No Additional Rights** Participation in the Plan is voluntary. The value of the option is an extraordinary item of compensation outside the scope of Optionee's employment contract, if any. As such, the option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pensions or retirement benefits or similar payments unless specifically and otherwise provided in such plans. Rather, the awarding of an option under the Plan represents a mere investment opportunity.

7. **Not Transferable** This Option is not transferable except by will or the laws of descent and distribution.

8. **Limitations on Plan Rights** This Option is granted under and governed by the terms and conditions of the Plan. By acceptance of this Option Optionee acknowledges and agrees that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of an option under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of options or benefits in lieu of options in the future. Future grants of options, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of the grant, the number of stock options, vesting provisions, and the exercise price. The Plan has been introduced voluntarily by the Company and in accordance with the provisions of the Plan may be terminated by the Company at any time. By acceptance of this Option, Optionee consents to the provisions of the Plan and this Agreement. Defined terms used herein shall have the meaning set forth in the Plan, unless otherwise defined herein.

COMPANY:
ULTA BEAUTY, INC., a Delaware corporation

By: 

Name: Jeffrey Childs
Title: Chief Human Resources Officer

ULTA BEAUTY, INC.
AMENDED AND RESTATED 2011 INCENTIVE AWARD PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT – Performance Shares

Ulta Beauty, Inc. (the “Company”) pursuant to the Ulta Beauty, Inc. Amended and Restated 2011 Incentive Award Plan (the “Plan”) hereby grants the following individual the right to earn Restricted Stock Units (each, an “RSU”), subject to the requirements set forth herein and in the Plan. Each RSU earned entitles the Holder to receive an equal number of shares of common stock, par value \$0.01 per share (“Shares”) at settlement, as described herein.

Grant:

Holder	Name: Address: Location:
Grant Date	March 25, 2021
Exercise Price per Share	
Target Number of RSUs Granted (“Target Award”)	

Performance Conditions:

Performance Period	January 31, 2021-February 3, 2024
Earning of RSUs and Vesting Date	The RSUs are earned (or not) and become “ Vesting Eligible RSUs ”) based on achievement relative to the performance goals and the formulas set forth on <u>Exhibit A</u> to this Award Agreement. To the extent that the performance goals are met, then any Vesting Eligible RSUs (and any earned Dividend Equivalents thereon) shall be paid to the Holder on March 15, 2024 (the “ Vesting Date ”), provided the Holder has satisfied the Vesting Conditions (as defined in <u>Exhibit A</u>).

Unless otherwise defined herein, capitalized terms shall have the same meanings set forth in the Plan.

1. **Determination of Earned RSUs.** The number of Performance Units granted, represents a target number of shares that may be earned based upon satisfaction of the target Performance Goal(s) as set forth on Exhibit A (the “**Target Award**”). The actual number of RSUs earned (“**Vesting Eligible RSUs**”) may be greater or less than the Target Award, or even zero and will be determined based on the Company’s actual performance level achieved according to the formulas set forth on Exhibit A. All RSUs that do not become Vesting Eligible RSUs shall be forfeited. Once the performance conditions for becoming Vesting Eligible RSUs are satisfied, such Vesting Eligible RSUs remain subject forfeiture until RSUs become “**Vested RSUs**” on the Vesting Date, unless otherwise provided on Exhibit A.

2. **Limits on Transfer.** Holder may not sell, pledge, transfer, subject to lien, assign or otherwise hypothecate the RSUs unless and until the RSUs become Vested RSUs, and all other terms and conditions set forth herein and in the Plan have been satisfied. Any attempt to do so contrary to the provisions of this Award Agreement shall be null and void.

3. **Non-Compete, Non-Solicitation and Confidential Information** The grant of the RSUs is subject to Holder entering into and abiding by the terms of the Confidential Information & Restrictive Covenants Agreement (the “**CIRCA**”).

4. **Forfeiture.** Unless otherwise provided in Exhibit A, the RSUs shall be forfeited upon the Holder's violation of the Vesting Conditions, whether or not such RSUs were otherwise Vesting Eligible RSUs.

5. **Settlement and Payment of RSUs.** Unless an earlier date is required in Exhibit A, the Company will deliver to Holder the number of Shares equal to the Vested RSUs as on the Vesting Date. The Company shall deliver the Shares electronically into a brokerage account designated by Holder and shall not be required to deliver actual physical Share certificates. The issuance of Shares in settlement of vested RSUs will be subject to tax withholding, as provided below.

6. **Withholding.** The Company has the authority to deduct or withhold, or require Holder to remit to the Company, an amount sufficient to satisfy applicable federal, state, local and foreign withholding taxes with respect to the Shares issued in settlement of vested RSUs. A Holder may elect to satisfy his tax obligation, in whole or in part: (i) with the consent of the Company, by surrendering Shares or having the Company withhold Shares otherwise issuable under this Award Agreement, in each case with a Fair Market Value on the date of such surrender or withholding equal to the minimum amount of the tax withholding obligation or (ii) by payment in cash or check. Notwithstanding anything to the contrary herein, if the Holder made no such election or the tax obligation arises during a period in which the Holder is prohibited from trading under any policy of the Company or by reason of the Securities Exchange Act of 1934, then the tax withholding obligation shall automatically be satisfied by the Company withholding Shares having a Fair Market Value equal to the minimum amount of the tax withholding obligation. No Shares will be delivered to Holder in settlement of vested RSUs under Section 5 unless and until all tax withholding obligations have been satisfied.

