

Remuneration Committee Report

Remuneration Committee Report

Christine Cross
Committee Chair

Members

- ▶ Marie Gulin-Merle
- ▶ Natasja Laheij
- ▶ José Manuel Martínez Gutiérrez

Terms of Reference

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

→ [Read more detail on the Remuneration Committee's attendance at meetings](#)
See table on page 77.

Committee 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 Management Committee.
- Monitor, review and approve the levels and structure of remuneration for other Senior Leaders 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 Management Committee.
- Review and approve any material termination payment.
- Review how employee incentives support the Company's culture, values and desired behaviours.
- Ensure effective engagement with the Company's stakeholders in relation to remuneration policies and practices.
- Review the Company's retirement benefit schemes.

Dear shareholder,

On behalf of the Board, I am pleased to present the Remuneration Committee's report for the year to 31 August 2025. This report should be read in conjunction with the compliance report on page 76, which shows how the Company has complied with the UK Corporate Governance Code (the "Code") 2018.

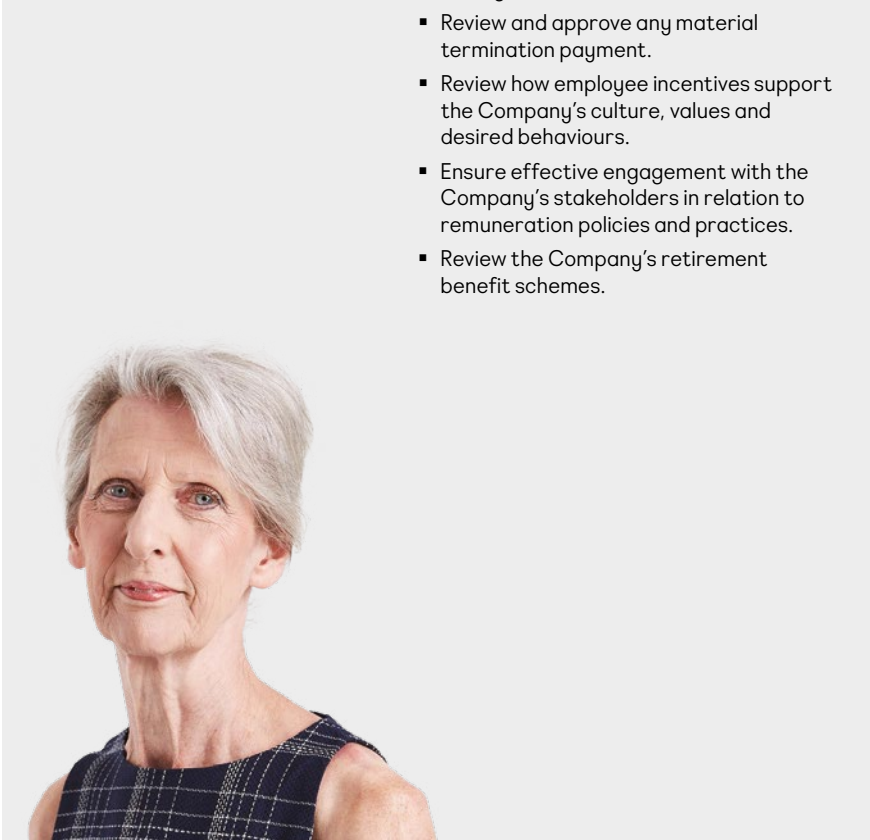
Directors' Remuneration Policy

In reviewing the Directors' Remuneration Policy (the "Policy"), we considered a range of approaches and concluded that, for FY25, our ASOS Long-Term Incentive Scheme (ALTIS) should be replaced with a more geared incentive to further align Executive Directors and Senior Leaders with the Company's ambitious growth plans.

The introduction of a Value Creation Plan (VCP) was proposed to incentivise our Senior Leaders to deliver exceptional value for shareholders through substantial growth in the Company's share price. The Committee firmly believes that an incentive structure linked to significant share price growth and long-term value creation is right for us at this time. I thank the members of the Remuneration Committee and our shareholders for endorsing this plan, and FIT Remuneration Consultants LLP for its advice with respect to the design and implementation of the VCP.

We were delighted that the new VCP was approved by shareholders at a General Meeting of the Company held on 20 August 2024 with 91.82% voting in favour of a change to our Policy to allow for the VCP and to make minor updates to the malus and clawback provisions.

VCP Awards were subsequently granted to our Executive Directors and Senior Leaders in FY25.



Further information on the VCP and associated updates to the Policy and our share scheme rules can be found in the Notice of General Meeting dated 20 August 2024, which is available to download on asosplc.com/investors.

