

Corporate Governance Report

For ASOS Plc, 'Doing the Right Thing' underpins every part of the business model. Good corporate governance that is appropriate for the Group's nature, culture, status, profile, size and circumstances is a key part of this. We may be an AIM listed company but, with a significant market capitalisation and public profile, we recognise the need for ensuring that an effective governance framework is in place to give our shareholders and our employees and suppliers the confidence that the business is effectively run and has the platform to realise its strategy.

The Board

The Board is responsible for the long-term success of the Company, by ensuring that ASOS, its subsidiaries and all its businesses (the Group) are managed for the long-term benefit of all shareholders, while having regard for employees, customers, suppliers, and our operational impact on the community and environment. We explain more about how the Board has delivered on that commitment in the past financial year across the following pages.

The Board's primary task continues to be:

- Reviewing and approving the Group's overall strategy and direction.
- Determining, maintaining and overseeing controls, audit processes and risk management policies to ensure ASOS operates effectively and sustainably in the long term.
- Reviewing and approving the risk appetite, and the checks and controls applied to operate the business in line with that appetite.
- Approving the financial statements, as well as revenue and capital budgets and plans.
- Approving material agreements and non-recurring projects.
- Reviewing and approving remuneration policies.

In doing that throughout the year ended 31 August 2018, the Company has assessed itself against the relevant provisions set out in the UK Corporate Governance Code issued by the Financial Reporting Council (FRC) in April 2016. The Code can be found on the FRC website www.frc.org.uk.

***The Board is responsible
for the long-term success
of ASOS***

Our directors have an effective and appropriate balance of skills and experience

Board committees

The Board is supported by the Audit, Remuneration and Nomination Committees, each of which has access, at the cost of the Company, to the resources, information and advice that it deems necessary to enable the committee to discharge its duties. Those duties are set out in the terms of reference of each committee, which are available at www.asosplc.com. 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 each committee. The minutes of committee meetings are circulated to all committee members and are given by each relevant committee chair to the Board.

Board composition

The Board is currently composed of the chair, one executive director (the CEO) and four non-executive directors, three of which are considered to be independent. A short biography for each director is set out on pages 59 to 61.

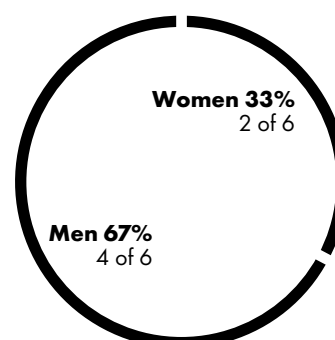
Helen Ashton, CFO, stepped down from the Board on 30 April 2018. The search for a replacement is ongoing and on 1 September 2018 an acting CFO was put in place to cover the functional aspects of the role. More information can be found in the Nomination Committee Report on pages 72 to 73.

On 3 July 2018, it was announced that Brian McBride would step down as Chairman and non-executive director following the Company's next Annual General Meeting on 29 November 2018, to be succeeded by Adam Crozier.

There were no other changes to the composition of the Board during the financial year to 31 August 2018.

The Board is satisfied that its directors have an effective and appropriate balance of skills and experience, and there is a suitable balance between independence of character and judgement, and knowledge of the Company, to enable it to discharge its duties and responsibilities effectively. All directors are encouraged to use their independent judgement and to constructively challenge all matters, whether strategic or operational. We have effective procedures in place to monitor and deal with conflicts of interest. Any changes to the time commitments and interests of its directors are reported to and, where appropriate, agreed with the rest of the Board. The Nomination Committee has formally reviewed these during the year.

Board diversity



We are committed to encouraging diversity among our workforce. For further information on diversity within ASOS, please read our Corporate Responsibility Review on page 34 to 45.

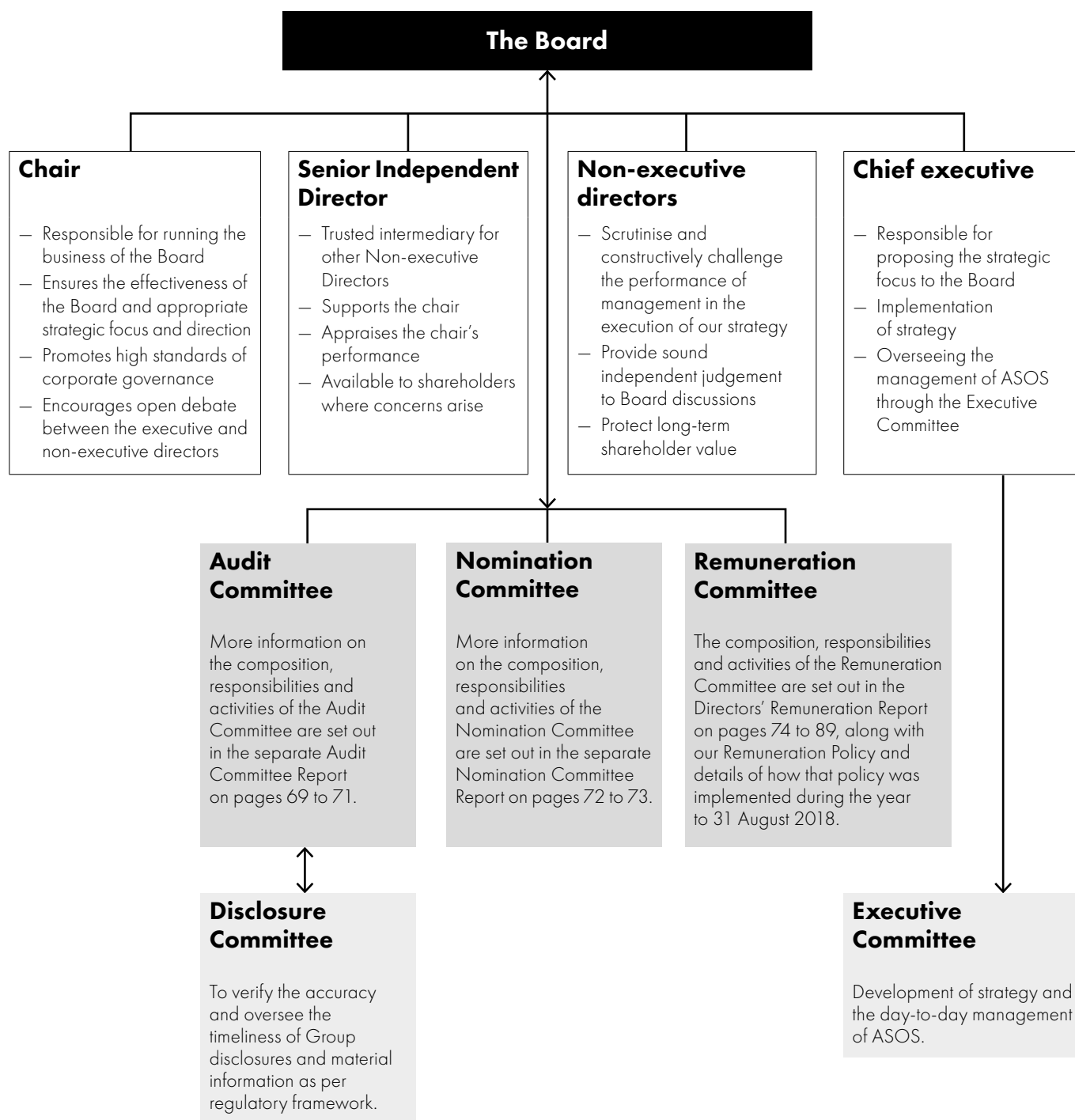
Appointment, removal and re-election of directors

The Board makes decisions regarding the appointment and removal of directors and there is a formal, rigorous and transparent procedure for appointments, with certain matters being delegated to the Nomination Committee. To facilitate their understanding of ASOS and provide an insight into the experience of an ASOS employee, all new directors receive a full induction tailored to their needs, including briefings from senior managers on key areas of the business. Our Articles of Association state that one-third of the directors must stand for re-election by shareholders annually in rotation; that all directors must stand for re-election at least once every three years; and that any new directors appointed during the year must stand for election at the AGM immediately following their appointment. However, in line with best practice and the UK Corporate Governance Code, and to underline their accountability to shareholders, each director offers him/herself for annual re-election at the AGM. The Board unanimously believes that the contributions of each director continue to be effective. We therefore encourage shareholders to support their re-election and in the case of Adam Crozier, his election at the AGM on 29 November 2018.

Roles of the chair and CEO

The chair and the CEO have clearly defined roles which are separate and distinct. The table below sets out our governance framework and outlines the division of responsibilities between the chair and the CEO, as agreed by the Board, along with a summary of the roles of the senior independent director, the executive directors and the non-executive directors, and our committees.

Corporate governance framework



	Plc Board meetings		Committee meetings					
	Eligible to attend	Attended	Audit		Remuneration		Nomination	
			Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Brian McBride ¹	9	8	–	–	–	–	1	1
Nick Beighton	9	9	–	–	–	–	–	–
Rita Clifton ²	9	7	4	2	4	4	2	2
Ian Dyson	9	9	4	4	4	4	2	2
Hilary Riva	9	9	4	4	4	4	2	2
Nick Robertson ³	9	6	–	–	–	–	–	–
Helen Ashton ⁴	6	3	–	–	–	–	–	–

¹ Brian McBride was not eligible to attend the June Board and Nomination Committee meetings as it was to approve the appointment of Adam Crozier as chair.

² Rita Clifton was not able to attend all Board meetings due to diary clashes with her other plc non-executive roles and their AGM dates.

