Directors' Remuneration Report

Remuneration Committee Chair's statement

Committee Chair
Karen Geary

Members
Mai Fyfield
Patrick Kennedy
Eugenia Ulasewicz

Activities during the year and up to the date of this report

- Considered the alignment of executive remuneration with the strategy of ASOS and the effectiveness of the current policy, including a review of alternative structures.
- Preparation of our first formal Remuneration Policy following the Company's move from the Alternative Investment Market to the Main Market of the London Stock Exchange which is set out on pages 99 to 105 and which we will be seeking binding shareholder approval for at the next AGM.
- Conducted a consultation with shareholders regarding our new Remuneration Policy and its proposed implementation for FY23.
- Reviewed and confirmed the outcomes of the FY22 annual bonus and the FY20 three-year ASOS Long Term Incentive Scheme (ALTIS) awards for Executive Directors and senior management.
- Reviewed and approved the Chair's, Executive Directors' and senior managers' pay and benefits during FY22, in the context of their performance, Company performance, stakeholder and shareholder experiences.
- Set the remuneration package for José Antonio Ramos Calamonte (José Ramos) on his appointment as Chief Executive Officer (CEO).
- Agreed Nick Beighton and Mat Dunn's remuneration arrangements on leaving the Company.
- Set performance measures for the FY23 annual bonus and ALTIS awards for Executive Directors and senior management, in line with our updated Remuneration Policy.
- Considered the relationship between executive pay and wider workforce pay, and reviewed gender and ethnicity pay gap data.
- Considered corporate governance provisions and market practice relating to executive and wider workforce pay, including a review of arrangements and implementation of new share plans in connection with the Company's move from the Alternative Investment Market to the Main Market of the London Stock Exchange.
- Engaged with employee representatives on executive pay and pay across the wider workforce.

Dear shareholder

On behalf of the Board, I am pleased to present the Remuneration Committee's report for the year to 31 August 2022. This year the report introduces our new Remuneration Policy, our first as a Main Market listed business. This will be put forward for shareholder consideration and binding vote at the next AGM. It also includes the annual report on remuneration, describing how the current Policy was put into practice during FY22 and how the new Policy will be implemented in FY23, which will be put to an advisory vote.

Our Remuneration Policy

ASOS Plc listed on the Main Market of the London Stock Exchange in February 2022; therefore, we will be submitting a formal Remuneration Policy for the first time for shareholder approval at the next AGM. However, in practice, for several years we have chosen to operate a Remuneration Policy for Directors in line with the regulations for Main Market companies and reported this in previous Annual Reports.

During the year, the Committee undertook a review of the Remuneration Policy to ensure that it continues to support the execution of our strategy. In view of the recent management changes at ASOS during the year and the current external environment, we took the view that it was not appropriate to make significant changes to the Policy this year. We have made some changes to enhance our alignment with corporate governance best practice which are set out below, and the Committee intends to conduct a wholesale review of remuneration in FY23.

New policy features for FY23

The following changes have been introduced to more closely align our remuneration structure for Executive Directors with best practice in the Main Market.

- **Introduction of annual bonus deferral –** A deferral element has been added to the annual bonus scheme. Any bonus earned up to 50% of salary will be paid in cash, and any additional bonus earned above this will be split equally between a portion paid in cash and a portion deferred into shares for three years. Therefore, if the maximum bonus is achieved, one-third of the bonus will be delivered in shares.
- **ALTIS (ASOS Long Term Incentive Scheme) holding period –** The total time horizon of the ALTIS has been extended to five years by adding a two-year holding period (i.e. three-year performance period plus two-year holding period).

- **Post-employment shareholding guideline –** We have extended our shareholding requirements to apply post-employment. Going forward, a former Executive Director will be expected to retain their full shareholding guideline (i.e. 200% of salary) for the first year following cessation of employment and half of this amount (i.e. 100% of salary) for a second year thereafter.

The Committee believes that these three features of the executive remuneration framework will strengthen the alignment of our executives' interests with the interests of our shareholders, encouraging the delivery of sustainable, long-term performance.

Board changes

José Ramos

José Ramos was appointed CEO of the Company on 16 June 2022. His remuneration structure is as follows:

Base salary	£700,000
Pension and benefits	5% of base salary in-line with the rate of pension available to the wider workforce Benefits allowance of £12,500 plus other benefits, including private medical insurance and life assurance
Annual Bonus	Maximum of 150% of salary
ALTIS	Maximum of 250% of base salary
Share ownership guideline	200% of base salary

The Committee set the CEO's package, taking into consideration his skills and experience, the role responsibilities as CEO of a Main Market company of ASOS' size and global reach, internal and external relativities and the package of the previous CEO.

On 23 June 2022, José was granted a top-up ALTIS award of 25% of his new base salary to bring his ALTIS award for FY22 more in line with the policy for Executive Directors. See page 92 for further details.

Jørgen Lindemann

Jørgen Lindemann was appointed Chair of the ASOS Plc Board with effect from 1 August 2022, with Ian Dyson stepping down from the Board on the same date. Jørgen receives a fee of £350,000 per annum in line with the Remuneration Policy, as set out on page 101.

Mat Dunn

We announced on 17 August 2022 that Mat Dunn would step down from his Chief Operating Officer and Chief Financial Officer (CO&FO) roles as ASOS restructures its Executive team. It is not envisaged that the combined CO&FO role will continue after restructuring. Mat will continue in his roles and as a member of the Board until 31 October 2022 and will remain employed until the end of the calendar year to provide transitional support.

In determining Mat's remuneration arrangements on departure, the Committee followed the approach set out in the existing Remuneration Policy which is aligned to UK good practice. Mat will receive his usual salary, pension and benefits until 31 December 2022 and a payment in lieu of notice in relation to these elements for the remainder of his 12-month notice period. He remained entitled to receive an annual bonus for the full FY22 year and is also eligible to receive a bonus in respect of FY23, pro-rated to the date he steps down from the ASOS Plc Board on 31 October 2022.

The Committee intends to treat Mat as a good leaver for the purpose of his outstanding incentives, reflecting his contribution during his time at ASOS, particularly in the past year where he led the business while we were without a CEO, and given that his combined role will not be retained in the new Executive team following the restructuring. His FY21 and FY22 ALTIS awards will be pro-rated to his departure date of 31 December 2022 and remain subject to performance, and vest on their normal vesting dates. He will not be entitled to a FY23 ALTIS award.

Full details of Mat Dunn's remuneration arrangements on departure are disclosed on ***page 93***.

Performance in FY22

Following a challenging year for ASOS, and against the backdrop of a highly volatile and tough macroeconomic environment, the strength of our brand and our compelling customer offer has enabled the business to deliver revenues of £3,936.5m and total sales growth of 4% (on a constant currency basis, excluding Russia) . The second half of the year proved more challenging than we expected, with inflationary pressures on consumers increasing markedly as the year progressed, impacting consumers' confidence and discretionary income. As a result, growth in the second half was lower than we had anticipated. The UK, ASOS' core operation, delivered good performance, with sales up 7% year-on-year, despite the weakening consumer environment. This was supported by a curated offer and differentiated visual language, leading to growth in the active customer base and a further increase in Premier customers. Strong Topshop performance, with sales up 105% year-on-year, reinforced revenue growth in the UK, US and EU and drove margin expansion.

Remuneration outcomes for the year ended 31 August 2022

Below sets out the performance outcomes of our FY22 annual bonus and FY20 ALTIS.

FY22 Annual Bonus

The annual bonus for FY22 was based 30% on revenue, 30% on PBT, 15% on free cash flow, 10% on ESG metrics linked to progress against our Fashion with Integrity (FWI) 2030 programme goals and 15% on strategic objectives.

Whilst progress was made against the ESG and strategic elements, the financial metrics were not met and the Remuneration Committee determined that no bonus will be paid to the Executive Directors for FY22.

FY20 ALTIS

Measures	Weighting	Actual achievement	Vesting
Revenue growth	35%	12.9%	11.0%
Diluted EPS	35%	22.9p[1]	0.0%
Relative TSR	30%	Below median	0.0%

1 Consistent with the approach taken in FY21, actual performance for the diluted EPS condition has been assessed using an adjusted profit before tax of £22.0m, an adjusted tax rate, and with the convertible bond treated as dilutive. This is also consistent with how adjusted measures are used as the basis for assessing the outturn of the Group bonus plan and with the restatement of the ALTIS scheme targets which took place at the Remuneration Committee meeting in May 2021.

Directors' Remuneration Report continued

The ALTIS awards granted in FY20 were based on 35% revenue growth, 35% diluted EPS and 30% relative TSR over a three-year performance period measured from 1 September 2019 to 31 August 2022. The overall vesting level for the FY20 ALTIS is 11.0% of maximum for the CO&FO and for the former CEO, who remained entitled to receive a pro-rated FY20 ALTIS as part of his departure terms. José Ramos had not joined the Company at the time of the FY20 ALTIS grant. The Group's performance for these metrics and the vesting calculation were audited and approved by our auditors, PwC. Full details are provided on page 91.

The Committee carefully considered whether the ALTIS vesting outcome fairly reflected the underlying performance of the business as well as the experience of shareholders and stakeholders during the period, using the discretion framework developed in 2020 to support the Committee in determining whether any discretion should be exercised. In particular the Committee considered:

1. Financial and share price performance over the three-year period, both on an absolute basis and compared to our sector peers
2. Ongoing challenges in the retail market and the wider economy resulting from the COVID-19 pandemic
3. Non-financial performance and delivery of our strategic aims over the three-year period
4. Overall remuneration outcomes under the bonus and ALTIS in recent years and the wider pay context at ASOS

The Committee considered that, in the round, the overall vesting outcome of 11% was appropriate.

Remuneration in FY23

Salary

The Committee has reviewed the salary levels of the Executive Directors. Given that José Ramos was appointed in June 2022, the Committee agreed that he will not receive an increase this year. Given the announcement that Mat Dunn will be leaving the Company on 31 December 2022, he also will not receive an increase. The salary for the new CFO will be set on appointment.

FY23 incentives

All incentive awards in relation to FY23 will be made in accordance with the new Remuneration Policy. The Committee reviewed the performance measures for the bonus and ALTIS for FY23 and a summary is set out below.

Annual bonus performance measures

The annual bonus will continue to include three financial measures: 30% revenue, 30% adjusted profit before tax and 15% adjusted free cash flow. The remaining 25% will form a combined ESG and strategic measure, with performance within this measured against targets for Diversity, Equity & Inclusion (DEI), gross margin, stock turn, active customer base and an individual measure.