7. **Rights as Stockholder.** The RSUs awarded under this Award Agreement do not confer upon Holder any rights as a stockholder, including but not limited to any right to vote or receive dividends. To the extent that dividends are paid on Shares, Holder shall be entitled to receive with respect to the RSUs, dividend equivalent amounts equal to the regular cash dividend payable to holders of Shares (to the extent regular cash dividends are paid) as if Holder were an actual shareholder with respect to the number of Shares equal to his outstanding RSUs (the "**Dividend Equivalents**"). Holder's rights to Dividend Equivalents shall cease upon forfeiture or payment of the RSUs. The aggregate amount of such Dividend Equivalents shall be held by the Company, without interest thereon, and paid to Holder as of the next payroll period after the RSUs are settled as provided in Section 5. Any Dividend Equivalents held by the Company on RSUs which do not become Vested RSUs shall be forfeited and retained by the Company.

8. **Employment.** This Award Agreement does not constitute a contract of employment, and does not confer upon Holder the right to be retained in the employ of the Company or any Subsidiary. In addition, nothing in the Plan or this Award Agreement shall be interpreted to interfere with or limit in any way the right of the Company to terminate Holder's employment or services at any time.

9. **No Additional Rights.** Participation in the Plan is voluntary. The value of the RSUs is an extraordinary item that is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pensions or retirement benefits or similar payments unless specifically and otherwise provided in such plans. Rather, the awarding of the RSUs under the Plan represents a mere investment.

10. **Limitations on Plan Rights.** The RSUs are granted under and governed by the terms and conditions of the Plan. By acceptance of the RSUs, Holder acknowledges and agrees that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the RSUs under the Plan is a one-time benefit and does not create any contractual or other rights in Holder to receive a grant of stock or benefits in lieu of RSUs in the future. Future grants of RSUs, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of the grant, the number of RSUs, and vesting provisions. The Plan has been introduced voluntarily by the Company and in accordance with the provisions of the Plan may be terminated by the Company at any time. By acceptance of the Restricted Stock Unit Award, Holder consents to the provisions of the Plan, this Award Agreement and the CIRCA.

11. **Clawback.** Notwithstanding anything contained in the Award Agreement to the contrary, all RSUs subject this Award Agreement, and any Shares issued upon settlement hereunder shall be subject to forfeiture, or repayment pursuant to the terms of the Company's Senior Leadership Clawback Policy or any other policy that the Company may implement in compliance with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

COMPANY:
ULTA BEAUTY, INC., a Delaware corporation

A handwritten signature in cursive script, appearing to read "Jeffrey Childs".

By:
Name: Jeffrey Childs
Title: Chief Human Resources Officer

EXHIBIT A
PERFORMANCE VESTING

Defined terms used in this Exhibit A that are not otherwise defined in the Award Agreement or the Plan have the meanings given to such terms in this Exhibit A, including Section 5 below.

1. Vesting Eligible RSUs. Except as provided in Sections 2 or 3 below, the number of RSUs in which Holder shall be eligible to vest (the "**Vesting Eligible RSUs**") shall be determined according to the following formula:

(a) $((\text{Target Award} \times 50\%) \times 50\% \times \text{First EBT Payout Percentage}) + ((\text{Target Award} \times 50\%) \times \text{First Revenue Payout Percentage}) = \text{"First Vesting Eligible RSUs"}$

(b) $((\text{Target Award} \times 50\%) \times 50\% \times \text{Second EBT Payout Percentage}) + ((\text{Target Award} \times 50\%) \times \text{Second Revenue Payout Percentage}) = \text{"Second Vesting Eligible RSUs"}$

(c) **"Vesting Eligible RSUs"** = First Vesting Eligible RSUs + the Second Vesting Eligible RSUs, but in no event will the Vesting Eligible RSUs exceed the Target Award if the TSR for the Performance Period is zero or negative.

The Committee shall have the sole authority and discretion to determine the Vesting Eligible RSUs at the end of the Performance Period based on the Company's achievement of EBT, Revenue and TSR goals, and to adjust the performance goals or actual achievement against the goals as provided in the Plan. No RSUs will become Vesting Eligible RSUs until the date the Committee determines and certifies the level of achievement. All RSUs that do not become Vesting Eligible RSUs will be forfeited.

2. Death. Notwithstanding Section 1 in the event of the Holder's death then the Vesting Eligible RSUs shall equal:

(a) if such death occurs prior to the end of the Company's FY2021, then a prorated portion of the Target Award based on the number of days elapsed in the Performance Period through the Holder's death;

(b) if such death occurs during the Company's FY2022 then the sum of (i) the First Vesting Eligible RSUs and (ii) 50% of the Target Award, with such amount prorated based on the number of days elapsed in the Performance Period through the Holder's death; and

(c) if Holder's death occurs following the end of FY2022 but prior to the Vesting Date, then the sum of the First Vesting Eligible RSUs and the Second Vesting Eligible RSUs, with such amount prorated based on the number of days elapsed in the Performance Period through the Holder's death;

(d) Provided, however, if the Company's TSR as of the date of the death is negative, the Vesting Eligible RSUs shall not exceed the Target Award.

3. Change in Control. Upon a Change in Control the Performance Period shall terminate and the number of Vesting Eligible RSUs shall equal the greater of (1) the Target Award and (2) the number of RSUs that would be Vesting Eligible RSUs applying the formula in Section 1 based on actual performance through the Change in Control; provided that if the Company's TSR as of the date of the Change in Control is negative, the Vesting Eligible RSUs shall not exceed the Target Award.

4. Vesting and Settlement Date. Except as otherwise provided in this Section the Vesting Eligible RSUs will vest and be payable on the Vesting Date, provided the Holder complies with the Vesting Conditions through the Vesting Date. Notwithstanding the foregoing in the event of the Holder's death or termination without Cause during Performance Period but within the twelve (12) month period following a Change in Control, then the Vesting Eligible RSUs shall vest upon such death or Termination of Service and will become payable and settled as soon as practicable following the Holder's death or Termination of Service, but no later than March 15 of the year following the year in which the Holder's death or Termination of Service occurs.

