

## REMUNERATION COMMITTEE CHAIRMAN'S STATEMENT

### Dear shareholder

On behalf of the Board, I am delighted to present the Remuneration Committee's report for the year to 31 August, 2016. This is my first report as Chair of the Remuneration Committee since I took over the role on 1 January 2016. I would like to thank my predecessor, Karen Jones, for her contribution and leadership of the Committee throughout her time.

Going forward, I will continue to be joined on the Remuneration Committee by fellow Board members Rita Clifton and Ian Dyson. We will continue to support, on behalf of shareholders, the ongoing development and effective governance of a remuneration framework appropriate for a dynamic and high-growth business such as ASOS.

### Remuneration and business strategy

At ASOS, we remunerate our executives in a way which:

- aims to align executive interests with shareholders
- is sufficiently competitive in the marketplace to enable us to attract, retain, and motivate exceptional people
- encourages and rewards the behaviours and outcomes that will deliver business success and a good return for our shareholders.

To achieve this, we pay a fixed salary, and link a significant part of executive remuneration to the delivery both of annual targets and the long-term business strategy. We set challenging targets and monitor performance against them closely.

### The year under review

For the year to 31 August 2016, the business performed well under the leadership of a new management team with both the Chief Executive Officer, Nick Beighton, and Chief Financial Officer, Helen Ashton, appointed at the start of the financial year. With the financial results in excess of the business plan, the level of bonus payable to the Executive Directors and all other eligible employees was just above the target pay-out level. The specific targets and the annual bonus payments against them are disclosed on page 53 of this report.

This year, we have reviewed several aspects of ASOS' people management processes, to ensure they are able to support the next phase of business growth. In addition, we have increased our focus on 'pay for performance' framework so that high performers are rewarded, while ensuring that those needing development are supported to enhance their skills.

We made awards under our ASOS Long-Term Incentive Scheme (ALTIS) in October of this year to Executive Directors and senior managers. This means we now have two sets of annual awards in place to assist with the long-term retention of key individuals and to incentivise long-term business performance.

### The year ahead

The Remuneration Committee recognises the unique challenges that exist within ASOS with its high-growth environment, coupled with the fast-moving nature of the business sector within which it operates. We continue to review our remuneration policy to ensure that it remains competitive and able to attract appropriate talent into the business.

For the forthcoming year, we have agreed the following changes to the way we implement our policy:

- We have strengthened the connection between our key reward metrics and our business strategy by adapting the performance conditions used for our annual bonus scheme and the ALTIS. We remain committed to the use of stretching performance metrics, and now recognise the importance of having performance conditions that are linked to customer engagement. For the annual bonus, we have introduced the metric of sales growth into the financial component of the plan in addition to profit; the non-financial measures rewarded under the plan remain in line with current practice. Under the ASOS Long-Term Incentive Scheme (ALTIS), we have introduced additional measures into the performance criteria. Any awards granted during FY17 will vest based on performance against four performance criteria (30% on TSR; 30% on EPS; 30% on sales growth and 10% on a customer engagement metric – Net Promoter Score (NPS).)
- We have developed a new remuneration philosophy to support the ASOS market positioning and aspirations as a desirable employer, by ensuring that all future remuneration decisions are assessed against a consistent set of principles and objectives. This philosophy is linked to the ASOS values that were reviewed and updated by the business during the year, having gathered feedback from employees across the business.

### Concluding remarks

As a Committee, we continue to monitor best practice developments in executive compensation and corporate governance. While we are an AIM-listed company, we do seek voluntary shareholder approval for the Remuneration Report. The Committee is appreciative of the level of support received from shareholders.

At the AGM last year, 84% of shareholders voted in favour of the Directors' Remuneration Report, providing an important level of public accountability for the Board with the suitability of our remuneration policy and its implementation. We hope that you find this year's Remuneration Report equally informative around how ASOS leadership is remunerated, and some of the changes that we have made during the year. I look forward to seeing shareholders at the AGM, and hope that I can count on your continued support on our pay arrangements.



**Hilary Riva**  
Chair of the Remuneration Committee

## REMUNERATION GOVERNANCE

### The Remuneration Committee: composition

The Remuneration Committee comprises three independent Non-Executive Directors: Hilary Riva (Committee Chair), Rita Clifton and Ian Dyson. During the year to 31 August 2016, Karen Jones resigned as a Non-Executive Director, and therefore stood down as a member and Chair of the Remuneration Committee. The table below sets out each member's attendance record at Committee meetings during the financial year.