The strategic measures were carefully chosen to ensure that they are aligned to our most critical business priorities for the year ahead. Our commitment to ESG through our industry leading FWI 2030 programme continues to influence everything we do, and the annual bonus for FY23 will include an ESG measure focused on DEI (linked to female and ethnic minority leadership goals). The 'other strategic' measures will be role specific for each Executive Director, with the CEO's being linked to building and developing the senior leadership team. The new CFO's individual measure will be confirmed on appointment.

ALTIS performance measures

The Committee reviewed the ALTIS performance measures and concluded that the current framework remains appropriate. Therefore, performance will again be measured on 30% EPS growth, 30% revenue growth, 25% relative total shareholder return and 15% ESG. ESG will continue to be measured on progress over the three-year performance period towards our key 2030 objectives, in relation to our four FWI pillars: (1) Be Net Zero; (2) Be More Circular; (3) Be Transparent; (4) Be Diverse.

Colleague engagement and wider workforce remuneration

During the year, I met with ASOS' employee engagement network, the ASOS Voices Network, on a number of occasions, to discuss employee views on remuneration (both at executive and wider employee levels), and other matters of interest to them. We also held a dedicated session to discuss executive remuneration and wider employee remuneration matters, including the proposed Remuneration Policy for Executive Directors. Further details of employee engagement are set out on page 21.

The Committee receives regular updates on pay initiatives for the wider workforce. This year we have been focused on ensuring that we offer fair pay across our workforce, particularly in light of the current cost-of-living crisis. Whilst not fully accredited, ASOS is formally committed to being a Living Wage employer and the Committee receives updates from management to ensure we continue to honour this commitment. To ease cost of living pressures, and prior to the New Living Wage announcement, effective 1 September 2022, employees earning a full time equivalent base salary of below or equivalent to £25,000 per annum received an exceptional salary increase of 4.5%, a one-off payment of £500, and an additional support with lunch vouchers.

Shareholder engagement

The Committee carried out a shareholder consultation with ASOS' major shareholders in September 2022 to obtain feedback on our proposed Remuneration Policy, Executive remuneration structure for FY23 and the executive remuneration package more generally. We were pleased that shareholders understood that we considered it prudent not to make significant changes to the Remuneration Policy this year given the recent management changes at ASOS and the current external environment and were generally supportive of the governance-related changes we have made.

Some shareholders noted an expectation that ESG measures should form a larger part of the ALTIS award and that the apparel sector should have a higher proportion of remuneration directly attributed to sustainability factors overall. The Committee will continue to reflect on this feedback and the weighting of ESG measures as we develop our Remuneration Policy.

Shareholders understood that the inclusion of operating metrics within the Bonus better reflects business imperatives and this has been the consistent feedback we have received in previous years. However, some shareholders noted that operating metrics do indirectly impact financial outcomes and therefore could be attributed to incentives twice. We also noted feedback that there may now be too many metrics in the Bonus, potentially diluting their impact. The Committee will take this feedback into account in the design of any new Remuneration Policy.

Some shareholders have sought re-assurance that our current Policy is sufficient to recruit and retain senior executives. Now that the CEO recruitment has been concluded, we believe that the structure and quantum of our current remuneration packages are broadly in line with the external market, in particular other Main Market listed companies. Our existing remuneration policy also has flexibility to enable us to grant 'buy out' share awards to new Executive Directors. As a result of moving to Main Market, we have introduced new rules for the ALTIS (the ALTIS Rules). Under these ALTIS Rules, whilst the maximum annual award that can be granted under normal circumstances is 250% of base salary, our new ALTIS Rules allow, in exceptional circumstances, for grants of up to 500% of salary in any given year. The Remuneration Committee believes that this should be sufficient to support further recruitment as we continue to build the senior management team.

On behalf of the Committee, I would like to thank shareholders for their input and engagement during this consultation, and throughout the year. Their input has been invaluable for the Committee to better understand shareholder views and to shape the Committee's thinking for the policy review in FY23, as well as ensuring a productive and collaborative relationship regarding future policy decisions.

Concluding remarks

I am stepping down from the Board on 1 December 2022. I would like to thank my Committee colleagues for their support during my tenure.

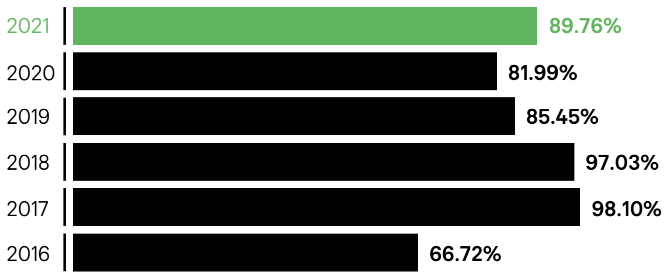
In the meantime, we look forward to receiving your support for the Directors' Remuneration Policy and Directors' Remuneration Report at the upcoming AGM on 11 January 2023.

Karen Geary
Remuneration Committee Chair
28 October 2022

Annual remuneration votes 2021

Total votes cast	83,497,968
Votes for	74,417,329
Votes against	8,493,661
Votes withheld (abstentions)	586,978

Historic annual remuneration votes



Annual Report on Remuneration

Summary of FY23 implementation of Remuneration Policy

The purpose of ASOS' Remuneration Policy is to attract, retain and motivate high-calibre, high-performing, engaged employees with the necessary skills to implement the Group's strategy in order to create long-term value for shareholders. Our Policy must reward people for their contributions to the success of ASOS in a fair and responsible manner, over both the short and the long term.

The following provides details of how the Remuneration Policy will be implemented for the year ending 31 August 2023.

Base salary

The CEO was appointed on 16 June 2022, therefore the Committee agreed that there will be no increase to the CEO's salary from 1 December 2022. His salary will next be reviewed with effect from 1 December 2023.

In light of his announced departure, the CO&FO's salary will also not be increased. The salary of the new CFO will be set upon appointment.

Pension

The pension is a defined contribution arrangement or salary supplement. The pension allowance for the CEO is 5% of salary which is aligned with the rate available for the majority of the workforce. The pension allowance for new Executive Directors including the new CFO will be 5%. The pension allowance for the CO&FO is currently 10% of base salary, but will be reduced to 5% from 1 December 2022.

Other benefits

Normal company benefit provision of a package of taxable benefits offered through our flexible benefits scheme, ASOS Extras, which offers all employees a fixed value depending upon their seniority, and can be used either to buy a variety of benefits or be taken in cash. The Executive Directors receive a flexible benefits allowance of £12,500 per annum.

Other benefits include private medical insurance and life assurance.

Annual Bonus

The maximum opportunity will be 150% of salary.

Any bonus earned up to 50% of salary will be paid in cash, and any additional bonus earned above this will be split equally between a portion paid in cash and a portion deferred into shares for three years.

The annual bonus targets are commercially sensitive and will be disclosed at the end of the performance year, as in prior years.

The performance measures for FY23 will be based on the following:
- 30% revenue
- 30% adjusted profit before tax
- 15% adjusted free cash flow
- 25% strategic & ESG (DEI target)

For FY23 the Strategic & ESG objectives are:

DEI (female and ethnic minority leadership goals), gross margin, stock turn, number of active customers, and the personal objective for the CEO will be to continue to build and develop the senior leadership team.

ALTIS

The normal maximum opportunity will remain at 250% of salary. Up to 25% of the award may vest for threshold performance.

The performance measures for FY23 will be based on the following:
- 30% EPS growth
- 30% revenue growth
- 25% relative TSR
- 15% ESG

Due to the current challenging external and business environment, the Committee has not yet agreed the ALTIS targets. It is intended that the targets will be agreed before the grants are made in November and be disclosed in the RNS announcement which will be made at the time the ALTIS awards are granted.

Share ownership guidelines
The shareholding guideline for Executive Directors is 200% of salary and they will normally be expected to hold 50% of any shares acquired on vesting until the guidelines has been met. The post-employment shareholding requirement is for Executive Directors to retain their full shareholding guideline (i.e. 200% of salary) for the first year following cessation of employment and half of this amount (i.e. 100% of salary) for a second year thereafter. Where a departing Executive Director has not built up this level of shareholding, their actual shareholding on departure will be subject to the guideline.
Non-executive Director fees
The Non-Executive Directors' fees were reviewed in October 2022. No changes were made to the fees set out below: Non-executive Chair £350,000 Non-executive Director £56,230 SID Fee £10,000 Committee Chair Fee £10,000 Committee Membership Fee £2,500 per Committee

Provision 40 disclosures

In developing our approach to remuneration, the Committee was mindful of Provision 40 of the UK Corporate Governance Code. The Committee considers that the Company's executive remuneration framework addresses the following factors:

Clarity	The Committee has provided clear disclosures regarding our Remuneration Policy, its alignment to our purpose and strategy, and the necessary performance requirements. The changes we have made to the Remuneration Policy have been supported by the context of strategic alignment and market practice. We have consulted with our shareholders and employees on the new Remuneration Policy and provided clarity on the relationship between the successful implementation of our strategy and executive remuneration.
Simplicity	Our remuneration structures, including their rationale and operation, are simple to understand and familiar to stakeholders.
Predictability	Our Remuneration Policy contains details of the range of opportunity levels available for each component of pay, including the maximum opportunity level. Actual incentive outcomes vary depending on the level of performance achieved against specific measures.
Proportionality	The link between the annual bonus and ALTIS schemes and the achievement of ASOS' strategy and the long-term performance of the Group is clearly defined. The use of ALTIS holding periods and our shareholding guidelines (including post-employment) ensure that Executive Directors have a strong drive to ensure that performance is sustainable over the long term. The discretion available to the Committee ensures that outcomes do not reward poor performance.
Risk	The Committee has satisfied itself that the remuneration arrangements do not encourage risk taking or other behavioural risks. The Committee has the discretion to apply malus and clawback in certain circumstances, including in the event of any behavioural risks.
Alignment to culture	The Committee ensures that the performance measures for the annual bonus and ALTIS support the Group's purpose, strategy and culture. This is supported by the inclusion of ESG-related performance measures in both schemes, by ensuring the Committee understands the remuneration of the wider workforce and engaging with stakeholders.

Annual Report on Remuneration continued

Details of how ASOS' Remuneration Policy has been applied in the year to 31 August 2022 are set out below. The Committee considers that the Policy operated as intended in the year. Certain information within this section has been audited as highlighted.

Directors' remuneration table (audited)

The remuneration of the Directors for the year to 31 August 2022 and the year to 31 August 2021 is set out in the tables below.