5. Definitions. For purposes of this Award Agreement, the following terms shall have the meanings given below:

(a) **"Cause"** shall mean, as determined in the sole discretion of the Administrator, the Holder's (i) commission of a felony; (ii) dishonesty or misrepresentation involving the Company; (iii) serious misconduct in the performance or non-performance of his or her responsibilities to the Company (e.g., gross negligence, willful misconduct, gross insubordination or unethical conduct) or (iv) violation of any material condition of employment if Holder is an employee of the Company.

(b) “**EBT**” shall mean the operating earnings of the Company for such fiscal year as reported in the Company’s publicly filed financial statements.

(c) “**Final Stock Price**” means the Company’s 20-trading day average closing stock price on its principal stock exchange through and including the last trading-day of the Performance Period.

(d) “**First EBT Payout Percentage**” shall be the percentage determined pursuant to the Payout Chart for the level of achievement of Company’s FY2021 EBT.

(e) “**First Revenue Payout Percentage**” shall be the percentage determined pursuant to the Payout Chart for the level of achievement of the Company’s FY2021 Revenue.

(f) “**Payout Chart**” means the following with performance between levels interpolated linearly:

	Below Threshold	Threshold	Target	Maximum
EBT Achievement	Less than 89% Budget	89% of Budget	Budget	110% of Budget
	0%	50%	100%	200%
Revenue Achievement	Less than 89% Budget	89% of Budget	Budget	107% of Budget
Payout Percentage	0%	50%	100%	170%

(g) “**Revenue**” for any fiscal year shall mean the annual revenue of the Company for such fiscal year as reported in the Company’s publicly filed financial statements.

(h) “**Second EBT Payout Percentage**” shall be the percentage determined pursuant to the Payout Chart for the level of achievement of Company’s FY2022 EBT.

(i) “**Second Revenue Payout Percentage**” shall be the percentage determined pursuant to the Payout Chart for the level of achievement of the Company’s FY2022 Revenue.

(j) “**TSR**” shall mean the quotient obtained by dividing Company’s Final Stock Price, plus per share dividends paid during the Performance Period (assuming reinvestment in the Company’s common stock as of the applicable ex-dividend date), less \$[•], divided by (ii) \$[•].

(k) “**Vesting Conditions**” shall mean (i) Holder’s continued service as an Employee or Director through the earlier of (a) the Company’s annual meeting of shareholders to be held in 2022, (b) a Change in Control, or (c) Termination of Service by action of the Company other than for Cause, and (ii) Holder’s continued compliance with the CIRCA. The Vesting Conditions will not be satisfied if Holder has a Termination of Service by reason of resignation prior to the Company’s annual meeting of shareholders to be held in 2022.

**ULTA BEAUTY, INC.
 AMENDED AND RESTATED 2011 INCENTIVE AWARD PLAN
 OPTION AGREEMENT - CERTIFICATE**

The following evidences a grant of an option (the “**Option**”) to purchase shares of common stock of Ulta Beauty, Inc. (the “**Company**”) pursuant to the Ulta Beauty, Inc. Amended and Restated 2011 Incentive Award Plan (the “**Plan**”) to the following individual and upon the following terms:

Optionee:	Name: Address: Location-
Grant Date:	
Exercise Price Per Share:	
Total Number of Shares Granted:	
Type of Option:	

If designated as an Incentive Stock Option, this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code; provided, however, that to the extent that it does not so qualify that portion which does not so qualify shall be treated as a Non-Qualified Stock Option.

Unless otherwise defined herein, capitalized terms shall have the same meanings as set forth in the Plan.

1. **Vesting Schedule.** Subject to Optionee’s continued satisfaction of the Vesting Conditions on such dates, the Option shall vest and become exercisable on the following dates and according to the following schedule:

[ADD VESTING SCHEDULE]

Notwithstanding the foregoing, the Option will be fully vested and exercisable if (i) Optionee has a Termination of Service by reason of death or Disability, or (ii) Optionee’s Termination of Service without Cause within twelve (12) months following a Change in Control. If Optionee has a Termination of Service for Cause or has a Restrictive Covenant Violation, then the Option will be forfeited, whether or not previously vested, and all rights Optionee may have to exercise the Option shall immediately terminate.

For this purpose:

“**Cause**” shall mean, as determined in the sole discretion of the Administrator, the Optionee’s (i) commission of a felony; (ii) dishonesty or misrepresentation involving the Company; (iii) serious misconduct in the performance or non-performance of his or her responsibilities to the Company (e.g. gross negligence, willful misconduct, gross insubordination or unethical conduct); and (iv) if Optionee is an employee of the Company, violation of any material condition of employment.

“**Restrictive Covenant Violation**” shall mean Optionee’s violation of the provisions of the CIRCA.



“**Vesting Conditions**” shall mean both (i) Optionee’s continued service as an Employee or Director through the earlier of (a) the Company’s annual meeting of shareholders to be held in 2022, (b) a Change in Control, or (c) Optionee’s Termination of Service by action of the Company, other than for Cause, *and* (ii) Optionee’s continued compliance with the CIRCA. The Vesting Conditions will not be satisfied if the Optionee has a Termination of Service by reason of Holder’s resignation prior to the Company’s annual meeting of shareholders to be held in 2022.

2. **Option Period.** The Option shall be valid for a term commencing on the Grant Date and will expire the earliest of: (i) ten (10) years from the Grant Date; (ii) the date of Optionee’s Termination of Service for reasons of Cause or (iii) the date the Optionee violates the Vesting Conditions.