³ Nick Robertson was not able to attend all Board meetings due to other commitments including jury service.

⁴ Helen Ashton was out of the business from late 2017 to early 2018 undergoing a routine medical procedure. She announced her wish to step down from the Board in February 2018.

Board and committee meetings

The Board meets at least eight times a year and has a formal schedule of matters reserved for its decision, through which it manages ASOS. Additional meetings are called when required. The table above sets out Board attendance during the year to 31 August 2018.

The Board and its committees receive appropriate and timely information before each meeting, a formal agenda is produced for each meeting, and Board and committee papers are distributed several days before meetings take place allowing all Board members to contribute even if they cannot attend. Any director can challenge proposals, and decisions are taken democratically after discussion. Any director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all directors. Specific actions arising from such meetings are agreed by the Board or relevant committee and then followed up by management.

The directors have access to the advice and services of the Company Secretarial team, including the general counsel & company secretary, who is responsible for ensuring that all Board procedures have been complied with. Individual directors are also able to take independent legal and financial advice at the Company's expense when necessary to support the performance of their duties as directors. During the year, the Chair met regularly with the non-executive directors without the executive director being present.

Throughout their period in office, the directors are also updated on the Group's businesses and the regulatory and industry-specific environments in which they operate by way of written briefings and meetings with senior executives and, where appropriate, external parties. Appropriate training is also available to all directors to develop their knowledge and ensure they stay up to date on matters for which they have responsibility as a Board member.

Key Board actions during the year

- Appointment of new chair
- Renewal of the revolving credit facility
- Review and monitoring of the Capital Expenditure programme
- Approval of upgrade in Euro hub automation
- Oversight of new finance system implementation
- Review of UK supply chain
- Review of gender pay analysis
- Regular 'deep dives' to increase board awareness of core business processes

Board performance

Looking back

An effective Board is vital to the success of ASOS and, in order to ensure that the Board continues to operate as efficiently as possible and that each director is sufficiently committed to their role, the Board conducts regular evaluations of its performance,

usually annually and led by the chair. Having carried out internal reviews for a few years, last year the Board decided to take a different approach and the evaluation was facilitated by an external consultant, Prism Cosec, a provider with no prior connection to ASOS. This evaluation was led by the senior independent director (SID) rather than the chair. Key outputs from last year's external evaluation included holding more off-site Board meetings, building further on the Board's exposure to senior management and further working on succession planning. Significant progress has been made on those key outputs. Over the past year, the Board continued to receive departmental 'deep dives', which has increased Board exposure to the executive committee and other senior management. The Nomination Committee also reviewed succession planning, and the Board held two off-site Board meetings, one of which was held at our Customer Care Centre.

Looking forward

Having conducted an externally facilitated evaluation last year and with the announcement that Brian McBride will step down as chairman following the AGM on 29 November 2018, the Board decided that it would be more appropriate to conduct the next internal evaluation of the Board once the new chair, Adam Crozier, has had sufficient time to settle in.

Executive Committee

The Executive Committee consists of the executive directors and key functional directors and meets weekly. Led by the CEO, the Executive Committee is collectively responsible for developing the proposed strategic focus for submission to the Board, the day-to-day management of the Group's business and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets approved by the Board of Directors. It also manages and oversees key risks, management development and corporate responsibility programmes. The CEO reports to the Board on issues, progress and recommendations for change that come out of the Executive Committee's meetings. Currently, 20% of the Executive Committee are women (two of ten).

Executive committee members

CEO (chair)

CFO (currently vacant)

General counsel & company secretary

People experience director

Retail director (womenswear)

Retail director (menswear)

Chief information officer

Supply chain director

Brand experience director

Digital experience director

Global trading director

Financial controls

ASOS has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Executive Committee, the Audit Committee and the Board as an ongoing assessment of significant risks facing the Company.

- The Board is responsible for reviewing and approving overall Company strategy, approving revenue and capital budgets and plans, and for determining the financial structure of ASOS including treasury, tax and dividend policy. Monthly results and variances from plans and forecasts are reported to the Board.
- The Audit Committee assists the Board in discharging its duties regarding the financial statements and accounting policies, as well as with the maintenance of proper internal business and operational and financial controls, including the results of work performed by the internal audit function. The committee provides a direct link between the Board and the external and internal auditors through regular meetings.
- The Board has established an organisational authority structure, with clearly defined lines of responsibility and approval thresholds, to specify the transactions requiring its approval. The CFO is responsible for the functional leadership and development of ASOS's finance activities, including compliance with this organisational authority structure.
- There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover profits, cash flows, capital expenditure and balance sheets. Monthly results are reported against budget and compared with the prior year, and forecasts for the current financial year are regularly revised in light of actual performance.
- ASOS has a consistent system of prior appraisal for investments, overseen by the CFO, with defined financial controls and procedures with which each business area is required to comply to be granted investment funds for development. Regular post-investment reviews are also carried out to check the extent to which investment cases were delivered in line with plans.

Non-financial controls

ASOS has a number of non-financial controls covering areas such as legal and regulatory compliance, business integrity, health and safety, risk management, business continuity and corporate responsibility (including ethical trading, supplier standards, environmental concerns and employment diversity). The key elements of those non-financial controls are set out below, and remain consistent with the previous financial year in order to provide important continuity across our fast-moving business (specific details within these key elements are adapted and revised as appropriate).

Appropriate standards and policies:

the Board is committed to maintaining appropriate standards for all our business activities and ensuring that these standards are set out in written policies. Key examples of such standards and policies include Do The Right Thing, our Code of Integrity (designed to ensure that everybody who works for and on behalf of ASOS acts with integrity, behaves ethically and works within best practice); Fashion with Integrity, our corporate responsibility framework standards, which include objectives relating to the impact that the Group's activities have on the environment, workplace, marketplace and community (further details of which are set out on pages 34 to 45) of this report; and the ASOS Supplier Standards (which set out the core trading requirements expected of all ASOS suppliers).

Appropriate approvals: all material contracts are reviewed by the Procurement and Legal departments, and signed by a senior executive of ASOS.

Appropriate oversight: as businesses change, so do their challenges and risks. Given ASOS's continued growth, the Board regularly reviews all standards and policies to ensure they remain appropriate to ASOS as its size and shape evolves. The most significant of these is our risk management process, which is based around our Risk Register. The Business Assurance department has primary responsibility for the Risk Register. It has deep links with the executive directors and senior management team in its oversight of risk and its management. Through its review, and the implementation of business continuity plans to address key risks with an immediate impact, risks facing the business are re-assessed and potential actions are considered and implemented to mitigate against those risks and prepare the business

to handle them should they arise. The Risk Register is reviewed on a regular basis and presented to the Audit Committee twice a year.

Appropriate assistance: each year, Deloitte, our internal auditors, carry out reviews of our internal processes in a number of different areas to assist with our risk management processes, provide an objective independent view of the effectiveness of various procedures and policies, and identify where improvements could be made. Deloitte report to the Audit Committee; and the day-to-day relationship is managed by our general counsel & company secretary with links into the Business Assurance department, and with input from the CFO. The internal audit plan for each year is compiled after consultation with the Executive Committee members approved by the Audit Committee; and the reports and recommendations from each audit are reviewed by the relevant business department, the Executive Committee, Audit Committee and Business Assurance.

Appropriate engagement: recognising that, where standards and policies apply across ASOS, they are only effective if their intended audiences fully engage with them, and that ASOS has a non-traditional but effective culture, we dedicate a lot of time and effort to ensuring that all ASOS-wide standards and policies in all areas (including business integrity, anti-bribery, gifts and hospitality, intellectual property and design rights) are compiled and communicated to the organisation in a way that resonates with and engages ASOSers.

Appropriate internal disclosure: with a business as large as ASOS, we know we rely on our people to be our eyes and ears on what's happening across the organisation. So we have a number of ways in which ASOSers can provide us with feedback on any matter, including anything that just doesn't feel right. One of those – We're Listening – is through an external independent provider which anyone connected to ASOS can contact to share concerns about the business. This service, which is anonymous, multilingual and independent, can be contacted through a website portal or by calling a local-rate telephone number. The Audit Committee is advised of any significant concerns raised through this service and subsequent investigations. We seek to ensure that all ASOSers, new and long-serving, know of these feedback channels and encourage their use across ASOS.

Relations with shareholders

ASOS is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. During the year, numerous activities were undertaken to engage with our shareholders.

Results and routine announcements

We communicate with shareholders through our full-year and half-year announcements and trading updates. We invite institutional shareholders and analysts to attend presentations following our full-year and half-year announcements. The presentation slides and webcasts of the presentations are made available at www.asosplc.com along with transcripts of all the results presentations and trading update conference calls.

Shareholder meetings

The AGM is the principal forum for dialogue with private shareholders, and we encourage shareholders to attend and participate. The AGM was held on Thursday 30 November 2017 at our head office in London, with the results of voting being published on our website www.asosplc.com.

This year's AGM will be held at 9.30am on Thursday 29 November 2018 at our head office in London. Full details are included in the Notice of Meeting, which is sent to shareholders at least 21 days before the meeting. The chair and the chair of each committee, as well as all other directors, attend the AGM and are available to answer questions raised by shareholders. Shareholders vote on each resolution, by way of a poll.










Website and shareholder communications

Our website www.asosplc.com provides a range of corporate information on our business, results and financial performance, including copies of our Annual Report and Accounts, announcements and presentations.