Committee member	Role	Attendance record
Hilary Riva*	Non-Executive Director	4/4
Rita Clifton	Non-Executive Director	4/4
Ian Dyson	Non-Executive Director	4/4
Karen Jones*	Committee Chair	1/1

\*Karen Jones resigned on 3 December 2015. Hilary Riva was appointed as Chair of the Committee with effect from 1 January 2016.

Appropriate members of the management team, as well as the Committee's advisers, are invited to attend meetings as appropriate, unless there is a potential conflict of interest.

### The Remuneration Committee: responsibilities

The Committee's principal responsibilities are to:

- determine and recommend to the Board the Company's overall remuneration policy, and then monitor the ongoing effectiveness of that policy
- determine and recommend to the Board the remuneration of Executive Directors, the other members of the Executive Board, and the Chairman
- 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 Board
- review and approve any material termination payment.

The full Terms of Reference of the Remuneration Committee are available on the Company's corporate website, [www.asosplc.com](http://www.asosplc.com). These were last updated on 11 June 2014.

The remuneration of Non-Executive Directors other than the Chairman is determined by the Chairman of the Board and the Executive Directors.

### The Remuneration Committee: advisers

The Committee has engaged the external advisers listed below to assist it in meeting its responsibilities.

- New Bridge Street, part of Aon Plc, have been appointed as independent advisers to the Committee, and provided advice encompassing all elements of our remuneration packages. For that advice, New Bridge Street received fees totalling £56,000 in the financial year to 31 August 2016. Aon Plc, the parent company of New Bridge Street, also provide insurance broking services to the Company. New Bridge Street are signatories to the Remuneration Consultants' Code of Conduct, and the Committee is satisfied that the advice that it receives is objective and independent.

- When required, the Company also receives advice relating to remuneration from Willis Towers Watson, PricewaterhouseCoopers 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 required from the People Director, the Head of Reward, the General Counsel & Company Secretary, the Chief Executive Officer and the Chief Financial Officer.

## REMUNERATION POLICY

The overall aim of our Remuneration Policy is to provide appropriate incentives that reflect the Group's high performance culture and values through a number of specific remuneration components (detailed in the table on the following pages). In summary, we aim to:

- attract, retain and motivate high-calibre, high-performing engaged employees
- encourage strong performance and engagement, both in the short and long term, to enable the Group to achieve its strategic objectives and create sustainable shareholder value
- reward individuals in a fair and responsible manner, over both the short and long term, for their contributions to the success of the Group
- reward high performance with high rewards, while also recognising when performance does not meet our expectations or the required standards
- ensure that the total reward cost to the Company should be affordable and sustainable
- issue employee communications around pay and rewards that are straightforward, effective and easy to understand.

In determining the practical application of the policy, the Remuneration Committee considers a range of internal and external factors, including pay and conditions for employees generally, shareholder feedback and appropriate market comparisons with remuneration practices in FTSE-listed, AIM-listed and other retail and internet-/technology-based companies.

The Remuneration Committee is satisfied that this policy successfully aligns the interests of Executive Directors, senior managers and other employees with the long-term interests of shareholders by ensuring that an appropriate proportion of total remuneration is directly linked to the Group's performance over both the short and long term, with an emphasis for Executive Directors and senior managers on share-based remuneration and long-term shareholding.

### Remuneration policy components

Each component forms part of an overall competitive remuneration package designed to attract and retain appropriate talent with the necessary skills to implement the Company's strategy in order to create long-term value for shareholders.