Executive Director		Base salary £	Benefits[2] £	Pensions[3] £	Total fixed £	Bonus £	LTIP[4] £	Total variable £	Total remuneration £
José Ramos[1]	**2022**	**126,615**	**22,879**	**5,833**	**155,327**	**0**	**0**	**0**	**155,327**
	2021	–	–	–	–	–	–	–	–
Mat Dunn[5]	**2022**	**566,932**	**23,160**	**54,924**	**645,016**	**0**	**29,561**	**29,561**	**674,577**
	2021	453,500	17,897	56,687	528,084	620,343	209,777	830,120	1,358,204
Nick Beighton[6]	**2022**	**68,889**	**4,164**	**8,907**	**81,960**	**0**	**26,755**	**26,755**	**108,715**
	2021	608,250	21,517	78,647	708,414	819,921	198,524	1,018,445	1,726,859
Total	**2022**	**762,436**	**50,203**	**69,664**	**882,303**	**0**	**56,316**	**56,316**	**938,619**
	2021	1,061,750	39,414	135,334	1,236,498	1,440,264	408,301	1,848,565	3,085,063

Non-executive Director		Base fee[7] £	Additional fee £	Total expenses[8] £	Total remuneration £	Basis for additional fee
Mai Fyfield	**2022**	**55,922**	**5,208**	**0**	**61,130**	**Member of Audit, Remuneration & ESG Committees**
	2021	55,000	–	176	55,176	–
Karen Geary	**2022**	**55,922**	**13,750**	**12,218**	**81,890**	**Remuneration Committee Chair and Member of Nomination & ESG Committees**
	2021	55,000	10,000	2,531	67,531	Remuneration Committee Chair
Luke Jensen	**2022**	**55,922**	**3,750**	**1,430**	**61,102**	**Member of Audit & Nomination Committees**
	2021	55,000	–	202	55,202	–
Jørgen Lindemann[9]	**2022**	**71,339**	**3,750**	**24,796**	**99,885**	**Member of Audit & Nomination Committees until appointed Chair of Board on 1 August 2022**
	2021	–	–	–	–	–
Patrick Kennedy[10]	**2022**	**35,702**	**15,744**	**9,223**	**60,669**	**SID & Audit Committee Chair and Member of Remuneration & Nomination Committees**
	2021	–	–	–	–	–
Nick Robertson[11]	**2022**	**55,922**	**1,458**	**0**	**57,380**	**Member of ESG Committee**
	2021	55,000	–	36	55,036	–
Eugenia Ulasewicz[12]	**2022**	**55,922**	**9,583**	**121,934**	**187,439**	**ESG Committee Chair, Member of Audit & Remuneration Committees**
	2021	55,000	–	1,672	56,672	–
Ian Dyson[13]	**2022**	**249,318**	**3,636**	**6,610**	**259,564**	**See Note 13**
	2021	55,000	15,000	166	70,166	SID & Audit Committee Chair
Adam Crozier[14]	**2022**	**84,848**	**–**	**–**	**84,848**	**–**
	2021	350,000	–	36	350,036	–
Total	**2022**	**720,817**	**56,879**	**176,211**	**953,907**	
	2021	680,000	25,000	4,819	709,819	

1 José Ramos was appointed CEO on 16 June 2022, therefore only his remuneration between 16 June 2022 and 31 August 2022 is shown in this table.
2 José is entitled to a relocation allocation allowance of £40,000 per year until 4 January 2024 related to his relocation from Portugal to the UK to take up his previous role as Chief Commercial Officer. The benefits shown in this table includes the relocation allowance José received from his appointment as CEO until year end. The Executive Directors receive a flexible benefits allowance of £12,500 per annum, which can be used either to buy a variety of benefits or be taken in cash through our flexible benefits scheme, ASOS Extras. Other benefits include private medical insurance, group income protection and life assurance.
3 The Executive Directors' pension contributions shown above were paid in cash. On 1 December 2021, the pension contribution for Mat Dunn changed from 12.5% to 10% of base salary.
4 For 2022, this includes the FY20 ALTIS award as detailed on page 91. Based on a share price of £9.89, being the average share price for the last quarter of the financial year, from 1 June to 31 August 2022. The share price depreciated during the vesting period and therefore no portion of the award relates to share price gain. The figures for 2021 are the adjusted figures to show the share price of £24.82 on the day before the vesting date on 31 October 2021 (previously shown as £374,716 for Mat Dunn and £354,662 for Nick Beighton, former CEO).
5 Mat Dunn received an additional temporary salary allowance of £5,000 per month to reflect the additional responsibilities he undertook, leading the day-to-day operation of the business on a temporary basis until we appointed a new CEO. This is reflected in his base salary in the table.
6 Nick Beighton stepped down as CEO and from the Board on 11 October 2021. The table above outlines the remuneration he received between 1 September 2021 and 11 October 2021. He received a salary, pension and benefits until 31 December 2021, and a payment in lieu of notice in relation to salary, pension and benefits in respect of his remaining 12-month notice period (until 11 October 2022), details of which are outlined on page 93. Nick's benefits figure for 2021 has been updated to correct an error (previously shown as £20,490).
7 The base fee for Non-executive Directors increased to £56,230 effective from 1 December 2021.
8 The taxable expenses include travel and other expenses related to their role and have been grossed up for tax, where applicable.
9 Jørgen Lindemann was appointed as Non-executive Director on 1 November 2021 and Chair of the ASOS Plc Board on 1 August 2022.
10 Patrick Kennedy was appointed Non-executive Director, Senior Independent Director and Chair of the Audit Committee on 13 January 2022.
11 Nick Robertson donated all of his base service fee and his additional fee to the ASOS Foundation.
12 Eugenia Ulasewicz was appointed Chair of the newly established ESG Committee on 1 February 2022. Eugenia's taxable benefits figure for 2021 has been updated to correct an error (previously shown as nil).
13 Ian Dyson served as Non-executive Director, Senior Independent Director and Chair of the Audit Committee until he was appointed Chair of the ASOS Plc Board on 29 November 2021. Ian stepped down as Chair of the Board on 1 August 2022.
14 Adam Crozier stepped down as Chair of the Board on 28 November 2021.

Annual bonus for the year ended 31 August 2022 (audited)

For the CO&FO, the annual bonus plan for the year ended 31 August 2022 was based on the following financial metrics:

	Weighting	Threshold	Target	Maximum	Performance achieved	Outcome
Adjusted PBT[1]	30%	£100m	£125m	£140m	£22.0m	Below threshold
Revenue growth[2]	30%	+10%	+13%	+15%	2%	Below threshold
Adjusted Free Cash Flow[3]	15%	(£20.0m)	£0m	+£20.0m	(£321.6m)	Below threshold

1 Adjusted for £53.9 million of adjusting items.
2 Constant currency basis.
3 Adjusted for payment of £18.2 million of adjusting items.

The remainder of the bonus was based 10% on ESG metrics linked to progress against our FWI 2030 programme goals and 15% on strategic objectives.

Whilst progress was made against the ESG and strategic elements, the financial metrics were not met and the Remuneration Committee determined that no bonus will be paid to the Executive Directors for FY22.

FY20 ALTIS awards vesting for performance to 31 August 2022 (audited)

The ALTIS awards with a performance period ending on 31 August 2022 are due to vest on 31 October 2022. These awards were based on revenue growth, diluted EPS and relative TSR over the three-year performance period from 1 September 2019 to 31 August 2022. The performance targets and level of achievement against those targets were as follows:

Measures	Weighting	Targets	Percentage vesting	Actual achievement	Vesting
Revenue growth	35%	Below 12.5%	0%	12.9%	11.0%
		12.5%	25%		
		Between 12.5% and 17.5%	Between 25% and 100%[1]		
		17.5% or above	100%		
Diluted EPS	35%	Below 76.8p	0%	22.9p[2]	0.0%
		76.8p	25%		
		Between 76.8p and 130.0p	Between 25% and 100%[1]		
		130.0p or above	100%		
Relative TSR	30%	Below median	0%	Below median	0.0%
		At median	25%		
		Between median and upper quartile	Between 25% and 100%[1]		
		At or above upper quartile	100%		

1 Straight-line interpolation between points in the range.
2 Consistent with the approach taken in FY21, actual performance for the diluted EPS condition has been assessed using an adjusted profit before tax of £22.0m, an adjusted tax rate, and with the convertible bond treated as dilutive. This is also consistent with how adjusted measures are used as the basis for assessing the outturn of the Group bonus plan and with the restatement of the ALTIS scheme targets which took place at the Remuneration Committee meeting in May 2021.

Details of vesting:

Executive Director	Number of shares granted	Number of shares vesting	Date of vesting	Value of awards vesting[1]
Mat Dunn	27,173	2,989	31/10/2022	£29,561
Nick Beighton[2]	24,594	2,705	31/10/2022	£26,755

1 Based on a share price of £9.89, being the average share price for the last quarter of the financial year, from 1 June to 31 August 2022, as is normal practice.
2 Nick Beighton stepped down from the Board on 11 October 2021 and remained employed by the Group until 31 December 2021. He was granted good leaver status for his remaining unvested ALTIS awards. This award will vest subject to time pro-rating to 31 December 2021. His original award was over 31,609 shares prior to time pro-rating.

José Ramos had not joined the Company at the time the FY20 ALTIS award was granted.

The Committee carefully considered whether the ALTIS vesting outcome fairly reflected the underlying performance of the business as well as the experience of shareholders and stakeholders during the period. This included a discussion on ASOS' financial and non-financial performance and strategic progress, the wider economic environment and the historic wider pay context at ASOS. The Committee considered that, in the round, the overall vesting outcome of 11% was appropriate and no discretion was exercised.

Adjustments to FY20 and FY21 ALTIS targets

In April 2020, ASOS raised net proceeds of £239.4million through issuing additional shares; in February 2021, the Topshop brands were purchased from Arcadia for £292.4million; and in April 2021 the Company raised a further £500million by issuing convertible bonds. These transactions were not anticipated at the time the performance targets for the FY20 and FY21 awards were set.

In May 2021, the Remuneration Committee approved changes to the targets for the FY20 and FY21 ALTIS awards which adjusted for these three events. The changes impacted the revenue and EPS targets only and ensure actual performance can be assessed against them on a like-for-like basis.

Annual Report on Remuneration continued

The change between the original targets and the revised targets for the two awards are as follows:

FY20 ALTIS

Measures	Performance scenario	Original targets	Revised targets
Revenue growth	Threshold	10%	12.5%
	Maximum	15%	17.5%
EPS growth	Threshold	71.0p	76.8p
	Maximum	121.8p	130.0p

The revised targets in the above table have been used in the final performance assessment for the FY20 ALTIS shown on page 91.