Meetings, roadshows and conferences

The directors actively seek to build a mutual understanding of objectives with institutional shareholders. Shareholder relations are managed primarily by the CEO, CFO and director of investor relations, supported by our chair as appropriate. A calendar of events is set out on page 68 of this report. In addition, we review analysts' notes and brokers' briefings to achieve a wide understanding of investors' views. The Board is kept informed of the views and concerns of major shareholders by briefings from the director of investor relations, and investment reports from analysts. The non-executive directors, including the senior independent non-executive director, are available to meet with major shareholders whenever required to discuss issues as they arise.

The table below sets out the key institutional shareholder engagement activities carried out during the year.

Month	Conference name	Where	Month	Conference name	Where
 September 2017	BAML Global Consumer Conference	London	 January 2018	Deutsche Bank Store Tour	Birmingham
				Berenberg IR Forum	London
				Macquarie Disruptive Conference	London
 October 2017	Full Year Results Roadshow	London, Boston, New York, Chicago	 February 2018	Berenberg Benelux Roadshow	Benelux
				UBS UK Retail Investor Day	Milan
				Jefferies Investor Relations Forum	London
 November 2017	SG SRI conference	Paris	 April 2018	Half Year Roadshow	London
	Deutsche Bank Retail Roundtable Event	London			
	UBS European Conference	London	 May 2018	Goldman Sachs Small & Mid-Cap Symposium	London
	JP Morgan Best of British	London		Global Consumer & Retail Conference	London
	UBS Nordic Roadshow	Norden		Citi European Internet & Digital Conference	London
 December 2017	Berenberg European Conference	Bagshot		UBS Nordic Roadshow	Stockholm, Helsinki, Copenhagen
	Barclays European Retail Conference	London			
			 June 2018	SG 'Nice' Conference	Nice
				JP Morgan Customer Insight Investor Session	ASOS London
				Jefferies Nantucket Conference	Nantucket
				JP Morgan Barnsley Tour	Barnsley

Audit Committee Report

Audit Committee chair's statement

The Audit Committee appreciates the crucial role it plays in helping the Board to discharge its overall responsibility to protect as far as possible the long-term success of ASOS by appropriately managing the risks to the business. We do this by monitoring, reviewing and challenging the effectiveness of the Group's systems of control and processes in areas such as financial reporting, risk management, business continuity, and business assurance on critical topics like cyber security, fraud, bribery and corruption. The committee also monitors and reviews the appointment of ASOS's external and internal auditors, the nature and scope of their work, and their independence and effectiveness. It is vital that we as a committee assess what processes and systems make ASOS more effective, robust and sustainable in the long term, while preserving and fostering the business's agility, adaptability and growth.

The biggest development has, of course, been the implementation of a new finance system, to give everyone in ASOS greater control over and insight into every pound we earn and spend, and the committee closely monitored this project in view of its importance and potential impact to the business. We continued to focus on topics like cyber security, fraud and bribery and corruption, diligence over which is particularly important for a global, online retail business such as ours. And of course, we still monitored and reviewed the usual – but vital – matters of financial

reporting, risk management, business continuity and business assurance, as well as the appointment of ASOS's external and internal auditors, the nature and scope of their work, and their independence and effectiveness. Balancing the need to ensure that ASOS remains robust and sustainable in the long term, at the same time as fostering the essential agility and flexibility that drives ASOS's creativity and growth remains a job that will never be 'done' – but it's one whose importance only grows over time and which everyone at ASOS remains committed to.

Audit Committee composition

The Audit Committee currently comprises three independent non-executive directors: Ian Dyson (committee chair), Rita Clifton and Hilary Riva. The table below sets out each member's attendance record at committee meetings during the financial year.

Committee member	Role	Attendance record
Ian Dyson	Committee chair	4/4
Rita Clifton	Non-executive director	2/4
Hilary Riva	Non-executive director	4/4

The Board is satisfied that the committee chair, Ian Dyson, has recent and relevant financial experience. He's a chartered accountant, has held executive roles in financial positions in other companies and has chaired audit committees for a number of other listed companies. The committee's other members have all played an active role in committee meetings held throughout the year. While Rita Clifton has been absent for two of the meetings due to other plc board commitments, she has in each case considered the papers and provided comments in advance.

Although not members of the Audit Committee, our company chair, our CEO, CFO, our general counsel & company secretary, our finance director (Accounting & Control) and our senior business assurance manager are also invited to attend meetings, unless they have a conflict of interest. Other senior members of the Finance team are invited to attend meetings as appropriate, unless there's a potential conflict of interest.

The committee has engaged the following external advisers to help it meet its responsibilities, both of whom are invited to attend committee meetings unless they have a conflict of interest: PricewaterhouseCoopers LLP (PwC) act as external auditors to ASOS and Deloitte LLP act as our internal auditors. The Audit Committee chair and members also regularly meet with both the external and internal auditors, without the executive directors or members of the Finance team being present. ASOS also receives advice as needed from KPMG, EY and Slaughter and May LLP on tax and legal issues relating to corporate matters.

The Audit Committee: responsibilities

The committee's principal responsibilities are:

- Monitoring the integrity of ASOS's financial statements in relation to the Company's financial performance.
- Reviewing the effectiveness of the internal and external audit processes.
- Reviewing the effectiveness of the Group's financial and internal controls, including the process for the evaluation, assessment and management of risk.

The full terms of reference for the committee are available on our corporate website, www.asosplc.com. They were last reviewed on 10 October 2018.

The Audit Committee met four times for scheduled meetings during the year. Its activities included:

- Reviewing and approving the Annual Report and Accounts to 31 August 2017 and half-year results to 28 February 2018.
- Considering reports from the external auditors and identifying any accounting or judgemental issues requiring attention.
- Overseeing the appointment of and relationship with the external auditors, including an assessment of their independence and a review of the policy for use of external auditors to provide non-audit services.
- Reviewing the business's payment practices reporting to ensure it meets latest legislation.
- Reviewing the whistleblowing process known as 'We're Listening' to ensure it is effective within ASOS' particular culture.
- Reviewing the implementation of the new finance software system.
- Reviewing the re-financing of the ASOS debt facility before recommending to the board for approval.
- Reviewing how ASOS handles all of its customer and employee data to ensure it complies with all applicable regulatory regimes, including the EU GDPR.
- Reviewing and considering reports on the work of the internal audit function.
- Reviewing and approving the Group's tax and treasury strategies.

- Reviewing the robustness of the cyber security processes and systems, and the work of the Cyber Security team.
- Reviewing the Company's Business Risk Register and the risk mitigation actions undertaken during the year.
- Considering reports on the Company's Gifts and Corporate Hospitality Policy.
- Reviewing the committee's Terms of Reference.

Financial reporting

The Board has discussed areas of risk with the auditors and agree for the following areas of heightened risk to be reviewed and assessed in the audit of ASOS's performance in the financial year to 31 August 2018.

- **Capitalisation of costs may not be appropriate:** given the high level of internal development of software there is a risk that staff costs are inappropriately capitalised.
- **Revenue may not be correctly recorded:** as revenue is recognised on despatch and the returns provision is based on estimates there is a risk that revenue may not be accurately recorded.
- **Inventory not recorded correctly:** having regard to the significant level of inventory holdings in both the UK and overseas warehouses, and the fast-moving nature of the fashion market, there is an increased risk that the closing inventory is not accurately recorded or that the inventory provisioning is not complete in the financial statements.

The committee reviewed the appropriateness of management's accounting in relation to each of these significant risks and PwC reported to the committee on the work performed in assessing each during their audit. Details of this work are provided in PwC's Audit Report on pages 94 to 97.

External audit

The external auditors, PwC, were first appointed in the financial year to 31 March 2008. The fees paid to PwC for the financial year to 31 August 2018 were £268,000. In line with its terms of reference, the Audit Committee undertakes a thorough assessment of the quality, effectiveness, value and independence of the audit provided by PwC each year, seeking the views of the Board, together with those of relevant members of the Executive Committee.

The Board is satisfied that the Company has adequate policies and safeguards in place to ensure PwC maintain their objectivity and independence. The external auditors report to the Audit Committee annually on their independence from ASOS. Periodic rotation of key audit partners is also required. Current PwC audit partner Andy Latham first started overseeing ASOS's external audit with effect from the financial year ended 31 August 2017.

The Board has a formal policy on the Company's relationship with PwC in respect of non-audit work. Proposals for all non-audit services above £50,000 must be approved by the Audit Committee before being carried out, and PwC may only provide such services if their advice doesn't conflict with their statutory responsibilities and ethical guidance.

Following the most recent review, the Audit Committee recommended the reappointment of PwC as auditors of ASOS, and PwC expressed their willingness to continue. A resolution to reappoint PwC and a resolution to enable the directors to determine their remuneration will be proposed at the 2018 AGM.

Risk management and internal controls

The Board oversees risk management and has a policy of continuous identification and review of principal business risks, and considers how those risks may affect the achievement of business objectives and determines appropriate mitigation, taking into account the Company's risk appetite.

The Executive Committee implements the internal controls and processes to put the Board's policies on risk and control into effect, and provides assurance on compliance with these policies and processes. On a day-to-day basis, the Group risk management process is managed and co-ordinated by the general counsel & company secretary, supported by the senior business assurance manager, to ensure there is a more integrated, deeper focus on applying and evolving risk management and internal controls throughout the business.

Our Business Risk Register, is reviewed every six months using a consistent process to identify the likelihood and business impact of any material or emerging risk, as well as any mitigating factors or controls. Progress and key themes coming out of the ongoing Risk Register review are reported to the Executive Committee, the Audit Committee and the ASOS leadership team.