## FIXED REMUNERATION ELEMENTS

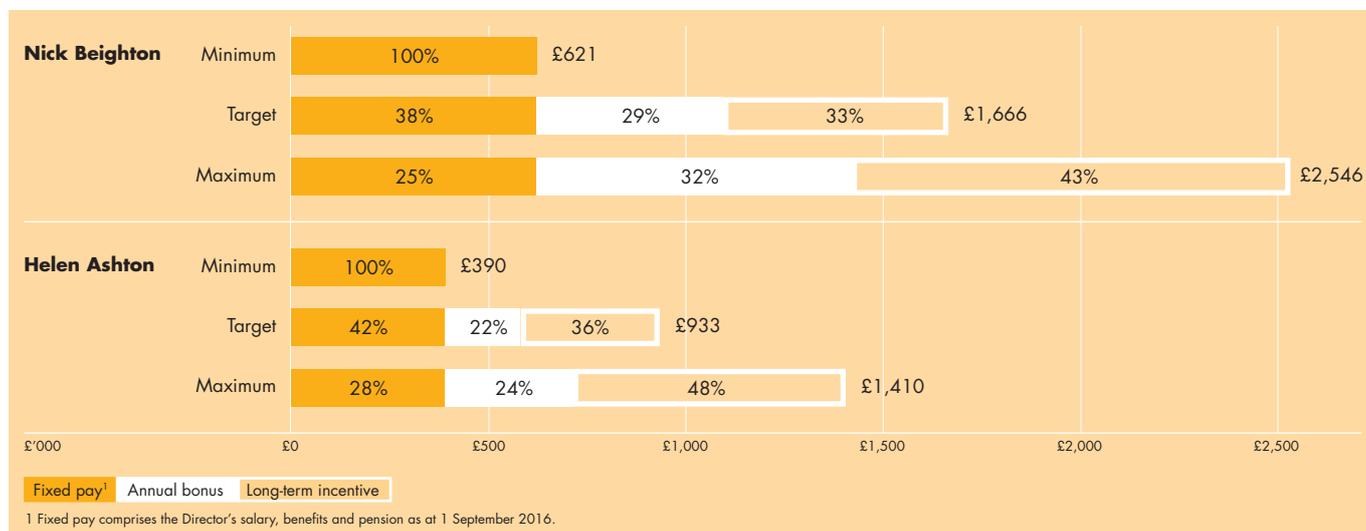
Element	Purpose	How it operates	Maximum opportunity	Performance-related framework
<b>Base salary</b>	Reflects an individual's responsibilities, experience and performance in their role.	<p>Reviewed annually, normally with effect from 1 September, with any changes taking effect from that date.</p> <p>Salaries are normally paid monthly.</p> <p>Decisions on salary levels are influenced by:</p> <ul style="list-style-type: none"> <li>■ responsibilities, abilities, experience and performance of an individual</li> <li>■ the performance of the individual in the period since the last review</li> <li>■ the Company's salary and pay structures and general workforce salary increases.</li> </ul> <p>Salaries are benchmarked periodically against FTSE-listed, AIM-listed and other retail and internet-/technology-based companies.</p>	<p>There is no prescribed maximum annual base salary or salary increase.</p> <p>The Committee is guided by the general increase for the broader employee population but has discretion to decide to award a lower or higher increase to Executive Directors to recognise, for example, an increase in the scale, scope or responsibility of the role and/or take account of relevant market movements.</p>	The performance of the individual in the period since the last review is considered when their salary is being reviewed.
<b>Pension</b>	To contribute financially post retirement.	<p>Defined contribution arrangement or salary supplement.</p> <p>Only base salary is pensionable.</p> <p>The Company's contribution depends on the employee's seniority and may be matched to the level of contributions the employee chooses to make.</p>	<p>The Company may contribute up to 15% of base salary (in the case of the Chief Executive Officer) and up to 12.5% of base salary (in the case of other Executive Directors).</p> <p>The Committee has discretion to amend the contribution level should market conditions change.</p>	Not applicable.
<b>Other benefits</b>	<p>To support the personal health and wellbeing of employees.</p> <p>To reflect and support the Company's culture.</p>	<p>Package of taxable benefits offered through the Company's flexible benefits scheme, 'ASOS Extras', which offers all employees a fixed value depending upon the employee's seniority, which can be used either to buy a variety of benefits or be taken in cash.</p> <p>Benefits include private medical insurance and life assurance.</p> <p>Other benefits may be added to the package where appropriate.</p>	<p>There is no overall maximum level of benefits provided to Executive Directors, and the level of some of these benefits is not pre-determined but may vary from year to year based on the overall cost to the Company.</p>	Not applicable.