FY21 ALTIS

Measures	Performance scenario	Original targets	Revised targets
Revenue growth	Threshold	10%	12.2%
	Maximum	20%	22.2%
EPS growth	Threshold	138.6p	161.2p
	Maximum	179.9p	206.7p

Details of the performance outcome relative to the revised targets shown above will be disclosed in the FY23 Directors' Remuneration Report.

ALTIS awards granted in the year (audited)

In the year under review, an ALTIS award was granted to the CO&FO on 23 November 2021. Details of the award are as follows:

Basis of award	Type of award	Number of shares granted	Face value of award[1]	% vesting for threshold performance	Performance period
250% of base salary	Conditional share award at nil cost	48,791	£1,312,478	25%	01.09.21 – 31.08.24

1 Based on the five-day average share price of £26.90 as at 22 November 2021.

As part of the terms of his appointment as CEO, José Ramos was granted an ALTIS award on 23 June 2022 to bring his award for FY22 more in-line with our policy for Executive Directors. Details of the award are as follows:

Basis of award	Type of award	Number of shares granted	Face value of award[1]	% vesting for threshold performance	Performance period
250% of base salary[2]	Conditional share award at nil cost	20,612	£174,996	25%	01.09.21 – 31.08.24

1 Based on the five-day average share price of £8.49 as at 22 June 2022.
2 Based on base salary of £700,000.

The performance conditions for these awards are in the table below, with performance measured over the three-year period from 1 September 2021 to 31 August 2024, and vesting on 31 October 2024:

Measures	Weighting	Threshold performance (25% vesting)	Maximum performance (100% vesting)
EPS growth (CAGR)[1]	30%	24.5%	29.5%
Revenue growth (CAGR)[1]	30%	15%	20%
Relative TSR	25%	Median	Upper quartile
ESG – FWI goals	15%	See below[2]	See below[2]

1 EPS targets represent average p.a. growth to FY24 compared to FY21 EPS (excluding the one-off COVID-19 benefit). Revenue growth targets represent average p.a. growth rates compared to FY21 reported revenue.
2 ESG performance will be assessed based on the extent of the Company's progress over the period FY22 to FY24 toward the Company's key 2030 objectives, in relation to the Company's four FWI pillars: (1) Be Net Zero; (2) Be More Circular; (3) Be Transparent; (4) Be Diverse. The Committee will judge progress in the round and determine what vesting outcome is appropriate based on the extent and nature of the progress achieved.

The relative TSR comparator group consists of the following companies: Boohoo Group, Boozt, Brown Group, Farfetch, Global Fashion Group, H&M, Inditex, JD Sports Fashion, Joules Group, Marks & Spencer, Next, Revolve Group, THG Holdings and Zalando.

Before José was appointed CEO, he was granted the following awards in his role as Chief Commercial Officer:

Basis of award	Type of award	Number of shares granted	Face value of award[1]	% vesting for threshold performance	Performance period
125% of base salary[1]	Conditional share award at nil cost	21,433	£576,548[2]	25%	01.09.21 – 31.08.24[4]
100% of base salary[1]	Conditional share award at nil cost	20,319	£461,241[3]	N/A	N/A

1 Based on base salary when Chief Commercial Officer.
2 Based on the five-day average share price of £26.90 as at 22 November 2021.
3 Based on the five-day average share price of £22.70 as at 13 January 2022.
4 Performance measures and targets for this award are as shown on page 92.

Payments for loss of office (audited)

Nick Beighton

Nick Beighton stepped down from the Board on 11 October 2021 but remained employed and available to support the Group until 31 December 2021. In line with the Remuneration Policy at that time, he received salary, pension and benefits to 31 December, and he received an annual bonus for the full FY21 year. He received a payment in lieu of notice in relation to salary, pension and benefits, in respect of his remaining notice period to 10 October 2022.

His FY19 ALTIS vested as normal on 31 October 2021. He was granted 'good leaver' status for his remaining unvested ALTIS awards. These will vest in line with the original scheduled vesting dates, subject to performance conditions and time pro-rating to 31 December 2021. His outstanding SAYE option was cancelled in November 2021. Expenses of £10,000 for legal fees and £50,000 for outplacement costs were paid on his behalf.

Details of payments made to Nick Beighton during the year to 31 August 2022, following his stepping down from the Board on 11 October 2021 and until he left employment on 31 December 2021, are set out below:

Base salary	£137,778
Pension	£15,588
Benefits	£10,680
Payment in lieu of notice period	£537,381
Legal and outplacement costs	£60,000
Total	£761,427

Mat Dunn

On 17 August 2022 it was announced that Mat Dunn would step down from his Chief Operating Officer and Chief Financial Officer (CO&FO) roles as ASOS restructures its Executive team. It is not envisaged that the combined CO&FO role will continue after the restructuring. Mat will continue in his roles and as a member of the Board until 31 October 2022 and will remain employed until 31 December 2022 to provide transitional support. Mat's remuneration arrangements on departure are in line with the leaver treatment set out in the Remuneration Policy and are summarised as follows:

- Mat will receive his usual salary and normal benefits during the remainder of his employment and thereafter will receive an amount in lieu of his salary for the remainder of his 12-month notice period.
- Mat will be eligible to receive a bonus in respect of FY23, pro-rated to the date he steps down from the ASOS Plc Board (31 October 2022), which will be assessed and paid in the normal way.
- Mat's FY20 ALTIS will vest as normal on 31 October 2022 (as outlined on page 91). Given that the combined CO&FO role will not be retained in the new executive team, the Committee intends to treat Mat as a good leaver in respect of outstanding ALTIS awards granted on 20 November 2020 and 23 November 2021, which will be assessed and pro-rated to 31 December 2022 as detailed below and will vest on the normal vesting date, subject to the satisfaction of applicable performance conditions. He will not be entitled to a FY23 ALTIS award.

Date of grant	Number of shares subject to award	Number of shares pro-rated for time	Number of shares pro-rated for time
23 November 2021	48,791	21,655	31 October 2024
20 November 2020	25,633	19,939	31 October 2023
20 November 2019	27,173	27,173	31 October 2022

- Mat is eligible to have expenses paid on his behalf in relation to legal fees, up to £10,000, and outplacement support, up to £25,000.

There were no other payments made for loss of office during the year to 31 August 2022.

Payments to past Directors (audited)

There were no payments made to any past Directors during the year to 31 August 2022.

Annual Report on Remuneration continued

Directors' interests in share plans (audited)

Director	Share option scheme	Date of grant	31 August 2021 (no. of shares)	Granted during the year to 31 August 2022 (no. of shares)	Lapsed during the year to 31 August 2022 (no. of shares)	Vested during the year to 31 August 2022 (no. of shares)	31 August 2022 (no. of shares)	Vest date/ period
José Ramos	RSU[1]	16.02.21	4,272	–	–	4,272	–	12.04.22
	ALTIS[2]	16.02.21	12,511	–	–	–	12,511	31.10.23
	ALTIS[2]	23.11.21	–	21,433	–	–	21,433	31.10.24
	RSU[3]	14.01.22	–	20,319	–	–	20,319	50% on 31.10.22 and 50% on 30.04.23
	ALTIS[2]	23.06.22	–	20,612	–	–	20,612	31.10.24
Mat Dunn	ALTIS[2]	28.06.19	22,216	–	13,753	8,463	–	31.10.21
	ALTIS[2]	20.11.19	27,173	–	–	–	27,173	31.10.22
	ALTIS[2]	20.11.20	25,633	–	–	–	25,633	31.10.23
	ALTIS[2]	23.11.21	–	48,791	–	–	48,791	31.10.24
Nick Beighton[4]	ALTIS[2]	24.10.18	21,027	–	13,018	8,009	–	31.10.21
	ALTIS[2]	20.11.19	31,609	–	7,015	–	24,594	31.10.22
	ALTIS[2]	20.11.20	34,475	–	19,160	–	15,315	31.10.23
	SAYE	27.11.20	510	–	510	–	–	–

1 Conditional award over shares under the rules of the ASOS Long Term Incentive Scheme, with no performance conditions applying to the award.
2 Conditional award over shares under the rules of the ASOS Long Term Incentive Scheme. Performance conditions for those awards are set out in the relevant remuneration report for the year of grant.
3 Conditional award over shares under the rules of the ASOS Long Term Incentive Scheme, with no performance conditions applying to the award, but vesting of each award is subject to continued employment.
4 Nick Beighton stepped down as CEO on 11 October 2021. Reflecting his contribution during his long period of service with ASOS, he was treated as a 'good leaver' in respect of inflight FY20 and FY21 ALTIS awards, which have been retained and will vest in line with their original schedule, subject to performance testing and time pro-rating to 31 December 2021, the date of his departure. His outstanding SAYE option lapsed on 31 December 2021.

Directors' shareholdings (audited)

The Directors who held office at 31 August 2022 had the following interests, including family interests, in the shares of ASOS Plc. A shareholding guideline is in place for the Executive Directors; this is 200% of salary for the CEO and CFO.

Director	Beneficially owned as at 31 August 2021 (no. of shares)	Beneficially owned as at 31 August 2022 (no. of shares)	Outstanding share options (ALTIS) (no. of shares)	Shareholding guideline met
José Ramos	–	3,705	74,875	No
Mat Dunn	12,002	20,644	101,597	No
Jørgen Lindemann	–	62,052	N/A	N/A
Mai Fyfield	2,000	2,000	N/A	N/A
Karen Geary	641	641	N/A	N/A
Luke Jensen	15,733	15,733	N/A	N/A
Patrick Kennedy	23,000	53,000	N/A	N/A
Nick Robertson	3,336,414	2,886,414	N/A	N/A
Eugenia Ulasewicz	500	500	N/A	N/A

Former Directors	Beneficially owned as at leaving date (no. of shares)
Ian Dyson[1]	15,205
Adam Crozier[2]	20,770
Nick Beighton[3]	156,121

1 As at 1 August 2022.
2 As at 28 November 2021.
3 As at 11 October 2021. Nick Beighton was compliant with the shareholding guideline for Executive Directors as at the date he stepped down from the Board. He is not subject to any post-employment shareholding requirements.

On 19 October 2022, Jørgen Lindemann purchased 48,000 shares, meaning he now holds 110,052 shares in the Company. There were no other changes to the Directors' share interests between 31 August and 28 October 2022.

Pay gap reporting

We will be publishing our next Gender Pay Gap reports for April 2022 early next year. We remain of the view that the UK gender pay gap is not a symptom of unequal pay for equal work among men and women, but rather there being more men than women in senior roles across the relevant UK businesses.