Activities during the period and up to the date of this report:

- Reviewed and approved the outcomes of the FY25 annual bonus and the FY23 three-year ASOS-Long Term Incentive Scheme (ALTIS) awards for Executive Directors and Senior Management.
- Reviewed and approved Executive Director and other Senior Leader pay, benefits and pension during FY25, in the context of their performance, Company performance, stakeholder and shareholder experiences.
- Set performance measures for the FY26 annual bonus for Executive Directors and Senior Management, in line with our Policy.
- Reviewed and approved changes to the structure of incentives below Board level.
- 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.
- Set the remuneration package for Aaron Izzard on his appointment as Chief Financial Officer (CFO).
- Agreed Dave Murray's remuneration arrangements on leaving the Company.
- Approved Natasja Laheij's remuneration as Chair of the Board, which will take effect upon her appointment as Chair following release of FY25 results.
- Engaged with employee representatives on executive pay and pay across the wider workforce.

Board changes

Aaron Izzard was appointed as Executive Director and CFO of the Company on 1 July 2025, succeeding Dave Murray who stepped down from the Board on 30 June 2025. Prior to his appointment on the Board, Aaron held the position as Director of Group Finance.

Aaron Izzard's remuneration structure upon appointment was:

Base salary	£350,000
Pension and benefits	5% of base salary in line with the rate of pension available to the wider workforce
Benefits allowance	£12,500 plus other benefits, including private medical insurance and life assurance
Annual bonus	Maximum of 150% of salary
Share ownership guideline	200% of base salary

The Committee set the CFO's package, taking into consideration his skills and experience, the role responsibilities as CFO of a company of ASOS' size and global reach, internal and external relativities and the package of the previous incumbent. The base salary will be kept under review and assessed against market benchmarks.

On 1 July 2025, Aaron Izzard was granted a VCP award of 5%, to bring his total VCP award more in line with the policy for Executive Directors. See page 102 for further information.

Dave Murray stepped down from his role as Executive Director and CFO on 30 June 2025 and remained employed with the Company until 30 September 2025 to ensure an orderly handover period.

In determining Dave Murray's remuneration arrangements on departure, the Committee followed the approach set out in the existing Remuneration Policy which is aligned to UK good practice and he was treated as a good leaver for the purpose of his outstanding long-term incentives. Full details of Dave Murray's remuneration arrangements on departure are disclosed on page 103.

Following a recommendation by the Nomination Committee that Natasja Laheij be appointed as Chair when Jørgen Lindemann steps down from the Board upon release of the Company's results, the Committee approved the future Chair's remuneration. The Chair's remuneration will be £300,000 per annum, inclusive of chairing the Nomination Committee.

William Barker was appointed Deputy Chair with effect from 31 July 2025 and continues to waive any Board fees.

Remuneration outcomes for the period ended 31 August 2025

Below sets out the performance outcomes of our FY25 annual bonus and FY23 ALTIS.

FY25 annual bonus

The measures for the annual bonus for FY25 were based on 75% Financial, adjusted earnings before interest, tax, depreciation, amortisation (AEBITDA) less FY25 capital expenditure (capex) and leases; and 25% Strategic (average stock cover, adjusted gross margin and adjusted cost to serve – each with an equal 33% weighting). Definitions of the adjusted items are provided in the Alternative Performance Measures (APMs) section within the financial statements on pages 175 to 178.

Whilst the business has made significant progress throughout FY25 and the mechanical outcome of the scheme would have resulted in an annual bonus achievement of 4.56% of base salary (representing 3.04% of the potential maximum opportunity) for the Executive Directors, the Committee exercised its discretion and determined that no bonus would be payable to them for FY25.

Further details can be found on page 101.

FY23 ALTIS

The FY23 ALTIS, with an ordinary vesting date of 31 October 2025, was based on Revenue Growth (30%), EPS Growth (30%), Relative TSR (25%) and ESG (15%) over the three-year period to 31 August 2025. The Sustainability Committee reviewed progress against the ESG targets originally established under the FY23 ALTIS. In view of the significant changes to the operating environment and regulatory landscape, ASOS' Fashion with Integrity (FWI) strategy was updated in FY25, as reported in last year's Annual Report. Therefore progress was assessed against the revised FY25 FWI strategy and its associated targets and commitments. Reflecting the progress made, following recommendation from the Sustainability Committee, the Remuneration Committee resolved to approve an ESG vesting level of 10.2% out of a maximum 15%. There was nil vesting for Revenue Growth, EPS Growth and Relative TSR. As such, the overall vesting level for the FY23 ALTIS was 10.2%.