VARIABLE REMUNERATION ELEMENTS

Element	Purpose	How it operates	Maximum opportunity	Performance-related framework
<b>Annual bonus</b>	Provides a link between remuneration and both short-term Company and individual performance.	<p>The annual bonus plan is applicable to all employees, including Executive Directors, in each case with reference to a percentage of each individual's base salary.</p> <p>The bonus is earned based on performance against targets set and assessed by the Committee.</p> <p>Targets are reviewed annually and the Committee has discretion to adapt the targets appropriately to take into account exceptional items.</p> <p>Bonus payments are normally awarded in cash and are not pensionable.</p>	150% of base salary for the Chief Executive Officer and 100% of base salary for other Executive Directors. 60% of that maximum is payable for on-target performance.	Normally measured over a one-year performance period, based on a mix of financial targets (e.g. profit before tax and exceptional items), non-financial performance and personal objectives relevant to the year, which are set taking into account the Company's strategic objectives over that period.
<b>Long-term incentive – ASOS Long-Term Incentive Scheme (ALTIS)</b>	Supports the strategy and business plan by incentivising and retaining the ASOS senior management team in a way that is aligned both with the Company's long-term financial performance and with the interests of shareholders.	<p>Annual awards of shares to selected employees, which vest after three years subject to the achievement of performance conditions.</p> <p>Clawback and malus provisions allow awards to be recouped in certain circumstances.</p>	<p>200% of base salary (300% in exceptional circumstances) in any financial year.</p> <p>The value of any dividends paid by the Company over the vesting period will be payable on vesting, to the extent that awards vest.</p>	<p>Subject to three-year performance conditions linked to the business strategy and ensuring strong alignment with the long-term interests of shareholders.</p> <p>Performance conditions for awards granted from FY17 onwards are based on a blend of financial metrics: sales growth and earnings per share (EPS), and a customer engagement measure; net promoter score (NPS).</p>
<b>Share ownership guidelines</b>	<p>Increases alignment between the Board of Directors and shareholders.</p> <p>Shows a clear commitment by all Board Directors to creating value for shareholders in the long term.</p>	<p>Guidelines require Executive Directors to retain 50% of any shares acquired on vesting of the ALTIS, and any subsequent share awards thereafter (net of tax), until the required shareholdings are achieved.</p> <p>The guideline limit for the Chief Executive Officer and other Executive Directors is 500% and 200% of salary respectively.</p>	Not applicable.	Not applicable.
<b>All-employee share plans – SAYE and SIP</b>	<p>Increase alignment between employees and shareholders in a tax-efficient manner.</p> <p>Support retention of employees.</p>	<p>Two HMRC-approved all-employee share schemes encourage employees to take a stake in the business, aligning their interests with those of shareholders:</p> <ul style="list-style-type: none"> <li>■ Save As You Earn share option scheme (SAYE)</li> <li>■ Share Incentive Plan (SIP).</li> </ul>	Consistent with prevailing HMRC limits.	Not applicable.
<b>Non-Executive Directors</b>	Provide fees appropriate to time commitments and responsibilities of each role.	<p>Cash fee normally paid on a monthly basis.</p> <p>Fees are reviewed periodically.</p>	There is no prescribed maximum annual fee or fee increase. The Board is guided by the general increase for the broader employee population and takes into account relevant market movements.	Not applicable.

### Total potential remuneration for Executive Directors in the 2017 financial year

The chart below shows the potential remuneration of each Executive Director in the 2017 financial year from the remuneration opportunity granted to them by the Company's remuneration policy at different levels of performance.



### Changes to incentive arrangements for Executive Directors in the 2017 financial year

The Committee reviewed the effectiveness and relevance of the ASOS remuneration policy this year to ensure it continues to create alignment with both the business strategy and shareholder interests.

To help reinforce the business strategy even more effectively, several changes to the performance criteria in both the Annual Bonus and ASOS Long-Term Incentive Plan (ALTIS) have been approved.

#### Annual bonus:

An additional financial metric has been incorporated into the scheme, with 70% of the bonus plan now based on the achievement of a blend of stretching sales growth and Profit Before Tax (PBT) targets. This blend helps reinforce the high-growth focus of the Company while also ensuring that investment made to drive sales is executed while delivering a sustainable profit margin for shareholders. With the additional non-financial elements (30% based on achievement of customer engagement targets, and personal objectives based around the business strategy), the Annual Bonus remains a critical component within the ASOS executive remuneration policy for helping drive strong business performance and the targeted levels of growth for ASOS's shareholders.