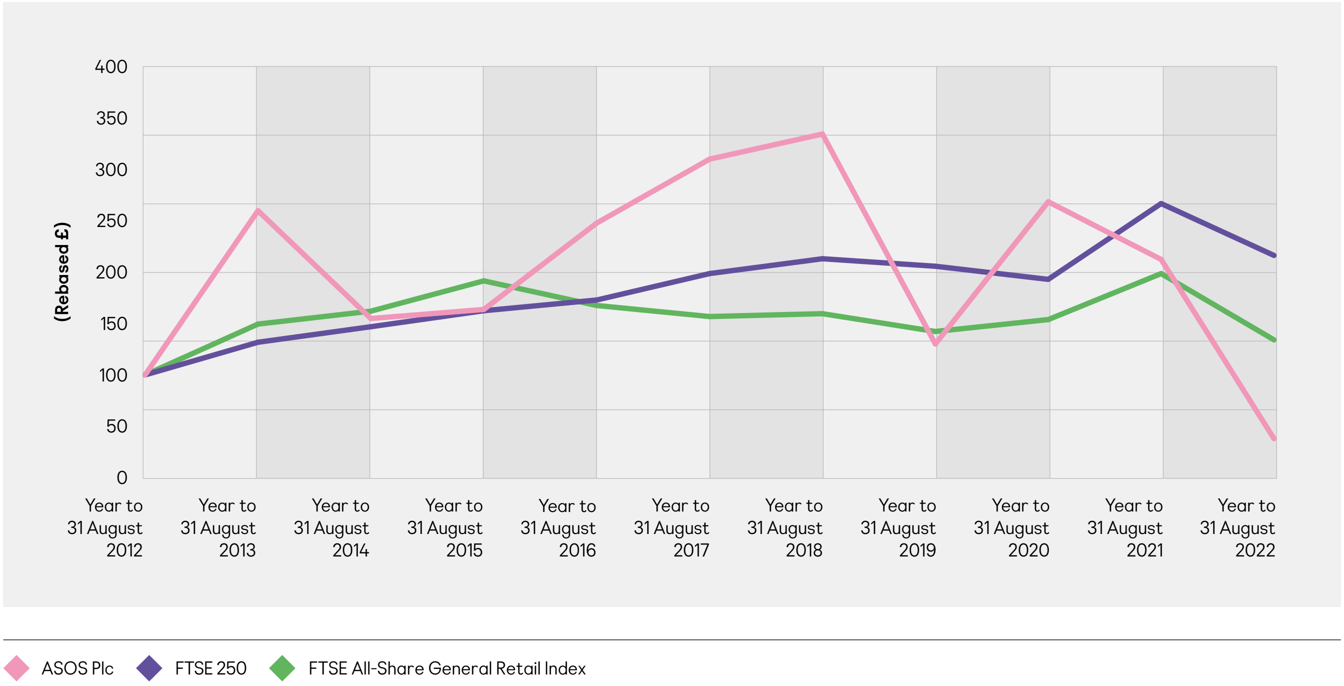
In addition, ASOS carries out an annual equal pay audit, checking the pay of men and women doing the same or similar roles. Our audits continue to show that our pay policies and practices pay men and women equally for equivalent roles. Our pay range system ensures ASOSers are paid fairly based on their skills, qualifications, experience and performance.

We will also be publishing our Ethnicity Pay Gap data for the second year in a row as part of our FWI objectives to ensure ASOS is a diverse and inclusive workplace.

Diversity continues to be a key area of focus for ASOS and our 2030 FWI goals include stretching targets of achieving at least 50% female representation and over 15% ethnic minority representation across our combined leadership team by 2023, and at every leadership level by 2030.

Performance and CEO remuneration comparison

This graph shows the value, by 31 August 2022, of £100 invested in ASOS Plc on 31 August 2012 compared with that of £100 invested in the FTSE 250 and the FTSE All-Share General Retail Indices. These are the indices that the Company is a member of and between them they show the Company's performance against both the broader market and the retail sector. The other points plotted are the values at the intervening financial year ends.



CEO remuneration history

The table below sets out the remuneration data for Directors undertaking the role of CEO during each of the past ten financial years.

	Year to 31 August 2013	Year to 31 August 2014	Year to 31 August 2015[4]	Year to 31 August 2016[5]	Year to 31 August 2017	Year to 31 August 2018	Year to 31 August 2019	Year to 31 August 2020	Year to 31 August 2021	Year to 31 August 2022[6]
Total remuneration (£)[1]	803,843	337,193	81,280	1,199,520	3,072,259	2,904,614	848,487	1,730,323	1,726,859	264,042
Annual bonus %[2]	60.0%	–	–	70.0%	65.0%	–	–	93.7%	89.9%	–
Long-term incentive %[3]	–	–	–	–	99.1%	100%	27.0%	31.2%	38.1%	11.0%

1 Gains made under the long-term incentive plans are recognised above in the financial year of the performance period to which they relate. The value shown for the FY21 award was calculated using a share price of £24.82, being the closing share price on the day before the vesting date on 31 October 2021. The value shown for the year to 31 August 2022 is based on the average share price for the last quarter of the financial year to 31 August 2022. This will be adjusted to reflect the share price at the point of vesting on 31 October 2022.
2 Annual bonus percentage figure shows the percentage of the individual's maximum bonus percentage received in that financial year.
3 Long-term incentive percentages show the percentage of the award that vested in the financial year.
4 During the year to 31 August 2015, Nick Robertson opted to waive receipt of £442,580 of his base salary, and any entitlement to bonus.
5 Nick Robertson stepped down as CEO and was succeeded by Nick Beighton on 2 September 2015.
6 During the year to 31 August 2022, Nick Beighton stepped down as CEO on 11 October 2021 and José Ramos was appointed CEO part way through the year on 16 June 2022, therefore this table shows the remuneration Nick received between 1 September 2021 and 11 October 2021 (£108,715) and the remuneration José received between 16 June 2022 and 31 August 2022 (£155,327). José had not joined the Company when the FY20 ALTIS was awarded. No bonus was paid in FY22.

Annual Report on Remuneration continued

Percentage change in Directors' remuneration

The table below shows the percentage change in the Directors' salary/fees, benefits and annual bonus over the last three years, compared with all employees of ASOS. This is a voluntary disclosure as no employees are directly employed by ASOS Plc.

	FY22			FY21			FY20		
% change	Salary/Fees	Benefits[8]	Bonus	Salary/Fees	Benefits[8]	Bonus	Salary/Fees	Benefits[9]	Bonus[10]
All employees	13.0%	-4.5%	-100%	16.1%	37.6%	7.9%	7.1%	13.2%	100%
Executive Directors									
José Ramos[1]	–	–	–	–	–	–	–	–	–
Mat Dunn[2]	25.0%	29.4%	-100%	5.6%	2.0%	49.7%	1%	9.1%	100%
Non-executive Directors									
Jørgen Lindemann[3]	–	–	–	–	–	–	–	–	–
Mai Fyfield	2.24%[7]	-100%	–	–	300%	–	–	–	–
Karen Geary	2.24%[7]	383%	–	–	6,900%	–	–	–	–
Luke Jensen	2.24%[7]	608%	–	–	400%	–	–	–	–
Patrick Kennedy[3]	–	–	–	–	–	–	–	–	–
Nick Robertson	2.24%[7]	-100%	–	–	–	–	–	-97%	–
Eugenia Ulasewicz	2.24%[7]	7,191%	–	–	–	–	–	–	–
Former Directors									
Adam Crozier[4]	0%	-100%	–	–	–	–	–	-91%	–
Nick Beighton[5]	0%	0%	-100%	6.5%	2.3%	2.2%	1%	19.6%	100%
Ian Dyson[6]	536.4%	3,882%	–	–	300%	–	–	-92%	–

1 José Ramos was appointed CEO part way through FY22 on 16 June 2022.
2 Mat Dunn received an additional temporary salary allowance of £5,000 per month during FY22 to reflect his additional responsibilities leading the day-to-day operation of the business on a temporary basis until the CEO was appointed. Mat Dunn's target and maximum bonus opportunity was increased during FY21 to align with the CEO. Mat Dunn was appointed to the Board part way through FY19 on 23 April 2019, therefore his salary and benefits have been pro-rated for FY19 for the purpose of the FY20 calculation.
3 Jørgen Lindemann and Patrick Kennedy joined the Board part way through FY22.
4 Adam Crozier was appointed to the Board part way through FY19 on 29 November 2018, therefore his fee has been pro-rated for FY19 for the purpose of the FY20 calculation.
5 Nick Beighton was given a flexible benefits allowance of £12,500 in FY20.
6 Ian Dyson was appointed Chair of the Board on 29 November 2021.
7 The base fee for Non-executive Directors was increased to £56,230 effective 1 December 2021.
8 Once COVID-19 social and travel restrictions started to lift, Board and Committee meetings were held in person leading to an increase in Director travel and other expenses in FY21 and again in FY22.
9 Reduction in benefits in FY20 was due to a reduction in expenses claimed during that year.
10 No bonus was paid in FY19.

CEO pay ratio

The table below shows the ratio of the total remuneration paid to the CEO for 2021/22 against the upper quartile, median and lower quartile full-time equivalent remuneration of ASOS' UK employees. This is the third year of reporting a pay ratio and data from the last two financial years is shown for comparison.

	Method	P25	P50	P75
2021/22	Option C	9:1	6:1	4:1
Full-year equivalent 2021/22	Option C	29:1	17:1	11:1
2020/21	Option C	68:1	35:1	25:1
2019/20	Option C	73:1	38:1	24:1

The first calculation for 2021/22 uses the total remuneration paid to Nick Beighton between 1 September 2021 and 11 October 2021 and the total remuneration paid to José Ramos between 16 June 2022 and 31 August 2022 (as disclosed on page 90). There was a period during the financial year, between 12 October 2021 and 15 June 2022, that the Company did not have a CEO, therefore the second calculation (Full-year equivalent 2021/22) provides the ratios if José Ramos had been CEO for the full financial year.

The Company has chosen Option C as it enabled the use of readily available data that was current to ASOS' year end. The employees at P25, P50 and P75 were identified based on salaries at 31 August 2022, and their total remuneration was calculated, including salary, benefits, flex allowance and pension as at that date plus 2021/22 bonus outturns (all three employees are outside the ALTIS population). No omissions, estimates or adjustments were included in the calculation.

The total remuneration of these individuals and a small number of others positioned around each quartile were compared to determine whether the employees at P25, P50 and P75 were most representative of pay levels at these quartiles. Based on that review of similarly ranked roles, the remuneration of all three individuals was deemed to be representative of the relevant quartile.

