Remuneration Committee Report



Members

- Christine Cross (Chair)
- Marie Gulin-Merle
- Jon Kamaluddin
- José Manuel Martínez Gutiérrez

The Terms of Reference for the Remuneration Committee are reviewed annually and are available on our website, asosplc.com.

→ **The Remuneration Committee's attendance at meetings is detailed in the table on page 73.**

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Committee's report for the period to 30 August 2026.

Directors' Remuneration Policy

As ASOS continues to execute the third phase of its transformation and return to sustainable profitable growth, the Committee recognises the importance of maintaining a remuneration framework that supports the attraction and retention of the leadership talent required to deliver sustainable long-term value for shareholders.

During the year, the Committee undertook a review of the FY25 Value Creation Plan (VCP) to assess whether it continues to provide an effective long-term incentive framework.

The VCP was designed to align the interests of management and shareholders through a mechanism to share in value created. The plan was established on the principle that successful delivery of the Company's transformation strategy and the generation of strong Group free cash flow (FCF) should translate in value creation for both shareholders and participants.

Since the VCP was introduced, ASOS has delivered significant operational and financial progress and made substantial strides towards its medium-term targets. Through the disciplined execution of its transformation programme, the Group has improved its growth trajectory, strengthened profitability and continued to drive cost efficiencies across the business. In parallel, the successful refinancing of its debt facilities and completion of strategic asset disposals have enhanced financial flexibility, reducing net debt and strengthening the balance sheet. However, despite this progress, the share price remains significantly below the £6.70 threshold level set when the VCP was first introduced.

The VCP was designed with two means of creating the pool; principally through the increase in value of the Company above a threshold £6.70 share price with an underpin that, if FCF (as defined by the VCP scheme rules) of £135-215m is generated in FY29, a share price of £13-£18 will be deemed. The underpin was included to recognise that, while management can directly influence the operational and financial performance of the business, it cannot control how that performance is reflected in the Company's share price, which may be affected by broader market conditions, limited share liquidity and external shareholder dynamics. This consideration is relevant given the transformation programme has been largely effective, and strong positive FCF is expected over the remainder of the performance period to 2029, however this has not yet resulted in the share price movement anticipated when the VCP was established. My fellow Committee members and I want to ensure that the VCP acts as a mechanism to maximise value creation over the remainder of the performance period.

Following a comprehensive review, we are proposing to remove or reduce the £6.70 Threshold Value as a pre-condition to the operation of the FCF underpin. This would ensure that, where FY29 FCF reaches at least £135m, the original underpin mechanism operates as intended, with the deemed share price applying and the value of the pool determined by reference to the increase in value above the £6.70 Threshold Value. This proposed amendment is intended to preserve the original design intent of the VCP by maintaining alignment between management and shareholder interests and ensuring that management incentives are aligned to focusing on maximising value creation through the delivery of the operational and financial outcomes that drive long-term shareholder value creation. Through providing management with a clearer line of sight to value realisation under the Plan, the proposed amendment is intended to sustain momentum at this critical stage of the Group's transformation journey and reinforce management's focus on delivering the Group's strategic objectives and targeted FCF outcomes.

As part of the Committee's broader review of the VCP, it is also proposed that the caps on individual allocations be increased to permit the CEO to receive 22.5% of the pool in aggregate (from the current 15%) and the CFO to receive 9% (from the current 8% and award to date of 6%).

Whilst normally we would have consulted with Shareholders prior to the publication of the FY26 Annual Report and Accounts, we considered it important to engage once shareholders had the benefit of the Group's full FY26 results. This allows the proposals to be considered in the context of ASOS's current position, with visibility of the progress made against the transformation plan, alongside the Group's FY27 guidance. It also enables full transparency regarding remuneration outcomes, supporting a more informed and open dialogue on the proposals.

Accordingly, following publication of the FY26 Annual Report and Accounts, we will engage with our major shareholders (those holding more than 1% of the Company's issued share capital) and the leading proxy advisory firms to seek their views on the proposed change. I look forward to receiving their feedback.

Subject to the Shareholder consultation and the proposed amendment outlined, the Committee remains satisfied that the VCP's overall framework continues to provide an appropriate incentive structure that aligns management's interests with those of shareholders and supports the delivery of long-term value creation.

In accordance with the usual three-year cycle, our Remuneration Policy (Policy) will be submitted to shareholders for approval at the next Annual General Meeting (AGM).

During the year the Committee undertook a review of the Policy to ensure it remains appropriate. The Committee concluded that the Policy continues to operate effectively and, accordingly, only modest changes are proposed. The proposed Policy updates, together with the amendment to the VCP outlined above, are summarised below.