#### ALTIS:

For awards granted in 2017 onwards, two additional performance measures have been incorporated into the vesting condition. Sales growth over the three-year performance period will now determine vesting of up to 30% of the award, resulting in 30% vesting on Sales growth, 30% on EPS, and 30% based on relative TSR. The remaining 10% weighting within the vesting condition will be based on improvement in Net Promoter Score over the three-year performance period. Stretching targets will be attached to all four components of the ALTIS vesting condition. Most notably, the EPS performance condition will now comprise an even more demanding growth target than the current performance conditions in place, with a minimum of 15% growth per annum to trigger threshold vesting rising on a straight-line basis to 25% growth per annum for full vesting (compared to 10% per annum rising to 20% per annum growth under the current performance condition).

**Executive Directors' service contracts and payments for loss of office**

All Executive Directors are employed under service contracts. It is the Company's 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. The Company's approach to remuneration in each of the circumstances in which an Executive Director may leave is set out in the table below, with an individual's status being determined by the Remuneration Committee in accordance with the rules of any applicable scheme.

Remuneration component	'Bad' leaver situation	'Good' leaver situation
Salary in lieu of notice	Provided up to the effective leaving date.	Up to a maximum of one year's worth of salary; normal practice is to make a phased payment.
Pension and other benefits	Provided up to the effective leaving date. No benefits would be provided after that date, unless it is in the interests of ASOS to do so.	Up to one year's worth of pension and benefits.
Bonus	None.	Paid in accordance with bonus scheme terms. Normal practice would be for payment to be time pro-rated to the effective leaving date.
Long-term incentives	Awards lapse.	May vest in accordance with scheme rules. Normal practice would be for the vested award to be time pro-rated to the effective leaving date.
Other payments	None.	Disbursements such as contributions to legal costs and outplacement fees.

**Non-Executive Directors' letters of appointment**

Non-Executive Directors do not have service contracts with the Company; 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.

**Recruitment**

When recruiting any Executive Director or senior executive, the remuneration level will take 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. Where possible, the Company seeks to apply consistent policies on fixed and variable remuneration components, in line with the remuneration policy set out in the table above, so that any new Executive Director or senior executive is on the same remuneration footing as existing Executive Directors or senior executives respectively.

The granting of payments or share awards on joining in order to secure the appointment of an Executive Director or senior executive is normally limited to the value of any deferred remuneration that would be forfeited at the previous employer. Any such proposal for Executive Directors requires the prior approval of the Remuneration Committee.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

On 1 September 2015, Helen Ashton joined the Company as Chief Financial Officer. Her base salary was set at £340,000, with an annual bonus and long-term incentive opportunity of 100% and 200% of base salary respectively. In addition, to secure her recruitment it was necessary to buy out a proportion of her existing long-term incentives from her then employer, by making a one-off cash payment of £204,000 and a grant of a long-term incentive award under the ASOS Long-Term Incentive Scheme, worth £340,000 as at the date of grant, subject to the same three-year EPS and TSR performance conditions as for the award made to other senior executives in January 2015. The Committee took the view that these payments were necessary to secure the appointment of a candidate of Helen's calibre.

**Policy developments**

Revisions to the Remuneration Policy and its implementation require the approval of the Remuneration Committee, to whom responsibility for the policy has been delegated by the Board. The Directors' Remuneration Report is submitted for shareholder approval each year.

## REMUNERATION POLICY IMPLEMENTATION

Details of how the Company's Remuneration Policy has been applied in the year to 31 August 2016 are set out below. Certain information within this section has been audited as highlighted.

### Directors' remuneration table (audited)

The remuneration of the Directors for the years to 31 August 2016 and 31 August 2015 is set out in the table below.

Executive Directors	Year to 31 August 2016						Year to 31 August 2015
	Fixed remuneration			Variable remuneration			Total remuneration £
	Base salary £	Benefits £	Pensions £	Bonus £	LTIP £	Total remuneration £	
Nick Beighton	550,000	4,623	71,115	573,782	-	1,199,520	804,398
Helen Ashton <sup>1</sup>	340,000	14,868	36,635	440,924 <sup>2</sup>	-	832,427	-
	890,000	19,491	107,750	1,014,706	-	2,031,947	804,398

1 Appointed with effect from 1 September 2015.  
2 Includes a one-off cash payment of £204,000 to buy out a portion of Helen Ashton's long-term incentives from her previous employer.