The base salary and total remuneration for the employees used in the above calculations are as follows:

	P25	P50	P75
Base salary	£26,443	£40,521	£63,519
Total remuneration	£28,032	£47,668	£71,593

The Committee is satisfied that the ratio is consistent with the Group's wider policies on employee pay, reward and progression. Executive Directors receive a greater proportion of their remuneration in elements tied to performance, including participation in the ALTIS which operates at the most senior levels. This means that the pay ratio will vary in large part due to incentive outcomes each year. No bonus was paid this year (compared to 89.9% of maximum last year), and no ALTIS awards were due to vest to José Ramos this year (compared to a 38.1% of maximum outcome for Nick Beighton in 2020/21), which has led to a reduction in the pay ratio for 2021/22.

Relative importance of spend on pay

The following table shows ASOS' actual spend on pay (for all employees) relative to retained profit. This has been used as a comparison as this is a key metric that the Board considers when assessing the Company and Group's performance. To date, no dividend has been paid by ASOS Plc and there is no intention to pay a dividend at this stage as all monies are being retained in the business for future investment.

1 The above includes capitalised staff costs and excludes share-based payments charge.

2 See Note 2 of financial statements for more information.

Non-executive Directors' dates of appointment

Non-executive Director	Date of appointment	Notice period	Appointment end date in accordance with letter of appointment	Total length of service as at 31 August 2022
Jørgen Lindemann	1 November 2021	None	AGM 2022	<1
Mai Fyfield	1 November 2019	None	AGM 2022	2.8
Karen Geary	1 October 2019	None	AGM 2022	2.9
Luke Jensen	1 November 2019	None	AGM 2022	2.8
Patrick Kennedy	13 January 2022	None	AGM 2022	<1
Nick Robertson[1]	2 September 2015	None	AGM 2022	7
Eugenia Ulasewicz	16 April 2020	None	AGM 2022	2.3

1 Nick Robertson is the Founder and former CEO of ASOS. He stepped down from the role of CEO and assumed the role of Non-executive Director on 2 September 2015.

Annual Report on Remuneration continued

Overview of Remuneration Committee

Composition of the Remuneration Committee

The Remuneration Committee currently comprises four independent Non-executive Directors: Karen Geary (Chair), Mai Fyfield, Patrick Kennedy and Eugenia Ulasewicz. Ian Dyson also served on the Committee for part of the year until 29 November 2021. Appropriate members of the management team, as well as the Committee's advisors, are invited to attend meetings as appropriate, unless there is a potential conflict of interest. The remuneration of Non-executive Directors, other than the Chair, is determined by the Chair of the Board and the Executive Directors.

Committee's responsibilities

The Committee's principal responsibilities are to:

- Determine and recommend to the Board the Group's overall Remuneration Policy, and monitor the ongoing effectiveness of that Policy.
- Determine and recommend to the Board the remuneration of Executive Directors, the Chair and the other members of the Executive Committee.
- Monitor, review and approve the levels and structure of remuneration for other senior managers and employees.
- Determine the headline targets for any performance-related bonus or pay schemes.
- Determine specific targets and objectives for any performance-related bonus or pay schemes for the Executive Directors and the other members of the Executive Committee.
- Review and approve any material termination payment.

Terms of Reference

The full Terms of Reference for the Committee, which are reviewed and approved annually, are available on our corporate website, asosplc.com. These were last updated on 6 October 2022.

Committee composition and effectiveness

Details of the Committee's experience can be found on pages 58 and 61. The Committee's membership was and remains fully compliant with the 2018 UK Corporate Governance Code. The outcome of the Committee's annual performance evaluation, undertaken as part of the Group's internal evaluation of the effectiveness of the Board and its Committees, showed high scores for the effectiveness of the Remuneration Committee, including the management of meetings, information received and performance of the Committee Chair.

Advisors to the Remuneration Committee

The Committee has engaged the external advisors listed below to help it meet its responsibilities.

Committee advisor

- Deloitte has been the independent advisor to the Committee since 2019 and were appointed by the Committee following a competitive tender process. Deloitte are signatories to the Remuneration Consultants' Code of Conduct, and the Committee is satisfied that the advice that it receives is objective and independent. Total fees for advice provided to the Committee were £157,000 in the financial year to 31 August 2022 on a time and materials basis. The Deloitte engagement partner and advisory team that provide remuneration advice to the Committee do not have any connections with the Group or individual Directors that may impair their independence. Separately, during the year other parts of Deloitte also advised the Group in relation to financial advisory, consulting, taxation, accounting services and financial modelling support as part of business planning and analysis.
- When required, ASOS also receives advice relating to remuneration matters from Lewis Silkin LLP, KPMG LLP, and Slaughter and May LLP on reward, tax and legal matters respectively. As a matter of course, the Committee also receives advice and assistance as needed from our Chief People Officer, Reward Director, Head of Reward, General Counsel & Company Secretary and Executive Directors.

Key areas of focus for the year ahead

- Engaging with shareholders in relation to our approach to remuneration for 2023/24.
- Review and approve any salary increases for the Executive Committee.
- Determine 2022/23 annual bonus outcome and FY21 ALTIS awards vesting.
- Approve 2023/24 ALTIS awards, and 2023/24 annual bonus.
- Continue to monitor regulatory and legislative developments.
- Conducting a full review of variable pay.

Remuneration Policy

ASOS Plc listed on the Main Market of the London Stock Exchange in February 2022 and we will therefore be submitting our Remuneration Policy for binding shareholder approval for the first time at our upcoming AGM on 11 January 2023. In line with the regulations, the new Policy for ASOS' Executive and Non-executive Directors will operate for up to the three years from the date of approval at the AGM on 11 January 2023.

Although this is the first year that the Company will be subject to a binding vote on the Remuneration Policy, the Company has been following the requirements for Main Market listed companies in practice for a number of years and therefore already has an established policy. During the year, the Committee considered the current Policy and agreed that, given the recent management changes at ASOS during the year and the current external environment, it was not appropriate to make significant changes to the Policy this year, but a wholesale review will be undertaken in FY23. Generally, the shareholders we consulted with were supportive of this approach and to the proposed changes to the Policy.

The Committee followed a detailed decision-making process which included discussions on the proposals for the Policy at a number of Committee meetings. Where changes to elements of the package were discussed, the Committee considered multiple approaches before reaching a decision. During this time the Committee considered input from management and its independent advisors, as well as ASOS' major shareholders and employees, to ensure that various perspectives were considered. To avoid any conflicts of interest, no Directors were involved in conversations relating to their own pay. However, Executive Directors were kept well-informed to ensure alignment with wider employee remuneration structures and strategic goals.

The Committee noted that the existing policy has previously delivered a strong correlation between reward outcomes and underlying performance. It has ensured that the Remuneration Policy continues to:

- Encourage strong performance and engagement, both in the short and long term.
- Enable the Group to achieve its strategic objectives and create sustainable shareholder value.
- Make sure high performance is required to access high rewards.
- Ensure that the total reward cost to ASOS is affordable and sustainable.

In view of the Company's move to the Main Market of the London Stock Exchange, the Committee reviewed the corporate governance features in place and agreed to make the following enhancements:

1. Introduction of annual bonus deferral – In line with best practice in the Main Market, we are proposing to add a deferral element to the annual bonus scheme.
2. ALTIS (ASOS Long Term Incentive Scheme) holding period – In line with best practice and as outlined in our Main Market Prospectus, we are proposing to extend the total time horizon of the ALTIS to five years by adding a two-year post-performance period holding period (i.e. three-year performance period plus two-year holding period).
3. Post-employment shareholding guideline – To further align ourselves with best practice, we are proposing to extend our shareholding requirements to apply post-employment. The Committee believes that these three features of the executive remuneration framework will strengthen the alignment of our executives' interests with the interests of our shareholders, encouraging the delivery of sustainable, long-term performance. Further details on the proposed changes are outlined on page 101.

The full Remuneration Policy that shareholders are asked to approve at the AGM taking place on 11 January 2023 is set out below and will be available on our website at asosplc.com.

Remuneration Policy table

The following table sets out the proposed Remuneration Policy. This table also applies to any other individual who is required to be treated as an Executive Director under the applicable regulations.

Base salary		
Purpose and link to strategy	**Operation**	**Maximum**
Reflects an individual's responsibilities, experience and performance in their role.	Salaries are normally reviewed annually, with changes being effective from 1 December. When determining salary levels, the Committee takes into account factors including: • Responsibilities, abilities, experience and performance of an individual. • The performance of the individual in the period since the last review. • The Group's salary and pay structures and general workforce salary increases. Periodically the Committee reviews market data for FTSE-listed and other retail and internet/technology-based companies to ensure salaries remain appropriate in this context.	There is no defined maximum base salary. Executive Directors' salary increases will normally be in line with the typical level of increase awarded to other employees. Increases may be above this level in certain circumstances, including: • Where a new Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role. • Where an Executive Director has been promoted or has had a change in responsibilities. • Where there has been a significant change in market practice. • Other exceptional circumstances.

Remuneration Policy continued

Pension

Purpose and link to strategy	Operation	Maximum
To contribute financially post retirement.	Defined contribution arrangement or salary supplement. Only base salary is pensionable. ASOS' contribution depends on the employee's seniority and may be matched to the level of contributions the employee chooses to make.	Contribution aligned to the wider workforce, which is currently 5% of base salary.

Other benefits

Purpose and link to strategy	Operation	Maximum
To support the personal health and wellbeing of employees. To reflect and support ASOS culture.	Package of taxable benefits offered through our flexible benefits scheme, ASOS Extras, which offers all employees a fixed value depending upon their seniority, and can be used either to buy a variety of benefits or be taken in cash. Other benefits include private medical insurance and life assurance. The Executive Directors currently receive a flexible benefits allowance of £12,500 per annum (though this may be increased as part of any review of the employee benefits policy). Reasonably incurred expenses will be reimbursed. Where necessary any benefits or expenses may be grossed up for taxes. The Committee may introduce other benefits to the Executive Directors if this is considered appropriate taking into account the individual's circumstances, the nature of the role and practice for the wider workforce. Where an Executive Director is required to relocate to perform their role, appropriate one-off or ongoing benefits may be provided (such as housing, schooling etc.).	There is no maximum level of benefits.