- Consistent with good practice, we shall commit that Executive Director pension contribution rates are no higher than the all-employee rate.
- While salary reviews will normally take effect on 1 December, clarity will be included confirming that salary changes may take effect on alternative dates where appropriate.
- Minor amendments to the share ownership guidelines to provide greater clarity regarding their application and operation in practice.

The Annual Report on Remuneration includes the proposed Remuneration Policy, which will be submitted to shareholders for approval at the next AGM.

The Committee's principal activities during the period and up to the date of this report:

- Reviewed and confirmed the outcomes of the FY26 annual bonus and the FY24 three-year ASOS Long Term Incentive Scheme (ALTIS) awards for Executive Directors and senior management.
- Reviewed and approved Executive Directors and senior management's pay and benefits during FY26.
- Approved Natasja Laheij's Chair fees following her appointment with effect from 21 November 2025 and associated handover period.
- Set performance measures for the annual bonus for the Executive Directors and senior management, in line with our Policy.
- Reviewed and approved changes to the structure of incentives below Board.
- Considered the relationship between executive pay and wider workforce pay, and reviewed gender and ethnicity pay gap data.
- Considered corporate governance developments and market practice relating to executive and wider workforce pay.
- Engaged with employee representatives on executive pay and pay across the wider workforce.

Remuneration outcomes for the period to 30 August 2026

Below sets out the performance outcomes of our FY26 annual bonus and FY24 ALTIS.

FY26 annual bonus

The measures for the Executive Directors' annual bonus for FY26 were based on 50% Financial (Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (AEBITDA) less capital expenditure (capex) and leases) and 50% Strategic (Gross Merchandise Value (GMV)). Regarding the Financial measure, the achievement was between Target and Maximum. On the Strategic measure, the achievement was between Threshold and Target. This resulted in a total of 86.27% base salary (57.51% of potential) earnings in bonus for our Executive Directors. The bonus plan was operated as set without the exercise of any discretion.

In accordance with the Directors' Remuneration Policy, any bonus earned above 50% of salary will be delivered 50% in cash and 50% in shares, and will be deferred for a period of three years.

FY24 ALTIS

The performance condition for the FY24 ALTIS award was based on Adjusted EBIT over the three-year period to 30 August 2026. Performance against the measure was below threshold, therefore the overall vesting level for the FY24 ALTIS was 0%.

Executive remuneration in FY27

Salary

When determining salary increases for the CEO and CFO for FY27, the Committee considered a range of factors, including:

- Individual performance and contribution in role.
- Historical outcomes under the Company's incentive arrangements.
- Positioning relative to historical salary levels associated with the role.

Based on the above factors, the Committee agreed to increase the salary of our CEO to £820,000 and our CFO to £485,000, effective 1 September 2026.

Annual bonus

The maximum opportunity remains at 150% of base salary under the Policy. The Committee reviewed the performance measures and concluded that the FY27 annual bonus performance measures should remain unchanged from FY26, reflecting the ongoing relevance of the Group's strategic and financial priorities. Accordingly, the bonus will continue to comprise a single financial measure, (weighting 50%): Adjusted EBITDA less capex and leases. The measure of performance has been chosen again as the most appropriate proxy for operational cash, a continued key focus for management in the year ahead.

The remaining 50% will continue to be assessed against GMV, which takes into account the net retail sales across our ASOS.com business alongside TSTM.com, Partner Fulfils and AFS channels. This strategic measure has been retained for FY27 as it remains closely aligned with the Group's priorities for the year ahead, namely continuing the transition to sustainable profitable growth. GMV is formally defined in the Financial highlights on page 2.

Financial and strategic performance measures alone comprise the annual bonus measures for our CEO and CFO. Across the wider organisation, the Group bonus framework also incorporates individual objectives to reflect personal contribution alongside business performance.

VCP

If shareholder approval is secured, the changes to the VCP outlined above will be made.

Wider workforce remuneration

Whilst not formally accredited, ASOS is committed to being a Real Living Wage employer and the Committee receives updates from management to ensure we continue to honour this commitment. During the period, I held a dedicated session with our newly formed employee engagement network, the Culture Council. The session covered both executive remuneration and wider employee remuneration matters, where ASOSers were given the opportunity to ask questions directly to me and engaged in two-way dialogue.

Shareholder engagement

The Committee looks forward to continuing to engage with investors over the year ahead as we consider our future remuneration approach, designed to motivate and align the interests of shareholders and management.

Concluding remarks

I have announced my intention to step down from the Board for personal reasons following the next AGM. 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 forthcoming AGM.

Christine Cross
Remuneration Committee Chair
05 November 2026