Spurred on by the introduction of the new Data Protection legislation in May 2018 (EU GDPR), a significant piece of work was undertaken proactively, commencing in May 2017 to ensure that ASOS was providing its customers with both clarity over how the business collects, holds and uses their personal data, and the ability to control the use of that data. As putting our customers first is a key part of our business model, this was an essential piece of work that both deepens our engagement with our customers at the same time as strengthening ASOS's ability to meet its regulatory requirements. As a follow-up, this area of control was audited within our internal audit function as set out below.

Complementing that work on customer data, substantial progress was also made to strengthen and develop the business's cyber security measures.

During 2018 we have continued to strengthen our approach to cyber security. This includes but is not limited to the following:

- 44% increase in dedicated cyber security resources.
- Creation of a 24 x 7 security operations centre.
- Encouraging a collective responsibility towards security across all of ASOS and its suppliers.
- Regular penetration tests conducted by independent third parties.
- Continue to tighten the security of our corporate infrastructure and systems.

We continue to make particular effort to ensure that all ASOS-wide processes and controls are written, positioned and refreshed in such a way that everyone connected with ASOS can understand and engage with them. Such an approach continues to be essential for these processes and controls to be effective across our fast-moving high-growth business.

The Board is satisfied that the risk management and internal controls systems for all parts of the business operated effectively for the financial year to 31 August 2018 and up to and including the date of this report.

Internal audit

Our internal audit function is outsourced to Deloitte, who update the committee at each meeting on their ongoing reviews. The fees paid to Deloitte for the financial year to 31 August 2018 were £280,000. The committee reviewed the schedule of planned internal audits undertaken during the year and monitored progress in fixing the management actions highlighted by these audits. Key internal audits conducted included reviews of brand protection, customer services and complaints, HR Core controls, Data protection and privacy (to include GDPR compliance), stock systems, information security and anti-bribery procedures. At the time of reporting, there are two overdue actions which are in progress, and five actions which are not yet due.

A revised schedule of internal audit review projects for the financial year to 31 August 2018 was approved by the Audit Committee in July.

Our priorities for the year ahead

During 2019, the committee will continue to focus on the integrity of the financial controls, risk management systems and the Company's cyber security arrangements, to make sure they reflect the changing risks of our high-growth business. The security of our customer data will continue to be a key focus in the financial year ahead, and the need to constantly reinvigorate and to stress-test our controls will be regularly monitored by the committee. The committee will continue to oversee the governance of the internal audit programme to ensure that management actions are fully and effectively implemented in a timely manner. In addition, we will continue our oversight of the various capital investment projects that are underway to ensure appropriate corporate governance. To some extent, a lot of that is 'more of the same' but in a growing business like ASOS, the importance of those regular systems and processes only continues to grow.



Ian Dyson
Audit Committee Chair

16 October 2018

Nomination Committee Report

This year has been a busy one for the Nomination Committee, with the appointment of Adam Crozier, who will take over from me as chair at the end of the AGM on 29 November 2018, and with Helen Ashton announcing her wish to step down from her role as CFO in February 2018.

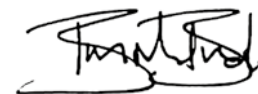
Adam's appointment is a significant milestone for ASOS as it moves to the next phase of growth. In looking for my successor, we used an external search company and cast the net widely to make sure we considered a broad selection of candidates from a range of backgrounds. Our aim was to appoint a chair with the right skills and experience for a dynamic business such as ASOS. In appointing Adam, we've considered his other position as chair of Whitbread PLC and are satisfied that he is able to commit the necessary time to ASOS.

The search for a replacement for Helen has begun and is still ongoing and on 1 September 2018, an acting CFO was put in place to cover the functional aspects of the role while the search continues.

The Nomination Committee has an important role to play in evaluating the composition of our Board to make sure that it has the right mix of skills and experience to lead a fast-growing business like ASOS to deliver its 202x strategy. Aside from our two formal meetings this year, we also met informally to discuss Board composition and that of the senior executive team – and enhanced the latter by adding a global trading director.

We're still looking for suitable non-executive additions to the Board. And we're continuing to monitor the diversity of our Board and the merits of appointing from outside the UK where the fit is right, to reflect the global nature of ASOS.

I know the Nomination Committee will be in good hands under Adam's guidance, and that he'll make sure ASOS continues to attract and keep the very best talent the Company needs to continue to grow sustainably.



Brian McBride

Chair of the Nomination Committee

16 October 2018

Committee members and attendance at meetings during the year

Committee member (independent non-executive directors)	Attendance record
Brian McBride ¹ (chair)	1/1
Ian Dyson	2/2
Rita Clifton	2/2
Hilary Riva	2/2

¹ Brian McBride was not eligible to attend the June meeting as it was to recommend the appointment of Adam Crozier as chair.

Members of the management team are invited to attend meetings as appropriate, unless there's a potential conflict of interest.

The committee's responsibilities

The committee's principal responsibilities are to:

- Review the structure, size and composition of the Board and senior executive appointments, and make recommendations to the Board as appropriate.
- Identify the balance of skills, knowledge, diversity and experience on the Board and nominate candidates to fill Board vacancies.
- Make sure that, when appointed, all directors undergo an appropriate and tailored induction and that existing Board members are offered training to support their development and contribution to the Board.
- Review the time commitment and independence of the non-executive directors, including potential conflicts of interest.
- Review succession plans to ensure ASOS can continue to compete effectively in the marketplace.

Terms of reference

The committee's full terms of reference are available on www.asosplc.com and were last updated on 30 November 2017.

Directors' Remuneration Report Remuneration Committee Chair's Statement

Dear Shareholder

On behalf of the Board, I present the Remuneration Committee's report for the year to 31 August 2018, my third report as Committee Chair.

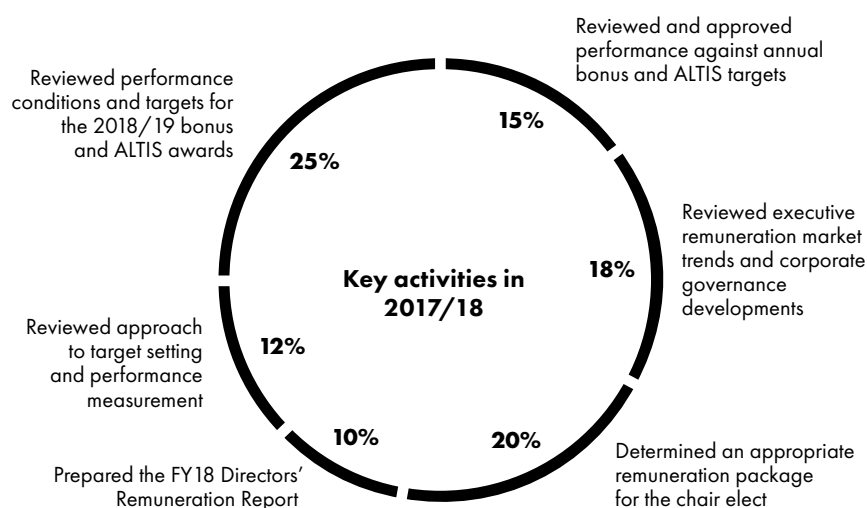
Remuneration for the year ended 31 August 2018

This was another strong year of performance for ASOS, with total revenue for the year at £2.4bn, up 26%, gross profit up 29%, and operating profit at £101.9 million, up 28%.

In addition to these financial achievements, ASOS management has continued to deliver against the 2020x strategic objectives, ensuring we have the capacity and capability for the next phase of growth through our people and our technology and logistics infrastructure. Further achievements are set out on page 20.

ASOS is a high growth company with a high-performance culture and targets are set to be stretching, taking into account internal and external forecasts. Bonus targets are set for revenue growth, customer engagement through NPS and personal strategic targets, all of which are subject to the delivery of a challenging PBT threshold. This PBT threshold must be exceeded before any part of the bonus can be paid out.

Whilst the business performed well as a whole during the year, this PBT threshold was not exceeded. As a result, the executive directors will not receive a bonus for the period to 31 August 2018.



We must continue to be able to attract, motivate and retain the best talent at ASOS



Committee membership and attendance

Committee member	Role	Attendance record
Hilary Riva	Committee chair	5/5
Rita Clifton	Non-executive director	5/5
Ian Dyson	Non-executive director	5/5

The performance period for the grant of shares to the senior management team in 2015 under the 3-year ALTIS share plan ended on 31 August 2018. Based on the excellent performance over the 3-year period, these awards will vest in full on 31 October 2018. Further details on this are set out on page 85 of the Remuneration Report.

Annual remuneration votes 2017

Total votes cast	60,625,693
Votes for	59,475,211
Votes against	1,150,482
Votes withheld (abstentions)	1,915,934

Historic annual remuneration votes

AGM2017	98.10%
AGM 2016	66.72%
AGM 2015	83.62%

Board changes

This year has been one of significant change at Board level with Helen Ashton announcing her wish to step down from the Board with effect from 30 April, and Brian McBride due to be succeeded by Adam Crozier as Chairman with effect from the forthcoming AGM in November.

The Committee has determined that Helen will be treated as a good leaver to reflect the positive contribution that she has had on the performance of ASOS during her tenure as CFO. She is therefore entitled under the rules of the ALTIS scheme to benefit from her share awards, as set out on page 85, albeit that her entitlement to the award made in October 2017 has been pro-rated down to reflect her stepping down from the Board during the financial period to 31 August 2018. The shares awarded under the 2016 ALTIS scheme are not due to vest until 31 October 2019, and the number of shares granted to Helen under this scheme remains unchanged but will be subject to the achievement of performance targets as set out on page 85 of the report.