### Non-Executive Directors

The fees for Non-Executive Directors were reviewed during the year and approval was given to the increases as set out below, and these took effect from 1 January 2016.

Director	Year to 31 August 2016				Basis for additional fee	Year to 31 August 2015
	Base fee £	Additional fee £	Other taxable benefits £	Total remuneration £		Total remuneration £
Brian McBride	190,000	-	-	190,000	Chair of Board	190,000
Ian Dyson	53,334	13,333	-	66,667	SID and Audit Chair	60,000
Hilary Riva <sup>1</sup>	53,334	6,667	-	60,001	Remuneration Chair	50,000
Rita Clifton	53,333	-	-	53,333		50,000
Nick Robertson <sup>2</sup>	53,333	-	-	53,333		N/A
Karen Jones <sup>3</sup>	16,667	1,667	-	18,334	Remuneration Chair	55,000

1. Hilary Riva took over as Remuneration Committee Chair on 1 January 2016.  
2. Nick Robertson donated all of his base service fee to the ASOS Foundation.  
3. Karen Jones resigned on 3 December 2015.

### Payments to past Directors

During the year to 31 August 2016, no payments were made to any past Directors.

### Directors' bonuses

For both Nick Beighton and Helen Ashton, the annual bonus plan for 2016 was based 70% on a sliding scale range of PBT targets (2015: 80%) and 15% on personal objectives (2015: 20%) and 15% on net promoter score (NPS) (2015: 0%).

The PBT targets and the extent of their achievement is summarised in the table below (straight-line interpolation between points in the range).

	Target bonus	Maximum bonus
PBT target for 2016	£58.0m	£69.0m
Percentage of CEO bonus potentially payable subject to personal performance	90%	150%
Percentage of CFO bonus potentially payable subject to personal performance	60%	100%
Actual PBT for 2016 includes operating losses from discontinued operations but before exceptional items	£60.1m	

Personal objectives were set for each Director and assessments were made by the Committee at the end of the year. Both Nick Beighton's and Helen Ashton's objectives included:

- maintaining and driving focus on customer engagement and satisfaction, as evidenced by the Company's NPS. A total of 15% of their bonus was based on NPS, with 5% being payable for maintaining the same score as the previous financial year, and a maximum of 15% being payable for increasing the previous year's score by two basis points
- a total of 15% of their bonus is based on improving and reshaping the leadership behaviours within the business.

Following careful consideration, the Committee determined that, taking into account the PBT outcome and the achievement of those personal objectives:

- out of the maximum 150% of base salary, Nick Beighton's annual bonus was 104% of his annual salary as Chief Executive Officer
- out of the maximum 100% of base salary, Helen Ashton's annual bonus was 70% of her annual salary as Chief Financial Officer.

**Directors' interests in share plans (audited)**

Director	Share option scheme	Date of grant	31 August 2015 (no. of shares)	Granted during the year to 31 August 2016 (no. of shares)	Lapsed during the year to 31 August 2016 (no. of shares)	Exercised during the year to 31 August 2016 (no. of shares)	31 August 2016 (no. of shares)	Exercise price (pence)	Exercise date/period
Nick Beighton	SAYE	12/06/13	304	–	–	–	304	2,955.0	01/08/16 – 31/01/17
	SAYE	08/05/14	255	–	–	–	255	3,519.0	01/07/17 – 31/12/17
	ALTIS <sup>1</sup>	16/01/15	33,923	–	–	–	33,923	–	31/10/17 – 15/01/25
	ALTIS <sup>2</sup>	30/10/15	–	36,194	–	–	36,194	–	31/10/18 – 15/01/26
Helen Ashton	SAYE	06/06/16	–	620	–	–	620	2,901.0	01/07/19 – 31/12/19
	ALTIS <sup>1</sup>	30/09/15	–	11,406	–	–	11,406	–	31/10/17 – 15/01/25
	ALTIS <sup>2</sup>	31/10/15	–	22,374	–	–	22,374	–	31/10/18 – 15/01/26
Nick Robertson	SAYE	08/05/14	255	–	–	–	255	3,519	01/07/17 – 31/12/17

1 The performance conditions applying to the awards granted under the ALTIS to the Company's Executive Directors for the performance period from 1 September 2014 to 31 August 2017 comprise two independent conditions based on:  
 (a) compound annual fully diluted EPS growth over the three financial years of the Company (the EPS Condition) ending on or around 31 August 2017 (the 2017 financial year)  
 (b) a relative TSR-based condition measuring the Company's TSR performance against that of a comparator group of companies comprising the constituents of the FTSE All-Share General Retailers Index (the Comparator Group) over a period of three years starting on 1 September 2014 (the TSR Condition).