3. **Exercise.** The Option may be exercised at any time during its term to the extent vested. If Optionee violates the Vesting Conditions, then the unvested portion of the Option will terminate and will no longer be exercisable. The Option may not be exercised for fractional shares. In order to exercise the Option, Optionee shall be required to execute such forms and provide such notice as the Company may require from time to time. The Option will not be deemed exercised until the Exercise Price for each share, plus any required tax withholding is delivered to the Company. The Exercise Price may be paid pursuant to any method allowable under the Plan.

4. **Non-Compete, Non-Solicitation and Confidential Information** The grant of this Option is subject to the Optionee’s entering into and abiding by the terms of the attached Confidential Information & Restrictive Covenants (the “CIRCA”).

5. **Withholding.** The Company has the authority to deduct or withhold, or require Optionee to remit to the Company, an amount sufficient to satisfy applicable federal, state, local and foreign taxes arising from this Option. Optionee may satisfy his or her tax obligation, in whole or in part : (i) with the consent of the Company, by having the Company withhold shares otherwise to be delivered with a fair market value equal to the minimum amount of the tax withholding obligation; (ii) with the consent of the Company, by having the Optionee surrender to the Company previously owned Common Stock with a fair market value equal to the minimum amount of the tax withholding obligation; (iii) by payment in cash or check; or (iv) with the consent of the Company, by delivery of a notice that the Optionee has placed a market sell order with a broker with respect to shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the withholding amount; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale.

6. **No Additional Rights.** Participation in the Plan is voluntary. The value of the option is an extraordinary item of compensation outside the scope of Optionee’s employment contract, if any. As such, the option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pensions or retirement benefits or similar payments unless specifically and otherwise provided in such plans. Rather, the awarding of an option under the Plan represents a mere investment opportunity.

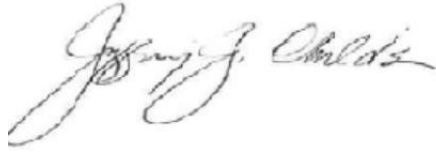
7. **Not Transferable.** This Option is not transferable except by will or the laws of descent and distribution.

8. **Limitations on Plan Rights.** This Option is granted under and governed by the terms and conditions of the Plan. By acceptance of this Option Optionee acknowledges and agrees that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of an option under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of options or benefits in lieu of options in the future. Future grants of options, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of the grant, the number of stock options, vesting provisions, and the exercise price. The Plan has been introduced voluntarily by the Company and in accordance with the provisions of the Plan may be terminated by the Company at any time. By acceptance of this Option, Optionee consents to the provisions of the Plan, this Agreement and the CIRCA. Defined terms used herein shall have the meaning set forth in the Plan, unless otherwise defined herein.

9. **Clawback.** Notwithstanding anything contained in the Agreement to the contrary, the Options, and any Shares issued upon exercise of the Option shall be subject to forfeiture, or repayment pursuant to the terms of the Company's Senior Leadership Clawback Policy or any other policy that the Company may implement in compliance with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

COMPANY:

ULTA BEAUTY, INC., a Delaware corporation

A handwritten signature in cursive script, appearing to read "Jeffrey Childs", written in black ink.

By:

Name: Jeffrey Childs
Title: Chief Human Resources Officer

ULTA BEAUTY, INC.
AMENDED AND RESTATED 2011 INCENTIVE AWARD PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

Ulta Beauty, Inc. (the “**Company**”) pursuant to the Amended and Restated Ulta Beauty, Inc. 2011 Incentive Award Plan (the “**Plan**”) hereby grants the number of Restricted Stock Units (each, an “**RSU**”) set forth below to the following individual, subject to the restrictions on transfer and forfeiture and such other limitations set forth herein and in the Plan. Each RSU entitles the Holder to receive an equal number of shares of common stock, par value \$0.01 per share (“**Shares**”) at settlement, as described herein.

Name: <first_name> <last_name>	Address: <address_1> <address_2> <address_3> <city>, <state> <zip>
Grant Date	<award_date>
Total Number of RSUs Granted	<shares_awarded>

Unless otherwise defined herein, capitalized terms shall have the same meanings set forth in the Plan.

1. **Vesting Schedule.** The RSUs are subject to the restrictions on transfer set forth in Section 2 and may be forfeited as provided in Section 4, until vested. Once vested, then the RSUs shall be settled and paid on the dates and as provided in Section 5. Subject to continued satisfaction of the Vesting Conditions through such date, Holder shall vest in full in the RSUs on the earlier of:

- (a) [DATE], 2024;
- (b) Holder’s death; or
- (c) Holder’s Termination of Service without Cause within twelve (12) months following a Change in Control.

For purposes of this Award Agreement:

“**Cause**” shall mean, as determined in the sole discretion of the Administrator, the Holder’s (i) commission of a felony; (ii) dishonesty or misrepresentation involving the Company; (iii) serious misconduct in the performance or non-performance of his or her responsibilities to the Company (e.g., gross negligence, willful misconduct, gross insubordination or unethical conduct); or (iv) violation of any material condition of employment if Holder is an employee of the Company.

“**Vesting Conditions**” shall mean (i) Holder’s continued service as an Employee or Director through the earlier of (a) the Company’s annual meeting of shareholders to be held in 2022, (b) a Change in Control, or (c) Termination of Service by action of the Company other than for Cause, *and* (ii) Holder’s continued compliance with the CIRCA. The Vesting Conditions will not be satisfied if Holder has a Termination of Service by reason of resignation prior to the Company’s annual meeting of shareholders to be held in 2022.