As stated on page 84, Helen Ashton remained in employment until the year end to ensure an orderly transition. Further details are set out within the Nomination Committee report on pages 72 to 73. An acting CFO was appointed on 1 September 2018 as set out on page 63. As this role is below the Board, the remuneration details have not

been disclosed. The Remuneration Committee is currently considering an appropriate remuneration package for the appointment of a permanent CFO and this will be announced once contracts are signed.

The Committee has approved a fee of £350,000 for the new Chairman, effective from the AGM in November, and considers this is appropriate for the scope and responsibility of the role required to lead a Business of ASOS's size and complexity through its next phase of growth. This has been supported by an external benchmarking exercise to ensure the fee is broadly competitive for the scope of the role, and not excessive.

Remuneration for the year ended 31 August 2019

As discussed above, the Chairman's fee will be increased from the AGM in November. The details of the future remuneration arrangements for the executive director are set out on page 81. Although the overall pay increase for the business was 2.5%, the executive team agreed to forgo any increase in pay for the period ahead. There will therefore be no increase to the CEO's salary from 1 September, with his overall package considered to remain appropriate.

The annual bonus and long-term incentive opportunities and performance metrics will also remain unchanged.

As an AIM-listed company, we seek voluntary shareholder approval for our Remuneration Report

Changes to UK Corporate Governance and remuneration reporting

The Committee is aware of the future changes to the UK Corporate Governance Code and remuneration reporting regulations and is currently reviewing its remuneration processes and policies to ensure they remain appropriate in view of the forthcoming changes. This includes the following:

- We are pleased to report that ASOS has already established an employee forum, taking the form of a monthly meeting at our head office and customer care centre. These meetings are attended by members of the executive committee as appropriate and are intended to encourage ASOSers to express their views and concerns to management and the Board.
- To take into account the increasing scope of the Remuneration Committee's remit to set pay for all senior management and to review the remuneration arrangements of the broader workforce, the Committee will review its terms of reference to ensure appropriate approvals and oversight processes are in place.
- We have made a minor change to our policy this year to include greater details of the Committee's discretion. This enables it to override formulaic outcomes where necessary so as to ensure that the implementation of the remuneration policy is fair both for the individual director and also for shareholders. Full details will be disclosed if the Committee uses such discretion in the future.
- The Committee is starting to review ASOS's CEO pay ratio in advance of the reporting requirement for main market listed companies, and will report on this on a voluntary basis in 2020 in line with the requirements.
- A significant piece of work was undertaken during the year on gender reporting so that we were able to publish our first report in early April, with a comprehensive communication programme for ASOSers to share the feedback. A summary of this piece of work is set out on page 41.

Concluding remarks

The Committee is aware of the ongoing pressures on executive remuneration for main market listed companies and continues to monitor developments as they arise. In particular, we are aware of the importance of considering the views of all our stakeholders, including shareholders and employees, and we will continue to consider the implications for ASOS's executive remuneration policy as required.

As an AIM-listed company, we seek voluntary shareholder approval for our Remuneration Report to provide invaluable public accountability for the Board over the appropriateness of our remuneration policy and its implementation. At the AGM last year, 98% of shareholders voted in favour of the Directors' Remuneration Report.

We hope that you find this year's Remuneration Report informative and look forward to your continuing support in the coming year.



Hilary Riva

Chair of the Remuneration Committee

Remuneration Policy

Our remuneration package is designed to attract the right talent to create long-term value

The Remuneration Committee determines ASOS's policy on the remuneration of the executive directors and other senior executives. The principles that underpin this policy aim to encourage strong performance and engagement, both in the short and long term. They also exist to enable the Group to achieve its strategic objectives and create sustainable shareholder value – and to make sure high performance is required to access high rewards, and that the total reward cost to ASOS is affordable and sustainable. Our Remuneration Policy must also help attract, retain and motivate high-calibre, high-performing, engaged employees. It must reward people for their contributions to the success of ASOS in a fair and responsible manner, over both the short and long term. And, it must be communicated in a way that's 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. These include 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. We do this 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
Base salary	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. Decisions on salary levels are influenced by:</p> <ul style="list-style-type: none"> — Responsibilities, abilities, experience and performance of an individual — The performance of the individual in the period since the last review — The Company's salary and pay structures and general workforce salary increases <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.</p> <p>In addition, if salaries are set at a discount to a market rate on appointment, it may be appropriate to provide one or more increases at a higher rate than the broader employee population based on an individual's performance and experience and/or take account of relevant market movements.</p>	When reviewing salaries, we consider the performance of the individual in the period since the last review.
Pension	To contribute financially post retirement	<p>Defined contribution arrangement or salary supplement.</p> <p>Only base salary is pensionable.</p> <p>ASOS's contribution depends on the employee's seniority and may be matched to the level of contributions the employee chooses to make.</p>	<p>ASOS may contribute up to 15% of base salary (in the case of the CEO) 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
Other benefits	<p>To support the personal health and wellbeing of employees</p> <p>To reflect and support ASOS culture</p>	<p>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.</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 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 ASOS.</p>	Not applicable

Variable remuneration elements

Element	Purpose	How it operates	Maximum opportunity	Performance-related framework
Annual bonus	Provides a link between remuneration and both short-term company and individual performance	<p>The annual bonus plan applies 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 by the committee.</p> <p>Targets are reviewed annually and the committee can 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 CEO 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.
ASOS Long-Term Incentive Scheme (ALTIS)	Supports the strategy and business plan by incentivising and retaining the ASOS senior management team in a way that is aligned with both ASOS's long-term financial performance and 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 ASOS 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), TSR and a customer engagement measure: net promoter score (NPS).</p>
Share ownership guidelines	<p>Increases alignment between the Board and shareholders</p> <p>Shows a clear commitment by all executive directors to creating value for shareholders in the long term</p>	<p>Guidelines require executive directors to hold 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 CEO and other executive directors is 500% and 200% of salary respectively.</p>	Not applicable	Not applicable
All-employee share plans – SAYE	<p>Increase alignment between employees and shareholders in a tax-efficient manner</p> <p>Supports retention of employees</p>	An 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.	Consistent with prevailing HMRC limits.	Not applicable
Non-executive directors	Provide fees appropriate to time commitments and responsibilities of each role	<p>Cash fee normally paid on a monthly basis. Fees are reviewed periodically.</p> <p>In addition, reasonable business expenses (together with any tax thereon) may be reimbursed.</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

Remuneration policy for other employees

The remuneration policy for executive directors has been developed with consideration of the reward philosophy, strategy and policy for ASOSers across the whole organisation. Where possible, we aim to create alignment between the way executive remuneration is structured and the way ASOSers more generally are rewarded. Inevitably, there are some differences between our management and the rest of the business. This is typically a result of developing reward arrangements that are competitive for the different talent markets from which we recruit or to which we risk losing staff. The policy for executive directors and the senior levels within ASOS's leadership group also places a larger emphasis on pay-at-risk through incentives and long-term remuneration through the ALTIS programme.

All employees are entitled to base pay, benefits and pension contributions and are eligible for participation in the ASOS annual bonus plan, and during the financial year 259 employees joined the ALTIS.

ASOS operates a Save As You Earn Scheme for all employees. More information about the scheme is given on page 79. We encourage a strong culture of ownership across the organisation and encourage all ASOSers to behave and think like owners. We are very proud of the enthusiasm and support for these schemes shown by our fellow ASOSers, with 29% of employees participating in the SAYE 2018 scheme.

Remuneration Policy developments

Revisions to the Remuneration Policy and its implementation require the approval of the Remuneration Committee, to whom the Board delegates responsibility for the policy. There have been no material changes to the Remuneration Policy this year other than to improve transparency around the committee's discretion.

Performance measure selection and approach to target setting

For the ASOS annual bonus and ALTIS, 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. The committee reviews metrics each year to ensure they remain appropriate and reflect the strategic direction of ASOS.

29% of employees participating in the SAYE 2018 scheme

The measures used in the 2019 annual bonus reflect ASOS's KPIs for the year and are based on:

- Revenue achieved
- PBT
- NPS
- Personal objectives

Long-term performance targets for 2019 are based on a combination of absolute and relative performance:

- TSR provides strong alignment with shareholders and is measured against the FTSE All-Share General Retailers as this provides a robust and relevant benchmark.
- EPS is considered an objective and well accepted measure of Company performance which reinforces the objective of achieving profitable growth.
- Revenue captures top-line growth and is a key element of our progress towards our mission.
- Net Promoter Score captures customer engagement, which is a key element of our strategy.

Targets for each performance measure are set by the committee with consideration to an extensive set of reference points including internal plans and budgets, forecasts for the sector, relevant sector benchmarks and external expectations. Performance is generally measured on a sliding scale, so that incentive payouts increase pro rata for levels of performance between the threshold and maximum performance targets.

When considering any annual salary increases for executives, the committee does so in the context of the proposals for salary increases to the broader workforce more generally, as it does for any other changes to other elements of remuneration being considered.

Committee discretion

The committee operates under the powers it has been delegated by the Board. In addition, it complies with rules that are either subject to shareholder approval or by approval from the Board. These rules provide the committee with certain discretions which serve to ensure that the implementation of the remuneration

policy is fair, both to the individual director and to the shareholders. The committee also has discretions to vary the level of the various components of remuneration. The extent of such discretions is set out in the relevant rules, and the maximum opportunity or performance metrics section of the policy table on pages 78 and 79. To ensure the efficient administration of the variable incentive plans outlined above, the committee will apply certain operational discretions.

