

Key Board actions during the year

The Board recognises that cyber-crime continues to be a threat to all businesses and has ensured that additional investment has been made during the year with the recruitment of a Chief Information Security Officer, the building out of the IT Security team and additional capital expenditure on the information security infrastructure to upgrade and strengthen our systems.

During the year, we have continued our open dialogue with the investment community with a comprehensive schedule of visits, roadshows and meetings and a Capital Markets event in June.

We have considered the recently introduced Modern Slavery Act 2015 and we are able to confirm that to the best of our knowledge there is no modern slavery or human trafficking within our supply chain; and we will continue to monitor measures to protect workers from abuse or exploitation in our business or supply chain.

There is no requirement for AIM-listed companies to present a viability statement, however the Board considered it appropriate to provide guidance, and a viability statement has been considered by the Audit

Committee, working with the Directors. This involved the Committee reviewing the business model alongside the principal risks and satisfying itself that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities over the three-year period to 31 August 2019. Further details are set out in the Director's Report on pages 56 and 57.

Board performance

The performance of the Board is fundamental to the Company's success. The performance of the Board and its Committees, including individual members, is evaluated regularly, with the aim of improving their effectiveness. The last evaluation was carried out in August 2016, and was facilitated internally, involving a questionnaire to each Board Director. The review produced a number of key actions that have been implemented to help the Board work together more effectively, including:

- Nomination Committee meetings scheduled for 2017 to consider Board composition and succession planning
- Board meetings to be held occasionally at sites other than head office.

Board Committees

The Board is supported by the Audit, Remuneration and Nomination Committees.

Each Committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the Committee to discharge its duties. The Terms of Reference of each Committee are available at www.asosplc.com. Each Committee is responsible for reviewing the effectiveness of its own Terms of Reference and for making recommendations to the Board for changes when necessary. Executive Directors are not members of the Board Committees, although they may be invited to attend meetings. The General Counsel & Company Secretary acts as secretary to all the Committees. The minutes of Committee meetings are circulated to all Committee members and reports on each are given by the relevant Committee Chairman to the Board.

The specific responsibilities of each of the Committees are set out below.

Audit Committee

The composition, responsibilities and activities of the Audit Committee are set out in the separate Audit Committee Report on pages 44 to 46

Remuneration Committee

The composition, responsibilities and activities of the Remuneration Committee are set out in the Directors' Remuneration Report on pages 47 to 53, along with the Company's Remuneration Policy and details of how that policy was implemented during the year to 31 August 2016.

Nomination Committee

The Nomination Committee currently comprises three independent Non-Executive Directors – Rita Clifton, Ian Dyson and Hilary Riva; and the Company's Chairman, Brian McBride, who is the Committee Chair. The Chief Executive Officer is also invited to attend meetings unless he has a conflict of interest. Other Directors, and the General Counsel & Company Secretary, are invited only as appropriate (and only if they do not have a conflict of interest). The Committee is also assisted by executive search consultants as and when required.

The Committee's principal responsibility is to evaluate the Board's requirements and ensure that appropriate procedures are in place for the nomination, selection and succession of Directors to meet those requirements. Given that the Board had just gone through an extensive succession process for Executive Directors at the end of the previous year, the Committee did not meet during the year to 31 August 2016. However, looking ahead, a minimum of one Nomination Committee meeting has been scheduled in the Board calendar going forward to consider succession planning. External search consultants were used for the appointments of Nick Beighton as Chief Executive Officer and Helen Ashton as Chief Financial Officer.