The EPS Condition applies to 70% of the total number of shares held under that award. The part of an award subject to the EPS Condition shall only vest if compound annual fully diluted EPS growth over the three years to the 2017 financial year is at least equal to 10%; thereafter, the part of such awards subject to the EPS Condition shall vest in accordance with the table below.

Compound annual EPS growth	Percentage of award subject to the EPS Condition that vests
Below 10%	0%
10%	25%
Between 10% and 20%	Between 25% and 100%
20% or more	100%

The TSR Condition applies to 30% of the total number of shares held under such awards. For the purposes of the TSR Condition, the Committee will compare the TSR of the Company over the performance period against the TSR performance of each member of the Comparator Group over the same period, calculated by reference to a three-month averaging period prior to the start and to the end of the performance period. If, at the end of the performance period, the Company is notionally ranked at least median against the members of the Comparator Group, the part of such awards subject to the TSR Condition shall vest in accordance with the table below.

Rank of the Company	Percentage of award subject to the TSR Condition that vests
Below median	0%
Median	25%
Between median and upper quartile	Pro rata between 25% and 100% based on rankings plus interpolation between intermediate rankings
Upper quartile or above	100%

2 The performance conditions applying to the awards granted under the ALTIS to the Company's Executive Directors for the performance period from 1 September 2015 to 31 August 2018 comprise two independent conditions based on:  
 (a) compound annual fully diluted EPS growth over the three financial years of the Company (the EPS Condition) ending on or around 31 August 2018 (the 2018 financial year)  
 (b) a relative TSR-based condition measuring the Company's TSR performance against that of a comparator group of companies comprising the constituents of the FTSE All-Share General Retailers Index (the Comparator Group) over a period of three years starting on 1 September 2015 (the TSR Condition).

The EPS Condition applies to 70% of the total number of shares held under that award. The TSR Condition applies to 30% of the total number of shares held under such awards. Both conditions vest on the same basis as set out in footnote 1 above.

**Share price during the financial year to 31 August 2016**

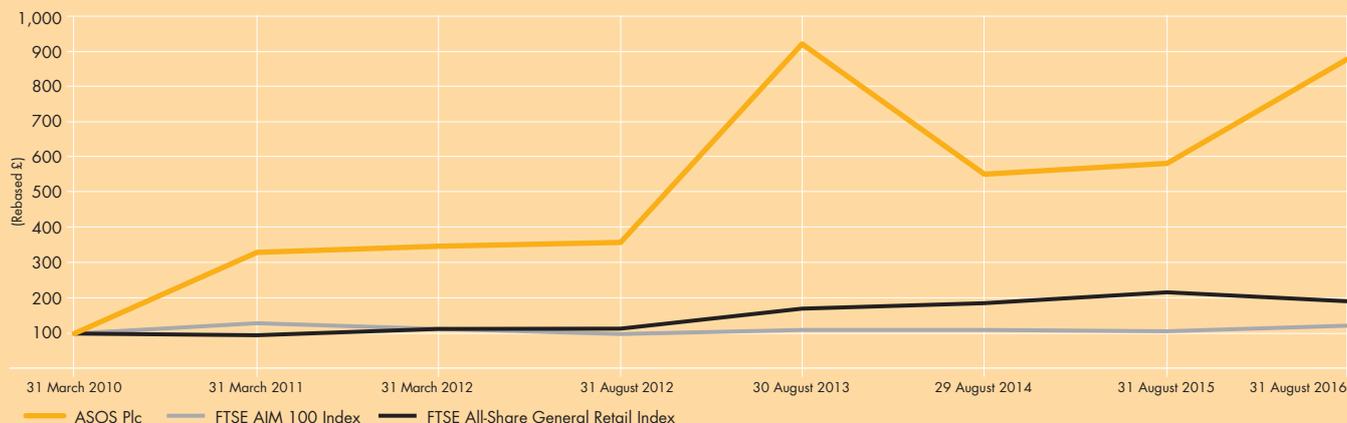
The market price of ordinary shares at 31 August 2016 was £45.30 (31 August 2015: £29.94) and the range during the year to 31 August 2016 was from £24.73 to £48.32 (year to 31 August 2015: £17.84 to £41.94).