These include the following:

- Selecting the participants in the plans on an annual basis.
- Determining the timing of grants of awards and/or payments.
- Determining the quantum of awards and/or payments (within the limits set out in the policy table above).
- Determining the extent of vesting based on the assessment of performance.
- Determining whether malus or clawback shall be applied to any award in the relevant circumstances and, if so, the extent to which it shall be applied.
- Making the appropriate adjustments required in certain circumstances, for instance for changes in capital structure.
- Determining 'good leaver' status for incentive plan purposes and applying the appropriate treatment.
- Undertaking the annual review of weighting of performance measures and setting targets for the annual bonus plan and other incentive schemes, where applicable, from year to year.

If an event occurs which results in the annual bonus plan or ALTIS performance conditions and/or targets being deemed no longer appropriate (e.g. material acquisition or divestment), the committee will have the ability to amend the performance conditions and/or targets, provided that the revised conditions are not materially less challenging than the original conditions. Any use of the above discretion would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

Total potential remuneration for executive directors in the 2019 financial year

Nick Beighton

Minimum	100%				638
Target	45%	35%	20%		1,429
Maximum	25%	32%		43%	2,615

(£'000)

Fixed pay Bonus Long-term incentive

The chart above shows the potential remuneration at different levels of performance for the CEO in the 2019 financial year from the remuneration opportunity granted to him by ASOS's remuneration policy. Details of the CFO's remuneration will be announced in due course.

Basis of calculation:

- Minimum – fixed pay only (salary + benefits + pension*). Salary and pension are those effective from 1 September 2018 and benefits are based on actual figures for 2017/18.
- Target – fixed pay, plus target bonus opportunity of 90% of salary for the CEO, plus 25% of the face value of the ALTIS award on grant (i.e. 50% of salary).
- Maximum – fixed pay, plus maximum bonus opportunity of 150% of salary for the CEO, plus the full face value of the ALTIS award on grant (i.e. 200% of salary).

*Pension is net of employers tax and NIC

Recruiting new executive directors or 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 remuneration policy set out above. 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.

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 fair value of any deferred remuneration that would be forfeited at the previous employer, taking into account relevant factors including the form of the awards, remaining vesting period and the likelihood of any performance conditions being met. Any such proposal for executive directors requires the prior approval of the Remuneration Committee. The committee may also agree that ASOS will meet certain relocation and/or incidental expenses as appropriate.

Consideration of shareholder and broader stakeholder views

The Remuneration Committee is committed to open dialogue with shareholders and intends 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 Company's remuneration framework and practices. Assisted by its independent adviser, the committee also actively monitors developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate. In addition, the existence of the employee forum will also be used to capture feedback from ASOSers and the proactive dialogue that exists with suppliers and customers means that there are channels of communication with all stakeholders.

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. Our 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 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 this is in the interests of ASOS	Up to one year's worth of pension and benefits
Bonus	None	Paid in accordance with bonus scheme terms – normal practice is for payment to be time and performance pro-rated to the effective leaving date
Long-term incentives	Awards lapse	May vest in accordance with scheme rules – normal practice is for the vested award to be time and performance pro-rated to the effective leaving date

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 director may be entitled to pursue a legal claim, ASOS may negotiate settlement terms and, with the approval of the Remuneration 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 executives may have on, or in respect of termination.

The individual is expected to take reasonable steps to seek alternative income to mitigate the payments.

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.

Annual Report on Remuneration

Details of how ASOS's Remuneration Policy has been applied in the year to 31 August 2018 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 year to 31 August 2018 is set out in the tables below.

		Fixed remuneration			Variable remuneration		Total remuneration
Executive director		Base salary £	Benefits £	Pensions £	Bonus £	LTIP ²	£
Nick Beighton	2018	565,000	7,329	73,056	–	2,259,229	2,904,614
	2017	550,000	5,420	71,115	535,095	1,910,629	3,072,259
Helen Ashton¹	2018	233,333	33,320	25,142	–	1,396,585	1,688,380
	2017	340,000	16,030	36,635	218,382	642,406	1,253,453
Total	2018	798,333	40,649	98,198	–	3,655,814	4,592,994
		890,000	21,450	107,750	753,477	2,553,035	4,325,712

		Base fee £	Additional fee £	Taxable expenses ⁴ £	Total remuneration £	Basis for additional fee
Non-executive director						
Brian McBride	2018	190,000	Nil	9,822	199,822	
	2017	190,000	Nil	962	190,962	
Ian Dyson	2018	55,000	15,000	Nil	70,000	SID and Audit Chair
	2017	55,000	15,000	Nil	70,000	SID and Audit Chair
Hilary Riva	2018	55,000	10,000	Nil	65,000	Remuneration Chair
	2017	55,000	10,000	Nil	65,000	Remuneration Chair
Rita Clifton	2018	55,000	Nil	Nil	55,000	
	2017	55,000	Nil	Nil	55,000	
Nick Robertson³	2018	55,000	Nil	Nil	55,000	
	2017	55,000	Nil	1,299	56,299	
Total	2018	410,000	25,000	9,822	444,822	
	2017	410,000	25,000	2,261	437,261	

¹ Helen Ashton stepped down from the Board 30 April 2018 but remained an employee until 31 August 2018. The remuneration in the table reflects the period during which she served on the Board, to 30 April 2018.

² For 2018, this includes the FY15 ALTIS award as detailed on page 85. Based on a share price of £62.42, being the average share price for the last quarter of the financial year, from 1 June to 31 August 2018. The figures for 2017 are the adjusted figures to show the actual share price of £56.84 at the vesting date on 31 October 2017.

³ Nick Robertson donated all of his base service fee to the ASOS Foundation.

⁴ The taxable expenses include travel and other expenses related to their role and have been grossed up for tax, where applicable.

Payments to past directors

During the year to 31 August 2018, no payments were made to any past directors.

Payments for loss of office

During the year to 31 August 2018, Helen Ashton announced her wish to resign from her role as CFO. She stepped down from the board with effect from 30 April 2018 and remained in employment until 31 August 2018, to ensure an orderly transition. The Directors' remuneration table shows her salary until she stepped down as a director. She was paid in full until her employment ceased, and will retain in full her entitlement to the share awards already granted (subject to performance conditions) in view of her 'good leaver' status, with the exception of the ALTIS award granted on 11 October 2017, which has been pro-rated.

Annual bonus for the year ended 31 August 2018

For both Nick Beighton and Helen Ashton, the annual bonus plan for the year ended 31 August 2018 was based 70% on a Company objective and 30% on non-financial objectives (15% on personal objectives and 15% on net promoter score (NPS)). A challenging PBT threshold must also be exceeded before any part of the bonus can pay out. Nick's maximum bonus opportunity as CEO was 150% of salary and Helen's maximum bonus opportunity as CFO was 100% of salary for the year.

The Company objective was based on a matrix of stretching PBT and sales growth targets with a PBT threshold of £102m, a sales target from 25% to 37% and a PBT target from £102m to £132m. This helps ensure investment made to drive sales is executed while delivering a sustainable profit margin for shareholders. The NPS target range was +1 to +3 on the previous year's target range.

For the CEO, the personal objectives were based around several core strategic priorities that focused on the areas of continued development of the executive team; enhancement of the organisation's approach to reputation management; and implementation of the Group's Fashion with Integrity programme.

For the CFO, the personal objectives were based around the development of an enhanced business performance management programme; successful development of ASOS's risk management framework; and delivery of the first phase of ASOS's Finance Transformation programme.

ASOS is a high growth company with a high-performance culture. In order to drive this, targets are set to be very stretching, taking into account internal and external forecasts. The bonus accordingly had a PBT threshold of £102.0m that is required to trigger any entitlement to a bonus. Whilst the business performed well as a whole during the year, this PBT threshold was not exceeded. As a result, no bonus award has been made to the CEO, CFO or any other employee for the period to 31 August 2018.

FY15 ALTIS awards vesting for performance to 31 August 2018

The ALTIS awards with a performance period ending in the 2018 financial year are due to vest on 31 October 2018. These awards were based 70% on EPS and 30% on relative TSR versus the FTSE All-Share General Retailers Index over the three-year performance period from 1 September 2015 to 31 August 2018. The performance targets and level of achievement against those targets were as follows:

Measures	Weighting	Targets	Percentage vesting	Actual achievement	Vesting
Compound annual fully diluted EPS growth	70%	Below 10%	0%	30.2%	100%
		10%	25%		
		Between 10% and 20%	Between 25% and 100%*		
		20% or more	100%		
TSR versus FTSE All-Share General Retailers Index	30%	Below median	0%	Above upper quartile	100%
		Median	25%		
		Between median and upper quartile	Between 25% and 100%*		
		Upper quartile or above	100%		

*Straight-line interpolation between points in the range

Details of vesting for each individual executive director:

Executive director	Number of shares granted	Number of shares vesting	Date of vesting	Value of awards vesting ¹
Nick Beighton	36,194	36,194	31.10.2018	£2,259,229
Helen Ashton	22,374	22,374	31.10.2018	£1,396,585

¹ Based on a share price of £62.42, being the average share price for the last quarter of the financial year, from 1 June to 31 August 2018, as is normal practice.

ALTIS awards granted in the year

In the year under review, ALTIS awards with a face value of 200% of salary were granted to the executive directors on 11 October 2017:

Executive director	Basis of award	Number of shares granted	Face value of award ¹
Nick Beighton	200% of salary	18,899	£1,129,971
Helen Ashton	200% of salary	11,707 ²	£699,961

¹ Based on the five-day average share price of £59.79 as at 11 October 2017.