2. **Limits on Transfer.** Holder may not sell, pledge, transfer, subject to lien, assign or otherwise hypothecate the RSUs unless and until the RSUs have vested, and all other terms and conditions set forth herein and, in the Plan, have been satisfied. Any attempt to do so contrary to the provisions of this Award Agreement shall be null and void.

3. **Non-Compete, Non-Solicitation and Confidential Information** The grant of the RSUs is subject to Holder entering to and abiding by the terms of the attached Confidential Information & Restrictive Covenants Agreement (“**CIRCA**”).

4. **Forfeiture**. Unless otherwise provided herein, all unvested RSUs shall be forfeited upon the Holder’s violation of the Vesting Conditions.

5. **Settlement and Payment of RSUs**. The RSUs to the extent vested as provided in Section 1, will become payable and settled in an equal number of Shares on, or as soon as practical following the earlier of the following (the “**Settlement Date**”):

- (a) March 15, 2024;
- (b) Holder’s death; or
- (c) Holder’s Termination of Service without Cause within twelve(12) months following a Change in Control.

6. The Company shall deliver the Shares electronically into a brokerage account designated by Holder and shall not be required to deliver actual physical Share certificates. The issuance of Shares in settlement of vested RSUs will be subject to tax withholding, as provided below.

7. **Withholding**. The Company has the authority to deduct or withhold, or require Holder to remit to the Company, an amount sufficient to satisfy applicable federal, state, local and foreign withholding taxes with respect to the vesting and settlement of the vested RSUs. Holder may elect to satisfy his tax obligation, in whole or in part: (i) with the consent of the Company, by surrendering Shares or having the Company withhold Shares otherwise issuable under this Award Agreement, in each case with a Fair Market Value on the date of such surrender or withholding equal to the minimum amount of the tax withholding obligation or (ii) by payment in cash or check. Notwithstanding anything to the contrary herein, if the Holder made no such election or the tax obligation arises during a period in which the Holder is prohibited from trading under any policy of the Company or by reason of the Securities Exchange Act of 1934, then the tax withholding obligation shall automatically be satisfied by the Company withholding Shares having a Fair Market Value equal to the minimum amount of the tax withholding obligation. No Shares will be delivered to Holder in settlement of vested RSUs under Section 5 unless and until all tax withholding obligations have been satisfied.

8. **Rights as Stockholder**. The RSUs awarded under this Award Agreement do not confer upon Holder any rights as a stockholder, including but not limited to any right to vote or receive dividends. To the extent that dividends are paid on Shares, Holder shall be entitled to receive with respect to the RSUs, dividend equivalent amounts equal to the regular cash dividend payable to holders of Shares (to the extent regular cash dividends are paid) as if Holder were an actual shareholder with respect to the number of Shares equal to his outstanding RSUs (the “**Dividend Equivalents**”). Participant’s rights to Dividend Equivalents shall cease upon forfeiture or payment of the RSUs. The aggregate amount of such Dividend Equivalents shall be held by the Company, without interest thereon, and paid to Participant as of the next payroll period after the Settlement Date. Any Dividend Equivalents held by the Company on RSUs which do not vest, shall be forfeited and retained by the Company.

9. **Employment**. This Award Agreement does not constitute a contract of employment, and does not confer upon Holder the right to be retained in the employ of the Company or any Subsidiary. In addition, nothing in the Plan or this Award Agreement shall be interpreted to interfere with or limit in any way the right of the Company to terminate Holder’s employment or services at any time.

10. **No Additional Rights**. Participation in the Plan is voluntary. The value of the RSUs is an extraordinary item that is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pensions or retirement benefits or

similar payments unless specifically and otherwise provided in such plans. Rather, the awarding of the RSUs under the Plan represents a mere investment.


11. **Limitations on Plan Rights.** The RSUs are granted under and governed by the terms and conditions of the Plan. By acceptance of the RSUs, Holder acknowledges and agrees that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the RSUs under the Plan is a one-time benefit and does not create any contractual or other rights in Holder to receive a grant of stock or benefits in lieu of RSUs in the future. Future grants of RSUs, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of the grant, the number of RSUs, and vesting provisions. The Plan has been introduced voluntarily by the Company and in accordance with the provisions of the Plan may be terminated by the Company at any time. By acceptance of the Restricted Stock Unit Award, Holder consents to the provisions of the Plan, this Award Agreement and the CIRCA.

12. **Clawback.** Notwithstanding anything contained in the Agreement to the contrary, all RSUs under this Agreement, and any Shares issued upon settlement hereunder shall be subject to forfeiture, or repayment pursuant to the terms of the Company's Senior Leadership Clawback Policy or any other policy that the Company may implement in compliance with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

13. **Section 409A.** To the extent Section 409A of the Code is applicable to the RSUs granted under this Award Agreement, then this Award Agreement and the RSUs granted thereunder are intended to comply with Section 409A and to be interpreted and construed consistent with such intent. Without limiting the generality of the foregoing, if Holder is a "specified employee" within the meaning of Section 409A, as determined under the Company's established methodology for determining specified employees, then to the extent required in order to avoid accelerated taxation or tax penalties under Section 409A, Shares that would otherwise be issued under this Award (or any other amount due hereunder) upon Termination of Service shall instead be issued on the first business day after the first to occur of (i) the date that is six months following the Holder's Termination of Service and (ii) the date of the Holder's death. For purposes of this Agreement, the terms "terminate," "terminated" and "termination" and "Termination of Service" mean a termination of Holder's employment that constitutes a "separation from service" within the meaning of the default rules of Section 409A of the Code.

COMPANY:

ULTA BEAUTY, INC., a Delaware corporation



By:

Name: Jeffrey Childs

Title: Chief Human Resources Officer

CONFIDENTIAL INFORMATION & RESTRICTIVE COVENANTS AGREEMENT

Employee: Mary Dillon (“Employee”).