**Directors' shareholdings**

The Directors who held office at 31 August 2016 had the following interests, including family interests, in the shares of the Company.

Director	Beneficially owned as at 31 August 2016 (no. of shares)	Beneficially owned as at 31 August 2015 (no. of shares)	Outstanding share options (SAYE/ALTIS) (no. of shares)	Shareholding guideline met
Brian McBride	13,302	13,302	–	N/A
Nick Beighton	149,944	149,944	70,676	Yes
Helen Ashton	–	–	34,400	No
Rita Clifton	–	–	–	N/A
Ian Dyson	–	–	–	N/A
Hilary Riva	227	227	–	N/A
Nick Robertson	5,496,414	7,000,000	255	N/A

### ASOS Plc vs FTSE AIM 100 and FTSE All-Share General Retail Indices – total shareholder return index



This graph shows the value, by 31 August 2016, of £100 invested in ASOS Plc on 31 March 2010 compared with that of £100 invested in the FTSE AIM 100 and the FTSE All-Share General Retail Indices. The other points plotted are the values at the intervening financial year ends, including the five-month period to 31 August 2012. Source: Thompson Reuters

### Chief Executive Officer's remuneration over the past seven years

	Year to 31 March 2010	Year to 31 March 2011	Year to 31 March 2012	Year to 31 August 2013	Year to 31 August 2014	Year to 31 August 2015	Year to 31 August 2016 <sup>2</sup>
Salary (£)	340,000	340,000	350,200	500,000	333,333	77,420	550,000
Other taxable benefits (£)	1,596	1,706	3,320	3,843	3,860	3,860	4,623
Pension (£)	–	–	–	–	–	–	71,115
Annual bonus (£)	–	–	210,120	300,000	–	–	573,782
Long-term incentive (£) <sup>1</sup>	1,742,914	1,399,115	54,646,748	–	–	–	–
<b>Total remuneration (£)</b>	<b>2,084,510</b>	<b>1,740,821</b>	<b>55,210,388</b>	<b>803,843</b>	<b>337,193</b>	<b>81,280</b>	<b>1,199,520</b>
Annual bonus %	–	–	60%	60%	–	–	120%
Long-term incentive %	100%	100%	100%	–	–	–	100%

<sup>1</sup> Gains made under long-term incentive plans are recognised above in the final year of the performance period to which they relate. The gain in the year to 31 March 2012 is the sum of two tranches of the Management Incentive Plan, which covered the performance period from 1 April 2009 to 31 March 2012.

<sup>2</sup> During the year to 31 August 2016, the Chief Executive Officer changed from Nick Robertson to Nick Beighton. 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.

Note that the data above is for 12-month periods only and excludes the five-month period to 31 August 2012 to give a consistent view of the Chief Executive Officer's annual remuneration.

### Percentage change in Chief Executive Officer's remuneration

The table below shows the percentage change in the Chief Executive Officer's salary, benefits and annual bonus between the financial years ended 31 August 2016 and 31 August 2015, compared with all employees of the Group.

	Salary change	Benefits change	Bonus change
Chief Executive Officer <sup>1</sup>	10%	19%	100%
All employees	(0.2%)	(1.7%)	(5.5%)

<sup>1</sup> The numbers shown are the change year on year for the Chief Executive Officer, Nick Robertson in 2015 and Nick Beighton in 2016. As noted above, Nick Robertson waived his entitlement to a bonus.

### Relative importance of spend on pay

The following table shows the Company's actual spend on pay (for all employees) relative to dividends and retained profit.

	2016	2015	Change
Staff costs (£m)	<b>108.1</b>	87.7	23%
Dividends (£m)	–	–	–
Profit before tax from continuous operations before exceptional items (£m)	<b>63.7</b>	46.4	37%

### APPROVAL

By order of the Board

**Hilary Riva**

Chair of the Remuneration Committee

17 October 2016