² Pro-rated to 3,892 with effect from the date Helen Ashton left employment.

The performance conditions for these awards are in the table below, with performance measured over the three-year period from 1 September 2017 to 31 August 2020, and vesting on 31 October 2020:

Measures	Weighting	Targets	% vesting
Sales growth	30%	Below 15%	0%
		15%	25%
		Between 15% and 25%	Between 25% and 100%*
		25% or more	100%
Compound annual fully diluted EPS growth	30%	Below 15%	0%
		15%	25%
		Between 15% and 25%	Between 25% and 100%*
		25% or more	100%
TSR versus FTSE All-Share General Retailers Index	30%	Below median	0%
		Median	25%
		Between median and upper quartile	Between 25% and 100%*
		Upper quartile or above	100%
NPS	10%	Below 67	0%
		67	25%
		Between 67 and 69	Between 25% and 100%*
		69 or more	100%

*Straight-line interpolation between points in the range

Directors' interests in share plans (audited)

Director	Share option scheme	Date of grant	31 August 2017 (no. of shares)	Granted during the year to 31 August 2018 (no. of shares)	Lapsed during the year to 31 August 2018 (no. of shares)	Exercised during the year to 31 August 2018 (no. of shares)	31 August 2018 (no. of shares)	Exercise price (pence)	Exercise date/period
Nick Beighton	SAYE	08.06.17	369	–	–	–	369	4,869.0	01.07.20 – 31.12.20
	ALTIS	16.01.15	33,923	–	309	33,614	–	–	31.10.17
	ALTIS ¹	30.10.15	36,194	–	–	–	36,194	–	31.10.18
	ALTIS ²	16.12.16	21,245	–	–	–	21,245	–	31.10.19
	ALTIS ³	11.10.17	–	18,899	–	–	18,899	–	31.10.20
Helen Ashton	SAYE ⁴	06.06.16	620	–	172	–	448	2,901.0	01.09.18 – 28.02.19
	ALTIS	30.09.15	11,406	–	104	11,302	–	–	31.10.17
	ALTIS ¹	31.10.15	22,374	–	–	–	22,374	–	31.10.18
	ALTIS ²	16.12.16	13,133	–	–	–	13,133	–	31.10.19
	ALTIS ⁵	11.10.17	–	11,707	7,815	–	3,892	–	31.10.20

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 2015 to 31 August 2018 are provided on page 85.

2 The performance conditions for these awards are in the table below, with performance measured over the three-year period from 1 September 2016 to 31 August 2019, and vesting on 31 October 2019:

Measures	Weighting	Targets	% vesting
Sales growth	30%	Below 15%	0%
		15%	25%
		Between 15% and 25%	Between 25% and 100%*
		25% or more	100%
Compound annual fully diluted EPS growth	30%	Below 15%	0%
		15%	25%
		Between 15% and 25%	Between 25% and 100%*
		25% or more	100%
TSR versus FTSE All-Share General Retailers Index	30%	Below median	0%
		Median	25%
		Between median and upper quartile	Between 25% and 100%*
		Upper quartile or above	100%
NPS	10%	Below 64	0%
		64	25%
		Between 64 and 66	Between 25% and 100%*
		66 or more	100%

*Straight-line interpolation between points in the range

3 Performance conditions for these awards are set out on page 85.

4 The number of share options remaining in the SAYE scheme has been pro-rated based on the total value of contributions made by Helen Ashton up to 31 August 2018. Helen has six months from cessation of employment to exercise these options in accordance with her good leaver status.

5 This represents the pro-rated number of share awards following cessation of employment. Performance conditions for these awards are set out on page 85.

Directors' shareholdings

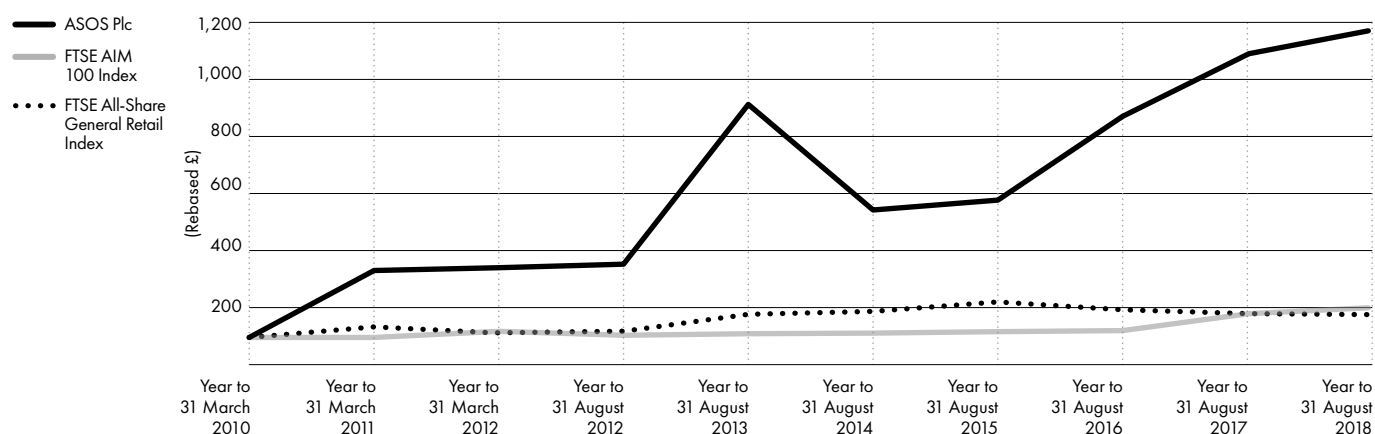
The directors who held office at 31 August 2018 had the following interests, including family interests, in the shares of ASOS.

Director	Beneficially owned as at 31 August 2017 (no. of shares)	Beneficially owned as at 31 August 2018 (no. of shares)	Outstanding share options (SAYE/ALTIS) (no. of shares)	Shareholding guideline met
Brian McBride	13,302	13,302	–	N/A
Nick Beighton	150,503	150,503	76,707	Yes
Rita Clifton	–	–	–	N/A
Ian Dyson	–	–	–	N/A
Hilary Riva	227	227	–	N/A
Nick Robertson	5,196,414	5,046,414	–	N/A

Performance and CEO remuneration comparison

The market price of ordinary shares at 31 August 2018 was £61.14 (31 August 2017: £56.67) and the range during the year to 31 August 2018 was from £54.90 to £77.30 (year to 31 August 2017: £45.19 to £64.25).

This graph shows the value, by 31 August 2018, 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. The table below the TSR chart sets out the remuneration data for directors undertaking the role of CEO during each of the past nine financial years.



CEO remuneration history*

	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 ⁴	Year to 31 August 2017	Year to 31 August 2018
Salary (£)	340,000	340,000	350,200	500,000	333,333	77,420	550,000	550,000	565,000
Other taxable benefits (£)	1,596	1,706	3,320	3,843	3,860	3,860	4,623	5,420	7,329
Pension (£)	–	–	–	–	–	–	71,115	71,115	73,056
Annual bonus (£)	–	–	210,120	300,000	–	–	573,782	535,095	–
Long-term incentive (£) ¹	1,742,914	1,399,115	54,646,748	–	–	–	–	1,910,629	2,259,229
Total remuneration (£)	2,084,510	1,740,821	55,210,388	803,843	337,193	81,280	1,199,520	3,072,259	2,904,614
Annual bonus % ²	–	–	60%	60%	–	–	70%	65%	–
Long-term incentive % ³	–	–	100%	–	–	–	–	99.1%	100%

1 Gains made under the long-term incentive plans are recognised above in the financial year of the performance period to which they relate. The value for the FY2017 award was calculated using a share price of £56.84, being the actual share price at the vesting date on 31 October 2017. The value shown for the year to 31 August 2018 is an adjusted figure based on the average share price for the last quarter of the financial year to 31 August 2018. This will be adjusted again to reflect the share price at the point of vesting on 31 October 2018.

2 Annual bonus percentage figure shows the percentage of the individual's maximum bonus percentage received in that financial year.

3 Long-term incentive percentages show the percentage of the award that vested in the financial year.

4 During the year to 31 August 2016, the CEO 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 CEO's annual remuneration.

Percentage change in CEO's remuneration

The table below shows the percentage change in the CEO's salary, benefits and annual bonus between the financial years ended 31 August 2018 and 31 August 2017, compared with all employees of ASOS.

	Salary change	Benefits change	Bonus change
Chief executive officer ¹	2.73%	–	(100%)
All employees ²	(1.6%)	(7.4%)	(100%)

¹ The total benefits received by the CEO include an amount for PAYE Settlement Agreement 'PSA' (not previously included for FY17). The above is a like-for-like comparison including PSA for both financial years.

² This is calculated by dividing the actual salary costs (including capitalised salaries) by the average number of employees across the year. During the year the headcount has been increased by 23% with the majority of these positions being below senior management where benefits are not part of the award package.

Relative importance of spend on pay

The following table shows ASOS's actual spend on pay (for all employees) relative to dividends and retained profit. To date, no dividend has been paid by ASOS Plc and there is no intention to pay a dividend at this stage as all monies are being retained in the business for future investment.

	2018	£190.7m	
Staff costs ¹	2017	£159.8m	+19%
	2018	£102.0m	
Profit before tax	2017	£80.0m	+28%

¹ The above includes capitalised staff costs.

Implementation of remuneration policy in FY18

Salary

There has been no salary increase for the CEO this year. The remuneration package for the incoming CFO will be disclosed once agreed and contracts have been signed.