Company: ULTA Inc. (“ULTA”), 1000 Remington Blvd., Suite 120, Bolingbrook, Illinois 60440, including its subsidiaries and affiliates (“Company”).

THIS CONFIDENTIAL INFORMATION & PROTECTIVE COVENANTS AGREEMENT (“Agreement”) is between Mary Dillon “**Employee**” and Ulta Beauty, Inc. and its subsidiaries collectively the “**Company**”. Employee and the Company are collectively referred to as the “**Parties.**”

Employee serves as Chief Executive Officer and a director of the Company and beginning June 1, 2021 will serve as Executive Chair of the Company. In such positions Employee has gained and will continue to gain access to and use of the Company’s Confidential Information and Trade Secrets and customer goodwill. In consideration of and as a condition of the grant by the Company of and continued vesting in the restricted stock units, stock options and performance vesting restricted stock units granted on March 25, 2021 (collectively the “**2021 Awards**”) Employee and for other good and valuable consideration, ULTA and Employee agree as follows:

SECTION 1. 2013 Agreement and 2021 Awards

1.1 2013 Agreement. Employee and the Company entered into a Confidential Information & Protective Covenants Agreement as of June 20, 2013 (the “2013 Agreement”) pursuant to which Employee agreed to certain covenants regarding confidential information, non-competition and non-solicitation of customers and employees. Except as provided in Section 6.d. this Agreement supersedes and replaces the 2013 Agreement.

1.2 2021 Awards. The Parties agree that Employee’s right to retain and vest in the 2021 Awards is conditioned upon Employee’s compliance with this Agreement. Should Employee breach this Agreement, then Employee shall forfeit all rights to the 2021 Awards that have not vested or in the case of stock options have not been exercised, whether or not previously vested.

SECTION 2. Confidential Information and Proprietary Materials.

2.1 Definition of Confidential Information and Trade Secrets. “Confidential Information” refers to non-public and competitively sensitive information (in any form) related to the business of the Company that the Company treats as confidential and the Employee learned as a result of his or her Company employment. Confidential Information includes the Company’s financial, customer, employee, vendor, supply chain and inventory databases, Company’s non-public information regarding inventions, research, development, manufacturing, purchasing, finance, computer software, computer hardware, automated systems, engineering, marketing, merchandising, purchasing, selling, sales volumes or strategies, including vendor information, names or significance of the Company’s customers or clients or their employees or representatives, preferences, needs or requirements, purchasing histories, or other customer or client-specific information, and business plans and analysis. Confidential Information will also include information about the business affairs of third parties (including, but not limited to, customers and acquisition targets) that such third parties provide to Company in confidence. Confidential Information will not lose its protected status under this Agreement if it becomes generally known to the public or to other persons through improper means such as the unauthorized use or disclosure of the information by Employee or another person. Confidential Information does not include Employee’s skills or general knowledge Employee gains that is not a result of Company’s employment. “Trade Secrets” of the Company mean any trade secret as defined under any applicable law that governs trade secrets.

2.2 Unauthorized Use or Disclosure. Employee agrees not to engage in any unauthorized use or disclosure of Confidential Information. The obligations of this paragraph will apply throughout Employee’s employment with the Company and for so long as the Confidential Information remains information that the Company maintains as confidential. Employee agrees not to engage in any unauthorized use or disclosure of Company’s Trade Secrets as long as they remain Trade Secrets. Nothing in this Agreement is intended, or shall be construed to prohibit Employee from disclosing information if compelled by law to do so (such as by a court order

or valid subpoena). However, if disclosure is compelled by law, Employee will cooperate with Company in efforts to protect such information to the full extent allowed by law. Employee understands Employee is permitted to disclose Confidential Information to any governmental agency or entity, or make any other disclosure that is protected under any whistleblower law or regulation without notice or authorization from the Company if the disclosure is for the purpose of reporting a possible violation of law. Employee will not use or refer to Confidential Information in articles, publications, lectures, or presentations to third parties without advance written authorization of the Company, and will comply with all confidentiality and public communication policies of the Company. This paragraph's prohibitions against disclosure of Confidential Information are not intended to prohibit employees covered by Section 7 of the National Labor Relations Act from engaging in otherwise protected communications concerning the terms and conditions of their employment. Employee understands that the Defend Trade Secrets Act of 2016 provides that Employee will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a Trade Secret that: (1) is made (a) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law, or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

2.3 Employee Recordkeeping and Computer Use. Employee agrees to preserve records on current and prospective Company customers, suppliers, and other business relationships that he or she develops or helps to develop while employed with the Company, and any additional records that incorporate Confidential Information, and copies thereof (collectively "Proprietary Materials"), and agrees not to destroy or delete any such Proprietary Materials without the prior authorization of the Company that is specific to those materials. Employee will not knowingly use Company computers, email, databases, or other resources for a purpose that conflicts with the business interests of the Company. Upon the termination of Employee's service as a director of the Company (or earlier if so requested), Employee will return to Company all Proprietary Materials and all copies thereof (whether maintained as hard copies, email, on flash drives or any other storage device), that are in Employee's possession or control, as well as all of Company's property including electronic devices, computers, tablets, and external storage devices without deleting data. To the extent any such data is maintained on Employee's personal electronic device(s), Employee will cooperate with Company so that Company may delete and, if necessary, copy the data.