Annual bonus

Purpose and link to strategy	Operation	Maximum	Measures
Provides a link between remuneration and both short-term Group and individual performance. Annual bonus deferral encourages the delivery of sustainable, longer-term performance and strengthens the alignment of Executive Directors with shareholders' interests.	The annual bonus is earned based on performance against targets set by the Committee. Targets are reviewed annually. Bonus payments are not pensionable. The Committee will retain the discretion to adjust bonus payouts if it considers that the outcome does not reflect the underlying performance of the business or participants during the year, including the Company's performance against set metrics, or that the payout is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. Any annual bonus earned up to a value of 50% of salary will be paid in cash. Any further bonus earned above this value will normally be delivered 50% in cash and 50% in shares to be deferred for three years. Malus provisions apply to the deferred bonus shares. Clawback applies to vested deferred bonus shares for a period of three years from the date of award. See page 104. The Committee may decide to pay the entire bonus in cash where the amount to be deferred into shares would, in the opinion of the Committee, be so small it is administratively burdensome to apply deferral.	Maximum annual bonus opportunity of 150% of base salary.	The annual bonus is normally measured over a one-year period and may be based on a mix of financial, operational, strategic and individual performance measures. Normally at least 50% of the bonus will be based on financial measures. The Committee determines the exact metrics each year depending on the key goals for the forthcoming year. Up to 25% of the bonus is paid for achieving a threshold level of performance and the full bonus is paid for delivering stretching levels of performance. Below threshold performance, no payment is made. The Committee sets bonus targets each year to ensure they are appropriately stretching in the context of the strategy.

ASOS Long Term Incentive Scheme (ALTIS)			
Purpose and link to strategy	**Operation**	**Maximum**	**Measures**
Supports the strategy and business plan by incentivising and retaining the ASOS senior management team in a way that is aligned with both ASOS' long-term financial performance and the interests of shareholders.	Annual awards of shares to selected employees, which vest after three years subject to the achievement of performance conditions. Clawback and malus provisions allow awards to be recouped in certain circumstances for a period of five years from date of award (see page 104). The Committee retains the discretion to adjust the vesting level if it considers that the vesting outcome does not reflect the underlying performance of the business or participants during the three-year performance period, including the Group's performance against customer metrics, or that the payout is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. A two-year post-vesting holding period will normally apply to ALTIS awards granted from FY23 onwards.	The maximum annual award that can be granted under the ALTIS in normal circumstances is 250% of base salary, although the ALTIS rules allow for grants of up to 500% of salary in any given year.	Awards may vest based on financial, non-financial and strategic performance conditions which are aligned to the Company's strategy (the satisfaction of which is determined by the Committee) and normally measured over at least three years. The measures for the FY23 award are relative TSR (25%), EPS growth (30%), revenue growth (30%) and ESG (15%). Any substantial or significant change to measures will be subject to shareholder consultation. Up to 25% of the award vests for threshold levels of performance, increasing to 100% of the award for stretching performance. The Committee sets targets each year that are stretching and motivational.

Share ownership guidelines		
Purpose and link to strategy	**Operation**	**Maximum**
Increases alignment between the Board and shareholders. Shows a clear commitment by all Executive Directors to creating value for shareholders in the long term.	The shareholding guideline for Executive Directors is 200% of salary. Under the guidelines Executive Directors are expected to hold 50% of any shares acquired on vesting of the ALTIS or the Deferred Bonus Plan, and any subsequent share awards thereafter (net of tax), until the expected shareholdings are achieved. A post-employment shareholding guideline applies whereby Executive Directors are normally expected to hold 100% of their in-employment shareholding guideline for one year following stepping down from the Board, reducing to 50% of their in-employment shareholding guideline for the second year following stepping down from the Board. Where an Executive Director's shareholding at the time of their departure is below these limits, they will normally be expected to hold their actual shareholding for the time period above. This guideline only applies to incentive awards granted from FY23 onwards.	Not applicable.

All-employee share plan		
Purpose and link to strategy	**Operation**	**Maximum**
Increase alignment between employees and shareholders in a tax-efficient manner. Supports retention of employees.	A HMRC-approved all-employee Save As You Earn share option scheme (SAYE) encourages employees to take a stake in the business, aligning their interests with those of shareholders. Other all-employee plans may be introduced if appropriate.	Participation in any all-employee share plan is subject to the same maximum as for all other participants, which is determined by the Company in accordance with the applicable legislation.

Non-executive Directors		
Purpose and link to strategy	**Operation**	**Maximum**
Provide fees appropriate to time commitments and responsibilities of each role.	Cash fee normally paid on a monthly basis. Fee levels are set taking into account the responsibilities of the Non-executive Directors and fees at companies of a similar size and complexity. Supplementary fees are paid for holding additional roles, for example Board Committee Chairs and members and the Senior Independent Director. The Company may pay an additional fee to a Non-executive Director should the Company require significant additional time commitment in exceptional circumstances. The Chair receives a consolidated fee. Fees are reviewed periodically. In addition, reasonable business expenses (together with any tax thereon) may be reimbursed. Additional benefits may be introduced if considered appropriate.	There is no prescribed maximum. In aggregate, fees paid to all Directors will not exceed the limit set out in the Company's Articles of Association.

Remuneration Policy continued

Selection of performance measures

For the ASOS annual bonus and ALTIS, our policy is to choose performance measures that help drive and reward the achievement of our strategy and also provide alignment between Executives and shareholders. Our incentive awards are designed to align with ASOS' strong and stretching performance culture, driving outcomes that benefit our shareholders, customers and ASOSers.

The Committee reviews metrics each year to ensure they remain appropriate and reflect the strategic direction of ASOS. The measures used in the FY23 annual bonus reflect ASOS' KPIs for the year. They are based on revenue, adjusted profit before tax, adjusted free cash flow, ESG and strategic objectives. Revenue and profit continue to be key measures of success for the business. The free cash flow metric reflects the Group's ongoing focus on maintaining a strong cash position to enable further growth and expansion. The strategic objectives reflect our evolving areas of business focus. Our ESG metric, focused on our FY23 externally stated DEI commitment ensures ASOS will continue its journey towards being a truly global retailer in a responsible and sustainable way.

Long-term performance targets for FY23 are based on a combination of absolute and relative performance. TSR provides strong alignment with shareholders and will be measured against a bespoke group of online and retail competitors in Europe and the US (companies are set out on page 92) as this provides a robust and relevant benchmark. The group comprises a balance of UK, US and European companies who would broadly speaking be seen to be relevant peers by our shareholders. EPS is considered an objective and well accepted measure of Group performance which reinforces the objective of achieving profitable growth. Revenue captures top-line growth and is a key element of our progress towards our mission. ESG measures performance against our targets for the Fashion with Integrity programme.

Targets for each performance measure are set by the Committee with consideration of an extensive set of reference points including internal plans and budgets, forecasts for the sector, relevant sector benchmarks and external expectations.

Due to the current challenging external and business environment, the Committee has not yet agreed the ALTIS targets. It is intended that the targets will be agreed before the grants are made in November and be disclosed in the RNS announcement which will be made at the time the ALTIS awards are granted.

Performance is measured on a sliding scale, so that incentive payouts increase pro-rata for levels of performance between the threshold and maximum performance targets.

Recruiting new Executive Directors and senior executives

When recruiting any Executive Director or senior executive, we seek to apply consistent policies on fixed and variable remuneration components in line with the Remuneration Policy set out on pages 99 to 101. This helps to ensure that any new Executive Director or senior executive is on the same remuneration footing as existing Executive Directors or senior executives respectively, while still taking into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Any new Executive Director's remuneration package would typically include the same elements, and be subject to the same constraints, as those of the existing Executive Directors performing similar roles. This means a potential bonus opportunity of up to 150% of base salary and potential incentive opportunity of up to 250% of base salary. However, under our ALTIS rules, we have the flexibility to grant awards of up to 500% of base salary and therefore the increased maximum level of variable remuneration which may be awarded on recruitment (excluding any buy-outs referred to below) is 650% of salary.

The Committee has the discretion to include other elements of pay which it feels are appropriate taking into account the specific commercial circumstances (e.g. for an interim appointment). However, this would remain subject to the limit on variable remuneration set out above. The rationale for any such component would be appropriately disclosed in the relevant Remuneration Report.

The Committee may make additional awards on joining in order to secure the appointment of an Executive Director or senior executive. This is considered where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment. In these circumstances the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities. When determining any such 'buy-out', the guiding principle would be that awards would generally be on a 'like-for-like' basis unless this is considered by the Committee not to be practical or appropriate. Any such proposal for Executive Directors requires the prior approval of the Remuneration Committee.

Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide assistance with relocation (either via one-off or ongoing payments or benefits). In the event that an internal candidate is promoted to the Board, legacy terms and conditions would normally be honoured, including any accrued pension entitlements and any outstanding incentive awards.

To facilitate any buy-out awards outlined above, in the event of recruitment the Committee may grant awards to a new Executive Director relying on the exemption in the Listing Rules, which allows for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director, without seeking prior shareholder approval or under any other appropriate Company incentive plan.

In cases of appointing a new Non-executive Director, the approach will normally be consistent with the Policy.

Executive Directors' service contracts and payments for loss of office

It is our policy that all Executive Directors should have rolling service contracts with an indefinite term, but a fixed period of notice of termination. The services of all Executive Directors may be terminated on a maximum of 12 months' notice by the Company or the individual. An individual's status may be determined by the Committee in accordance with the rules of any applicable scheme. The Committee may exercise discretion to determine the final amount paid. Our usual approach to remuneration when an Executive Director leaves is explained below with the treatment of each Executive Director being determined by the Committee, in light of the particular circumstances of the departure. In respect of any bonus or ALTIS awards, this determination will be in accordance with the relevant plan rules.

ASOS also retains flexibility to pay reasonable legal fees and other costs incurred by the individual that are associated with the termination (including the settlement of claims brought against ASOS) and to provide outplacement services. In circumstances in which a departing Executive Director may be entitled to pursue a legal claim, ASOS may negotiate settlement terms and, with the approval of the Committee on the remuneration elements therein, enter into a settlement agreement accordingly. In addition, ASOS would honour any legal entitlements, such as statutory redundancy payments or awards made by any tribunal or court, which Executive Directors may have on, or in respect of, termination.

The individual is expected to take reasonable steps to seek alternative income to mitigate the cost of any such payments.

The Committee has discretion to determine that salary in lieu of notice may be paid, up to a maximum of 12 months' salary. In such circumstances, the Committee would usually seek to make a phased payment where possible. An Executive Director who leaves may, at the discretion of the Committee, receive up to a maximum 12 months' worth of pension and other benefits (or a payment in lieu of such pension and benefits). However, the Committee retains the discretion to determine that pension or other benefits will be paid to the date of cessation of employment only.

