Directors’ Remuneration Policy

Directors’ Remuneration Policy table

The following table and the supporting notes set out the Directors’ Remuneration Policy, approved at the Company’s General Meeting on 20 August 2024.

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.

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 unvested deferred bonus shares. Clawback applies to vested deferred bonus shares for a period of three years from the date of award. Direct 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 7). 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.	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. No awards will be made during the life of this Policy to an Executive Director who has received a VCP award.	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. 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.

Value Creation Plan (VCP)

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.	Under the VCP Executive Directors have the opportunity to share in a pool (to be shared amongst VCP participants) with a total aggregate value equal to 5.5% of the growth in the value of the Company above a reference threshold value of £6.70 per Share, being approximately two times the ASOS share price when the Committee initially considered the design for the VCP. Awards to Executive Directors will vest in two equal tranches (each in respect of 50% of the relevant individual's allocation) on each of the 4th and 5th anniversary of the date of the 2024 EGM. Awards will be granted in the form of a nil-cost option, where a participant can decide on quarterly exercise dates to exercise their VCP award and receive ordinary shares in the Company using the prior average 90 day closing share price at or shortly prior to such exercise. Once the results for the financial year ending 31 August 2029 ("**FY29**") become available, there will also be a share price underpin if certain Group free cash flow ("**FCF**") targets are met:	The maximum allocation that a participant may receive will be limited to 15% of the total value of the VCP pool. There is no maximum level on the value of the pool.	VCP awards may vest based on value created in terms by reference to increase in the ASOS share price above the threshold value. An underpin will also apply such that the pool will be calculated using the higher of the share price and the price derived by reference to the FCF for FY29.

FCF for FY29*	Implied share price for purpose of calculating value of the VCP pool*
£135m	£13.00
£180m	£15.00
£215m	£18.00

* Straight-line interpolation will apply between these points. For the avoidance of doubt, there are no additional points for FCF below £135m and above £215m.

Malus and clawback provisions apply to VCP awards. See page 7 for further details.

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 VCP, 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 by an Executive Director 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.

Selection of performance measures

For the ASOS annual bonus and VCP, 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 annual bonus reflect ASOS' KPIs for the relevant financial 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 externally stated DEI commitment ensures ASOS will continue its journey towards being a truly global retailer in a responsible and sustainable way.

The use of a threshold share price metric and hurdle (£6.70) in the VCP is directly aligned with the interests of shareholders and ensures that Executive Directors are rewarded only if they deliver material shareholder returns over the longer-term. The share price hurdle is considered to be stretching as it reflects a broadly doubling of the ASOS share price (from the date the Committee initially considered the design for the VCP) before the Executive Directors will be able to benefit from any potential value. The inclusion of the FCF underpin in the VCP supplements the share price metric and ensures that Executive Directors maintain focus on the growth of cash generation of the Group.

ALTIS performance measures will be set by reference to metrics that align with our strategy. Details of the metrics and targets used will be disclosed, as appropriate, in the Directors' Remuneration Report.

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 Directors' Remuneration Policy as set out in the table on pages 9 to 12. 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 award under the VCP, subject to the limits set out in the table on page 10.

In exceptional circumstances, awards may be made to a new Executive Director under ALTIS (if it is impractical to grant a new award under the VCP). Under our ALTIS rules, we have the flexibility to grant awards of up to 500% of base salary and therefore the maximum level of variable remuneration (including annual bonus) 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 in the table on pages 10 and 11. The rationale for any such component would be appropriately disclosed in the relevant Directors' 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, 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, Deferred Bonus Plan ("**DBP**"), ALTIS or VCP 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, VCP and DBP will be determined in accordance with the ALTIS, VCP and DBP rules as relevant.

'Good leavers' under the VCP are those who leave ASOS as a result of death, injury, disability, the sale of their employing company or business out of the ASOS group, termination by their employer other than for misconduct, or in any other circumstances that the Committee considers appropriate.

'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 VCP awards may vest in accordance with the VCP rules. ASOS' normal practice is for the unvested portion of VCP awards to vest on the normal vesting date to the extent that the Committee determines (subject to application of the pool principles to determine the potential value of the award and time pro-rating the size of the award by reference to the initial 4 year vesting period). However, the Committee may disapply time pro-rating and/or accelerate the vesting date of unvested VCP awards. In circumstances where the Executive Director is not a good leaver, an unvested VCP award will lapse. An Executive Director will normally retain any vested portion of a VCP award for a limited period, except in circumstances permitting their employer to summarily dismiss them in which case vested VCP awards will lapse.

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.
- The unvested portion of VCP awards will vest and the value of any outstanding VCP awards will be determined by the Committee applying the pool principles and using the higher of the offer consideration per share or the FCF underpin (by reference to FY29 accounts or such management information as the Committee considers appropriate if FY29 is not expired).
- 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 VCP, 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 new Policy. The proactive dialogue that exists with suppliers and customers means that there are channels of communication with all stakeholders.

Malus and clawback provisions

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

Malus applies to unvested DBP, VCP and ALTIS awards. Clawback applies to vested DBP, VCP and ALTIS awards. These provisions may be invoked at the Committee's discretion at any time within three years after the date of vesting of the relevant tranche of the VCP award (which may be extended in the case of an ongoing investigation), five years from the date an award is granted under the ALTIS, or within three years from the date an award is granted under the DBP, in exceptional circumstances, which may include:

- A material misstatement in the published results of the Group or any member of the Group.
- 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 value of a VCP award (including the value of the VCP pool or any of the associated principles for establishing the value of the pool) or the number of shares subject to on award, or the assessment or determination being based on inaccurate or misleading information.
- Misconduct on the part of the relevant participant.
- The participant's breach 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 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 Policy 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 (and noting that VCP awards will only be granted in the form of a nil-cost option).
- Have any performance conditions or principles 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 or principle would be more appropriate and not materially less difficult to satisfy.
- Incorporate the right to receive on amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under on 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 capitol 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 Directors' Remuneration Policy set out herein, where the terms of the payment were agreed (i) before the Policy come 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 on 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 on 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.