Remuneration Committee Report cont.

VCP granted in the year ended 31 August 2025

As reported last year, a new Value Creation Plan (VCP) was approved by shareholders at a General Meeting of the Company on 20 August 2024. Under the VCP, the Committee may grant an eligible employee a right ("Award") to receive a proportion of a pool of value that will be created if certain growth targets are achieved ("Pool"), which will be equal to 5.5% of the growth in value of the Company above a reference threshold value of £6.70 per share ("Threshold Value"). The VCP is a highly geared one-off incentive arrangement over the period comprising FY25 to FY30. Participants under the VCP will not receive further ALTIS performance share awards for the life of the Policy with the next grant of ALTIS (if any) to Senior Leaders anticipated to be in 2027 (i.e. after three years). The VCP is designed to reward these Senior Leaders for their contribution to the growth in value of the Company. The plan is designed to have no value unless management delivers significant outperformance and value for stakeholders.

On 11 November 2024, José Antonio Ramos Calamonte was granted an Executive Award equivalent to a 15% allocation of the Pool.

Dave Murray was also granted an Executive Award on the same date, equivalent to 8% of the Pool. This award was pro-rated to 2.3% upon his departure from the Board on 30 June 2025 and vested on the same date. The award is exercisable for a period of six months and will only deliver value to him if the share price exceeds the 90-day average threshold of £6.70 within that period.

Upon appointment as CFO on 1 July 2025, Aaron Izzard was granted an Executive Award representing an additional 5% Pool allocation. This is in addition to the Employee Award granted to him on 11 November 2024 relating to his position as Director of Group Finance with a participant allocation of 1% of the Pool. Further details regarding both awards and their terms can be found on page 102.

During the period, the Committee reviewed the remuneration framework for the population below Board. Below Executive Director level and down to Director population (c.40 individuals), VCP awards were and will continue to be granted with participants assigned varying Remuneration Committee-approved allocation percentages. For further information on the VCP, see page 102.

Executive remuneration in FY26

Salary

When determining the salary increase for our CEO and CFO, we considered the below factors:

- Market benchmark data
- General experience and skills/expertise of position holder
- Time in role
- Performance in role
- Company budget for salary review
- Company affordability

Based on the above factors, the Committee reviewed the CEO's salary and determined to award a salary increase of 2%, effective 1 December 2025, slightly below the average awarded across the wider workforce. The CFO's salary will be increased to £400,000 effective 1 December 2025 to more closely align to the market rate of the position.

Annual bonus

The maximum opportunity remains at 150% of base salary under the Policy. The Committee reviewed the performance measures and determined that for FY26 the bonus would include a single financial measure (weighting 50%): Adjusted earnings before interest, tax, depreciation, amortisation (AEBITDA) less capital expenditure (capex) and leases. The measure of performance has been chosen as the most appropriate proxy for operational cash, a key focus for management in the year ahead. The remaining 50% will be measured against Gross Merchandise Value (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 was carefully chosen to ensure that we align to our most critical business priorities for FY26 which are pivotal to continue to turn around the business. GMV is formally defined in the Financial highlights on page 04.

Financial and strategic performance measures alone comprise the annual bonus measures for our CEO and CFO. In cascading performance management measures throughout the wider workforce, including our Senior Leaders, personal objectives will be added to the Group bonus.

Our focus on sustainability is paramount, where our FWI Strategy shares our long-term commitment across the areas of Planet, Product and People. Whilst these targets have longer-term timelines for achievement, there is a short-term focus in delivering change through employee objectives via our performance management process which ties directly to individual bonus payout for eligible ASOSers. Therefore, the Remuneration Committee agreed that, where relevant to the role, FY26 employee objectives will include an element of ESG metrics based on our FWI Strategy.

Wider workforce remuneration

Whilst not formally accredited, ASOS is formally committed to being a Real Living Wage employer and the Committee receives updates from management to ensure we continue to honour this commitment. I held a dedicated session with our employee engagement network, the ASOS Voices Network, to discuss executive pay and pay across the wider workforce in relation to FY25, including outlining the structure and different elements of an Executive Director's remuneration package and the Remuneration Policy for Executive Directors. ASOSers were given the opportunity to ask questions directly to me and engaged in two-way dialogue.

Concluding remarks

The Committee and I are always pleased to discuss our approach with our shareholders and welcome your feedback throughout the year. We look forward to receiving your support for the arrangements described in this report at the upcoming AGM.

Christine Cross

Remuneration Committee Chair
21 November 2025