Executive director	Salaries from 1 September 2017	Salaries from 1 September 2018	% increase
Nick Beighton	£565,000	£565,000	0%

Pension

Pension contributions (net of employer's tax and NIC) will remain unchanged, with Nick Beighton's at 15% of salary.

Annual bonus

The maximum annual bonus opportunity for the CEO for 2018/19 will be unchanged at 150% of salary. The performance conditions will continue to be based 70% on a Company objective (revenue growth and PBT threshold) and 30% on non-financial objectives, with 15% related to NPS performance and 15% to personal objectives. Any bonus payout will be delivered entirely in cash.

ALTIS awards

ALTIS awards will be made to the CEO in 2018/19 with a face value of 200% of salary, as set out on page 79. An award will be made to the incoming CFO when appropriate.

NED fees

In July 2018 the Board approved the appointment of Adam Crozier as non-executive chair with effect from the conclusion of the AGM on 29 November 2018. An annual fee of £350,000 has been approved and is considered appropriate given the calibre of the individual at a pivotal time for the next phase for ASOS Plc. Before setting this fee a review was carried out and benchmark data assessed and this figure reflects the scale and complexity of the role.

	Fees from 1 September 2018
Non-executive chair elect	£350,000
Non-executive chair*	£190,000
Non-executive director base	£55,000
SID and Audit Committee chair	£70,000
Remuneration Committee chair	£65,000

*Brian McBride will retire at the conclusion of the AGM on 29 November 2018.

Remuneration governance

The Remuneration Committee

Composition

The Remuneration Committee comprises three independent non-executive directors: Hilary Riva (chair), Rita Clifton and Ian Dyson. The table below sets out each member's attendance record at committee meetings during the financial year.

Committee member	Role	Attendance record
Hilary Riva	Committee chair	5/5
Rita Clifton	Non-executive director	5/5
Ian Dyson	Non-executive director	5/5

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

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 chairman and the other members of the Executive Committee.
- 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 Committee.
- Review and approve any material termination payment.

The full Terms of Reference of the Remuneration Committee are available on our corporate website, www.asosplc.com. These were last updated on 14 September 2017.

The remuneration of non-executive directors other than the chair is determined by the chair of the Board and the executive directors.

Advisers to the Remuneration Committee

The committee has engaged the external advisers listed below to help it meet its responsibilities.

- New Bridge Street, part of Aon plc, have been appointed as independent advisers to the committee; they provided advice throughout the financial year on all remuneration matters considered by the committee. For that advice, New Bridge Street received fees totalling £100,520 in the financial year to 31 August 2018. 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. Aon plc, the parent company of New Bridge Street, also provides insurance broking services to ASOS.
- When required, ASOS also receives advice relating to remuneration matters 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 needed from our people experience director, our reward director, our general counsel & company secretary, our CEO and our CFO.

Key areas of focus for the year ahead

- Review and approve any salary increases for the Executive Committee
- Determine 2017/18 annual bonus outcome and 2015 ALTIS awards vesting
- Approve 2018/19 ALTIS targets and awards, and 2018/19 annual bonus
- Determine an appropriate remuneration package for the new CFO
- Continue to monitor regulatory and legislative developments

Directors' Report

Much of the information previously provided as part of the Directors' Report is now required, under company law, to be presented as part of the Strategic Report. This Directors' Report includes the information required to be included under the Companies Act 2006 or, where provided elsewhere, an appropriate cross-reference is given. The Corporate Governance Report approved by the Board is provided on pages 62 to 68 and incorporated by reference into this Directors' Report.

Subsidiaries

The Company has 21 subsidiaries, a complete list is provided at Note 8 of the Parent Company Financial Statements on page 129.

Dividends

As last year, the directors do not recommend the payment of a dividend (2017: £nil).

Strategic Report

This is set out on the pages 2 to 56 of the Annual Report and includes an indication of likely future developments.

Significant events since the end of the financial year

There have been no important events affecting the Group since 1 September 2018.

Risk management and principal risks

A description of the principal risks facing the business, and the Company's approach to managing those risks, is on pages 48 to 56.

Directors and their interests

Details of the directors as at the date of this report are set out on pages 59 to 61.

The interests of the directors and their closely associated persons in the share capital of the Company as at 31 August 2018, along with details of directors' share options and awards, are contained in the Directors'

Remuneration Report on pages 74 to 89.

At no time during the year did any of the directors have a material interest in any significant contract with ASOS or any of its subsidiaries.

ASOS maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors. The Company has also provided an indemnity for its directors, which is a qualifying third-party indemnity provision, for the purposes of section 234 of the Companies Act 2006. This was in place throughout the year and up to the date of approval of the financial statements.

Articles of Association

ASOS's Articles of Association can only be amended by special resolution and are available at www.asosplc.com/investors/shareholder-information/company-documents

Share capital

The issued share capital of the Company at 31 August 2018 was 83,629,761 ordinary shares of 3.5p. Full details of the issued share capital, together with the details of shares issued during the year to 31 August 2018, are shown in Note 17 to the financial statements on page 112.

Substantial shareholders

As at 1 October 2018, the Company was aware of the following interests in 3% or more of its ordinary share capital:

Major shareholder	Holding	As a % of issued shares
Bestseller A/S (DK)	22,342,621	26.72
Capital Group Companies, Inc.	9,403,721	11.24
Baillie Gifford & Co Ltd (SC)	5,293,945	6.33
Robertson NJ	5,046,414	6.03
Carmignac Gestion (FR)	3,643,424	4.35
Allianz Global Investors	3,498,004	4.19
Tybourne Capital Management (HK) Limited	3,125,870	3.74
Sands Capital Management LLC (US)	2,698,957	3.23

Employee benefit trust

ASOS uses an employee benefit trust to facilitate the acquisition of ordinary shares in the Company for the purpose of satisfying awards and options granted under ASOS share schemes. During the financial year, ASOS used both the Employee Benefit Trust (EBT) and the Link Trust (LT) to satisfy awards granted under its Save As You Earn and SIP share schemes:

- The EBT is a discretionary trust, the sole beneficiaries being employees (including executive directors) and former employees of the Group who have received awards under the Save As You Earn scheme (or their close relations in the event of their death). The trustee of the EBT is Link Trustees Limited, an independent professional trustee company based in Jersey. Under the terms of the Trust Deed, ASOS funds the EBT to purchase on the EBT's own account ordinary shares in the Company on the open market in return for the EBT agreeing to use the ordinary shares in the Company that it holds to satisfy certain outstanding awards and options made under the Company's share schemes.
- The LT holds shares awarded under the SIP solely for the benefit of current employees (including executive directors) who participate in it. The trustee of the SIP is Link Asset Services Limited, an independent professional trustee company based in the United Kingdom. Under the terms of the Trust Deed, ASOS funds the LT to buy the shares on the open market and retain those shares on behalf of the underlying beneficiaries.

As at 31 August 2018, the EBT and LT (combined) held 283,474 shares in ASOS Plc (2017: 337,648 shares). The total value in reserves was a credit £1.0m

(2017: debit balance of £0.6m). The EBT and LT are both recognised within the EBT reserve for accounting purposes. The Group's accounting policies are detailed within Note 24 to the financial statements and movements are detailed in the Consolidated Statement of Changes in Equity on page 99.

Going concern

The Group's business activities, financial position and cash flows, together with the factors likely to affect its future performance and position, are set out in the Strategic Report on pages 2 to 56. In addition, details of the Group's objectives and policies on financial risk management are set out in Note 18 to the financial statements on pages 112 to 115.

The Group continues to have a strong financial position including cash and cash equivalents of £42.7m at 31 August 2018 and a £150m revolving credit facility, which was undrawn at year end. The facility was approved by the Board during the year and is available until May 2021. The directors have reviewed current performance and cash flow forecasts, and are satisfied that the Group's forecasts and projections, taking account of potential changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the foreseeable future and at a minimum for 12 months from the date of signing the Group financial statements. The directors have therefore continued to adopt the going concern basis in preparing the Group's financial statements.

Viability statement

The directors have also assessed the Group's prospects and viability over a three-year period to 31 August 2021. This three-year assessment period was selected as it corresponds with the Board's strategic

planning horizon as well as the time period over which senior management are remunerated via long-term incentive plans.

In making this assessment, the directors took account of the Group's current financial position, annual budget, three-year plan, forecasts and sensitivity testing. The Board also considered a number of other factors, including the Group business model (pages 4 and 5), its strategy (pages 6 and 7), risks and uncertainties (pages 48 to 56) and internal control effectiveness (page 71). While the principal risks and uncertainties could impact future performance, none of them is considered likely, individually or collectively, to affect the viability of the business during the three-year assessment period. The Group is operationally strong with a robust balance sheet and cash position, and has a track record of delivering profitable and sustainable growth, which is expected to continue.

Based on this assessment, the directors have a reasonable expectation that the Group will continue in operation and meet all its liabilities as they fall due during the period up to 31 August 2021.

Statement on disclosure of information to auditors

The directors confirm that, so far as each is aware, there's no relevant audit information of which the Group's auditors are unaware. Each of the directors has taken all the steps he or she should have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Political donations

No political donations have been made during this financial year.

Annual General Meeting

The Annual General Meeting of the Company will be held at 9.30am on 29 November 2018 at Greater London House, Hampstead Road, London NW1 7FB. The Notice of Meeting will be available to view on www.asosplc.com, sufficiently in advance of that meeting.

By order of the Board



Andrew Magowan
Company Secretary

16 October 2018