2.4 Intellectual Property. Employee agrees to promptly inform Company's Legal Department and disclose to Company all inventions, ideas, improvements, systems or processes, software, discoveries, and other intellectual property (collectively referred to as "inventions") or copyright eligible works, that he or she develops, discovers, or creates that: (a) relate to the business of the Company or its affiliates, or to their actual or demonstrably anticipated research, development and strategy, future work, or projects, whether or not conceived or developed alone or with others, and whether or not conceived or developed during regular working hours; (b) result from any work Employee performed for Company or its affiliates; (c) involve the use or assistance of time, property, tools or other resources of the Company or its affiliates, all such inventions, works or creations being hereafter referred to as "Company Inventions." All Company Inventions, and rights thereto, moral and otherwise, will be Company's exclusive property unless otherwise agreed by the Parties in writing. While employed, and as necessary afterwards, Employee will assist Company to obtain patents or copyrights on all such Company Inventions, and will execute any documents and do everything necessary to obtain for Company the copyrights, patents, licenses, and other rights and interests that would be necessary to secure for the Company the complete and exclusive benefit of Company Inventions to the maximum extent allowed by law. Employee does hereby grant and assign to Company all right, title, and interest to any Company Inventions that Employee has acquired or may subsequently acquire while employed with the Company. Except where Employee can show otherwise by clear and convincing evidence, it shall be presumed that any invention created or conceived, in whole or in part, by Employee within a one year period following the termination of Employee's employment with the Company that relates to the business of Company or its affiliates, or any actual or demonstrably anticipated research of Company or its affiliates, shall be considered a Company Invention that is assigned to the Company by Employee. Notwithstanding the above language, to the extent not preempted by federal law, and if applicable state law where Employee resides requires it, such as in California (pursuant to Cal. Lab. Code, § 2870), Delaware, Illinois, Kansas, Minnesota, North Carolina, Utah, or Washington, Employee is notified that: no provision in this Agreement requires Employee to assign any of his or her rights to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Employee's own time, unless (a) the Invention relates at the time of conception or reduction to practice of the invention, (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work

performed by Employee for the Company. This Agreement is intended to compliment and supplement, not replace, any additional written agreement(s) the Parties may have regarding specific Company Inventions. To the extent Employee has previously developed, alone or with others, any inventions that Employee believes should be excluded from the coverage of Company Inventions under this Agreement, Employee has identified them on **Exhibit A** to this Agreement.

SECTION 3. Protective Covenants. Employee agrees that: (a) the protective covenants provided for below are reasonable and necessary to protect legitimate business interests of the Company, and do not impose an unreasonable burden upon Employee or upon the public's interests; (b) confidentiality and non-disclosure obligations standing alone are inadequate to protect the Company's legitimate business interests and to prevent irreparable harm; and, (c) the Company has business relationships with customers and suppliers that are of a long-term and repeat nature and that it takes significant time, expense, and effort to develop these relationships.

3.1 Definitions. **a. "Competing Business"** means (i) until December 3, 2022, any person, business entity, organization, or separately operated unit or subsidiary of a business entity, that is engaged in or about to become engaged in (1) the business of retail sale of prestige, professional or mass beauty products in one or more of the following categories: cosmetics, fragrance, hair care and styling, personal care products, skincare and treatment, bath and body products, salon styling tools, or salon hair care products ("**Covered Products**"); or, (2) the providing of salon and skincare services ("**Covered Services**") and (ii) after December 3, 2022 until March 15, 2024, any person, business entity, organization or separately operated unit or subsidiary of a business entity, that is a multi-brand or beauty retailer specializing in the sale of Covered Products or Covered Services. **b. "Competing Product"** is any product or service that competes with a product or service of the Company that Employee receives Confidential Information about in the Look Back Period and that the Company remains in the business of providing to its customers at the relevant time of enforcement. **c. "Covered Customer"** means any established customer of the Company that Employee had material business dealings with on behalf of the Company during the Look Back Period and an "established" customer refers to a customer that has, or can reasonably be expected to have, ongoing and/or repeated business dealings with the Company. The Parties recognize that this occurs, at least in part, because of the development of goodwill with the customer and/or competitive advantage attained through Company's Confidential Information and training that regularly occurs in the course of Company's business. **d. "Look Back Period"** means the two-year period preceding the termination (voluntary or involuntary) of Employee's service as a director of the Company. **e. "Restricted Area"** refers to the geographic area assigned to Employee in **Exhibit A** which is understood to be the area of Company's business operations about which Employee will receive Confidential Information, training, and/or customer goodwill in the course of employment.

3.2 Noncompetition. Employee agrees that until March 15, 2024, Employee will not own (including as an investor or limited partner), operate, or perform Competitive Services for a Competing Business in the Restricted Area described in **Exhibit A**. "**Competitive Services**" means any advisory, employment, director or other services similar in purpose or function to those Employee performed for the Company. Nothing herein shall be construed to prohibit: Employee's employment in a separately operated subsidiary or other business unit of a company that would not be a Competing Business but for common ownership with a Competing Business so long as written assurances regarding the non-competitive nature of Employee's position that are satisfactory to the Board of Directors of the Company have been provided by Employee and the new employer in advance; or, a passive investment interest in a Competing Business through the ownership of less than 2% of the outstanding shares of a publicly traded company. The Company agrees that Employee's provision of services as a director of Starbucks Corporation and KKR & Co. Inc. will not violate this Agreement.

3.3 Restriction Against Customer Interference. Employee agrees that until March 15, 2024, Employee will not knowingly solicit or communicate, in person or through supervision or control of others, with a Covered Customer for the purpose of inducing or encouraging the Covered Customer to cease or diminish business activities with the Company.

3.4 Restriction Against Employee Interference. Employee agrees that until March 15, 2024, Employee will not knowingly solicit or communicate, in person or through supervision or control of others, with an employee of the Company that Employee supervised or managed in the Look Back Period for the purpose of inducing or encouraging the employee to leave the employment of the Company for the purpose of obtaining employment with a Competing Business where Employee provides Competitive Services in the Restricted Area

described in **Exhibit A** that is similar in purpose or function to those services the employee performed for Company (but shall not cover manual or clerical labor) and who has knowledge or information that could cause Company damage or harm if they went to work for a Competing Business.