The Committee will determine the amount of bonus that will be paid to an Executive Director (if any) and the date of payment of any such bonus. There is no right to receive a bonus payment, however, the Committee may determine that the Executive Director may receive a pro-rated bonus and/or that bonus payments remain subject to performance. Executive Directors may be required to defer such portion of any bonus as the Committee may determine into a share award for such period as the Committee decides.

The treatment of leavers under the ALTIS and Deferred Bonus Plan (DBP) will be determined in accordance with the ALTIS and DBP rules as relevant. 'Good leavers' under the ALTIS and DBP are those who leave ASOS as a result of ill-health, injury, disability, the sale of their employing entity out of the ASOS group, or in any other circumstances that the Committee considers appropriate.

In good leaver circumstances, unvested DBP awards will usually vest in full on the normal vesting date unless the Committee determines that they should vest earlier. In circumstances where the Executive Director is not a good leaver, an award will lapse.

In good leaver circumstances, unvested ALTIS awards may vest in accordance with the ALTIS rules. ASOS' normal practice is for unvested ALTIS awards to vest on the normal vesting date to the extent that the Committee determines (taking into account the extent to which performance conditions have been satisfied and the proportion of the performance period that has elapsed and other relevant factors). Any applicable holding periods will normally continue to apply. However, the Committee may disapply time pro-rating and/or any post-vesting holding periods and accelerate the vesting date of unvested ALTIS awards in certain circumstances. In circumstances where the Executive Director is not a good leaver, an unvested ALTIS award will lapse. Vested ALTIS awards will normally remain subject to any applicable holding period (unless the Committee determines otherwise) and so are normally released in accordance with the normal release date except in case of summary dismissal in which case vested ALTIS awards will lapse.

In the event of a change of control of the Group, DBP awards will normally vest in full. ALTIS awards will vest to the extent determined by the Committee taking into account the factors it considers relevant which may include: (i) the extent to which performance conditions have been satisfied; (ii) underlying performance; (iii) such other factors as the Committee may consider relevant; and (iv) unless the Committee determines otherwise, the proportion of the performance period that has elapsed. Awards subject to a holding period will normally be released. Alternatively, the Committee may determine that DBP and ALTIS awards will be exchanged for equivalent awards which relate to shares in a different company.

If there is a demerger, winding-up or other material corporate event, the Committee may allow ALTIS and DBP awards to vest on the same basis as for a takeover.

Upon exit or change of control, SAYE awards will be treated in line with the SAYE plan rules and in line with HMRC guidance.

Executive Directors' contracts are available to view at the Company's registered office.

Consideration of shareholder and broader stakeholder views

The Committee is committed to open dialogue with shareholders and our approach is to engage directly with them and their representative bodies when considering any significant changes to Executive Director remuneration arrangements. The Committee considers shareholder feedback received following the AGM as well as any additional feedback and guidance received from time to time, and this is taken into account when developing the Group's remuneration framework and practices. Assisted by its independent advisor, the Committee also actively monitors developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate.

The employee forum is used to capture feedback from ASOSers and during the year the Chair of the Remuneration Committee held a Q&A session with the forum to discuss executive remuneration, as well as remuneration of the wider workforce, although they were not directly consulted in the development of the policy. The proactive dialogue that exists with suppliers and customers means that there are channels of communication with all stakeholders.

Remuneration Policy continued

Malus and clawback provisions

The Committee has the discretion to recover any value delivered (or which would otherwise be delivered) under the annual bonus and the ALTIS in certain circumstances, where it believes the value is no longer appropriate.

Malus applies to unvested DBP and ALTIS awards. Clawback applies to vested DBP and ALTIS awards. These provisions may be invoked at the Committee's discretion at any time within five years from the date an award is granted under the ALTIS, within three years from the date an award is granted under the DBP, in exceptional circumstances, which may include:

- A material misstatement in the Group's published results.
- An error in assessing the performance conditions applicable to an ALTIS award or the size of a bonus by reference to which a DBP award is granted or in determining the number of shares subject to an award, or the assessment or determination being based on inaccurate or misleading information.
- Misconduct on the part of the relevant participant.
- The participant's beach of any restrictive, confidentiality, or non-disparagement covenants or other similar undertakings.
- A determination that the participant has caused a material loss for the Group as a result of reckless, negligent or wilful acts or omissions, or inappropriate values or behaviour.
- A material failure of risk management by any Group member.
- A determination that the participant is responsible for or had management oversight over a member of the Group being censured by a regulatory body or suffering a significant detrimental impact on its reputation.
- The Company or entities representing a material proportion of the Group becoming insolvent or otherwise suffering corporate failure.

Terms of share awards

Awards under any of the Company's share plans referred to in this report may:

- Be granted as conditional share awards, nil-cost options, nominal cost options or in such other form that the Committee determines has the same economic effect.
- Have any performance conditions applicable to them amended or substituted by the Committee if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy.
- Incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vest up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis.
- Be settled in cash at the Committee's discretion.
- Be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

Payments outside policy

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the proposed Remuneration Policy set out in this report, where the terms of the payment were agreed (i) before the Policy came into effect, or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration, and an award over shares is 'agreed' at the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

External appointments

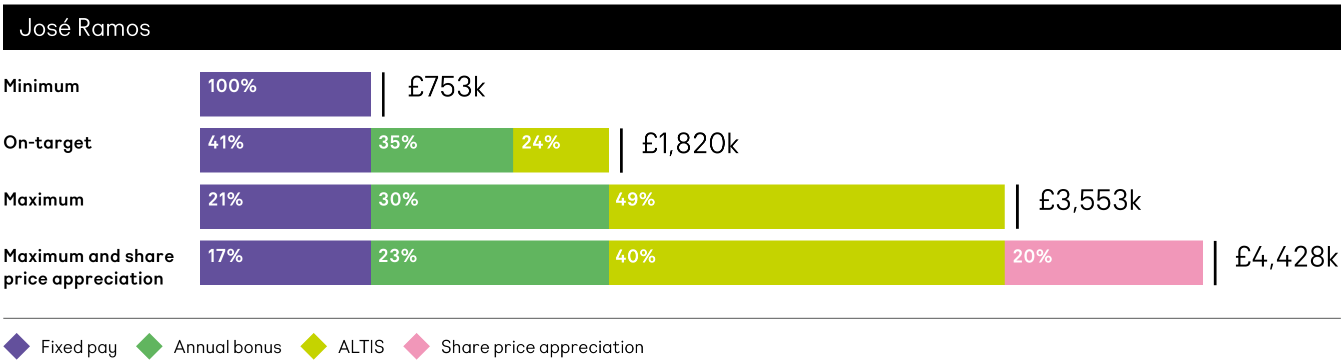
Executive Directors are normally permitted to hold one approved non-executive directorship of another company and to retain the fees earned from such an appointment. Additional appointments may be considered in exceptional circumstances.

Non-executive Directors' letters of appointment

Non-executive Directors do not have service contracts with ASOS. Instead, they have letters of appointment which provide for a maximum of three months' notice of termination by the Company or the individual at any time, with no pre-determined amounts of compensation.

Non-executive Directors' letters of appointment are available to view at the Company's registered office.

Total potential remuneration for Executive Directors in FY23



The chart above provides an illustration of the potential remuneration for the CEO under the new Remuneration Policy in FY23.

Basis of calculation:

- Minimum – fixed pay only (salary + benefits + pension or pension allowance). The benefits are based on the actual figure for 2021/22.
- Target – fixed pay, plus target bonus opportunity of 90% of salary, plus 25% of the face value of the ALTIS award on grant (i.e. 62.5% of salary).
- Maximum – fixed pay, plus maximum bonus opportunity of 150% of salary, plus the full face value of the ALTIS award on grant (i.e. 250% of salary).
- Maximum plus 50% share price growth – as per the maximum scenario outlined above including an assumed 50% share price growth for the ALTIS award.

Minor amendments

The Committee may make minor amendments to the Policy set out above (if required for legal, regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without requiring prior shareholder approval for that amendment.

Committee discretion

The Committee operates under the powers it has been delegated by the Board. In addition, it complies with rules that are either subject to shareholder approval or by approval from the Board. These rules provide the Committee with certain discretions which serve to ensure that the implementation of the Remuneration Policy is fair, both to the individual Director and to the shareholders. The Committee also has discretion to vary the level of the various components of remuneration. This, together with malus and clawback provisions, enables the Committee to better manage risks. The extent of such discretions is set out in the relevant rules, and the maximum opportunity for incentive awards is set out in the Policy table on pages 99 to 101. To ensure the efficient administration of the variable incentive plans outlined, the Committee will apply certain operational discretions.

These include the following:

- Selecting the participants in the plans on an annual basis.
- Determining the timing of grants of awards and/or payments.
- Determining the quantum of awards and/or payments (within the limits set out in the Policy table).
- Determining the extent of vesting based on the assessment of performance as well as taking into account the experience of shareholders and other stakeholders over the vesting period.
- Determining whether malus or clawback shall be applied to any award in the relevant circumstances and, if so, the extent to which it shall be applied.
- Making the appropriate adjustments required in certain circumstances, for instance for changes in capital structure, or to take into account exceptional items.
- Determining 'good leaver' status for incentive plan purposes and applying the appropriate treatment.
- Undertaking the annual review of weighting of performance measures and setting targets for the annual bonus plan and other incentive schemes, where applicable, from year to year.

If an event occurs which results in the annual bonus plan or ALTIS performance conditions being deemed no longer appropriate (e.g. material acquisition or divestment), the Committee will have the ability to amend the performance conditions and/or targets, provided that the revised conditions are not materially less challenging than the original conditions. Any use of the above discretion would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Group's major shareholders.

Remuneration for other ASOS employees

The Remuneration Policy for Executive Directors has been developed with consideration of the reward philosophy, strategy and policy for ASOSers across the whole organisation. Where possible, we aim to create alignment between the way executive remuneration is structured and the way ASOSers more generally are rewarded. Inevitably, there are some differences between our management and the rest of the business. This is typically a result of developing reward arrangements that are competitive for the different talent markets from which we recruit or to which we risk losing staff. The policy for Executive Directors and the senior levels within ASOS' leadership group also places a larger emphasis on pay-at-risk through incentives and long-term remuneration through the ALTIS programme.

All employees are entitled to base pay, benefits and pension contributions, and during the financial year 176 employees received an award under the ALTIS. ASOS operates a Save As You Earn scheme for all employees. We encourage a strong culture of ownership across the organisation and encourage all ASOSers to behave and think like owners. For FY22, the general salary increase across the workforce was 2.5% and this was allocated based on performance.