3.5 Restriction Against Supplier Interference. Employee agrees that until March 15, 2024, Employee will not knowingly solicit or communicate, in person or through the supervision or control of others, with any person or entity that supplies material goods and/or services to the Company on a regular basis and whose business dealings with Company were managed by Employee or Employee obtained Confidential Information about as a result of Employee's employment with Company and service as a director of the Company, for the purpose of inducing or encouraging the supplier to end or change an existing business relationship to the detriment of the Company.

3.6 Survival of Restrictions. The Agreement's obligations will survive the termination of Employee's employment and service with Company, regardless of the cause of the termination.

SECTION 4. Notice. In the event Employee is offered employment by a person or entity other than the Company, Employee will advise such person or entity of the terms of this Agreement prior to performing services and will insure that his or her services do not violate this Agreement. Company will be entitled to tell any future employer or prospective employer of Employee about this Agreement and the Company's opinion regarding its application without such being considered a wrongful act of any kind.

SECTION 5. Special Remedies. In the event of a violation or threatened violation of one of the restrictions in this Agreement, the party seeking to enforce the restriction shall be entitled to specific performance, injunctive relief by temporary restraining order, temporary injunction, and/or permanent injunction, in addition to any damages or other remedies allowed by law. In the event Company has to pursue legal action to enforce one or more provisions of this Agreement, Company shall be entitled to recover its reasonable attorney's fees and costs incurred in doing so from Employee. The Parties further agree that prior to taking any action to enforce this Agreement, the Parties will engage in good faith discussions between the Employee, the Company's Chief Executive Officer and the Company's Board Chair (if not the Company's CEO) or Lead Independent Director in order to resolve any conflicts with regard to the terms of this Agreement.

SECTION 6. Severability, Waiver, Modification, Assignment, and Governing Law.

- a. This Agreement may not be waived or modified except by written agreement of the Parties or by court order.
 - b. If either party waives the right to pursue a claim for the other's breach of any provision of the Agreement, the waiver will not extinguish that party's right to pursue a claim for a subsequent breach.
 - c. If any provision of the Agreement is determined by a court of competent jurisdiction to be unenforceable, the court shall modify the Agreement to make it reasonable and enforceable. If any court determines that it may not modify by law the restrictions in this Agreement or that any of the restrictions in this Agreement are unenforceable despite the power to reform the Agreement, then the remaining restrictions are not to be affected and should be given full effect.
 - d. Except where otherwise expressly indicated, this Agreement contains the Parties' entire agreement concerning the matters covered in it; provided that if a post-employment restrictive covenant in this Agreement is found unenforceable, then the 2013 Agreement shall not be considered superseded and shall be restored to effect.
 - e. This Agreement will inure to the benefit of Company's successors in interest, affiliates, subsidiaries, parents, purchasers, or assignees, and may be enforced by any one or more of same, without need of any further authorization or agreement from Employee.
 - f. The laws of the State of Illinois will govern this Agreement, and the rights of the Parties in any dispute arising from this Agreement.
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g. Any action relating to or arising from this Agreement must be brought in the courts of the State of Illinois or the federal district courts located in the State of Illinois (if sufficient grounds for federal court jurisdiction exist). Employee expressly consents to personal jurisdiction and venue in the aforementioned courts in any such action.

AGREED to and effective as of March 25, 2021.

EMPLOYEE:

ULTA INC.:

/s/ Mary N. Dillon
Signature

By:



Mary N. Dillon
Printed Name

Its: Chief Human
Resources Officer____

EXHIBIT A

1. **New Consideration.** As additional and new consideration for this Agreement, Employee will receive the 2021 Awards. The vesting and retention of the 2021 Awards are conditioned on Employee's agreement to, and continuing compliance with, the terms of this Agreement, as determined by Company. Employee understands and agrees that this additional consideration has material value and benefit, and that she would not otherwise receive the 2021 Awards unless she has signed this Agreement.

2. **Restricted Area.** The Restricted Areas applicable to Employee are:

- a. each of the states within the United States where the Company does business as reflected on the Company's website (or equivalent public announcements) as of the date of Employee's termination as a director of the Company that Employee had supervisory or management authority over or receives Confidential Information about in the Look Back Period and/or,
- b. a 5-mile radius surrounding each store or operating facility of the Company that Employee has supervisory or management authority over or receives Confidential Information about in the Look Back Period; and/or,
- c. a 50 mile radius surrounding each office or facility of the Company that employee regularly works out of in the Look Back Period; provided, however, that as Chief Executive Officer and Executive Chairman of the Company, the Parties agree that Employee received and will receive Confidential Information about, and maintained and will maintain supervisory or management authority over, Company's operations in each state where Company does business and over each store or operating facility of Company in the United States.

3. **Prior Inventions.** With regard to inventions that Employee believes should be excluded from the coverage of Company Inventions under this Agreement, Employee identifies the following:

____ Employee claims no inventions.

Inventions claimed by Employee are as follows (without disclosing any confidential information):



(attach additional pages if needed).

4. Settlement Purpose. The Parties agree that an important purpose of this Agreement is to resolve uncertainties, settle, and avoid future disputes as to the conduct, jobs, or activities that would by their nature be likely to involve the use or disclosure of Confidential Information, conversion of Company's customer goodwill or specialized training, or similar irreparable harm to the Company. Accordingly, the Parties have agreed that any restrictions in this Agreement are fair and reasonable and will not limit Employee's ability to gain subsequent employment.
