# Boohoo scraps £1 million executive bonuses following shareholder backlash



Online fashion retailer Boohoo has decided not to award £1 million bonuses to its top executives after facing backlash from shareholders. The decision follows the company’s announcement of significant financial losses, with pre-tax losses climbing to £160 million for the year ending February 2024, up from £90.7 million the previous year. The retail group also saw its net debts rise to £95 million from almost £6 million in net cash the prior year.

Boohoo's original plan would have given CEO John Lyttle and co-founders Mahmud Kamani and Carol Kane £1 million each in bonuses, despite missing targets on sales, profits, environmental goals, and IT initiatives. The proposal, outlined in Boohoo’s annual report, aimed to reflect what the company described as "excellent work" setting up future success. The remuneration committee had recommended the bonuses, arguing that a zero bonus did not accurately reflect the team’s efforts and was crucial for retention and motivation.

Shareholders were scheduled to vote on the remuneration plan on June 20, but the proposed bonuses faced severe criticism. Reports indicated that major shareholders were angered by the bonus scheme, which was introduced without prior consultation. After engaging with shareholders, Boohoo's top executives opted to waive their bonuses, and the company decided not to implement the new incentive plan.

Kamani's pay for the year will now be £503,000, Kane’s £524,000, and Lyttle’s £713,000, down from over £1 million each in the previous year. The retailer's share price has dropped by nearly 85% over the past five years, and its market capitalization now stands at £435 million. The decision to cancel the bonuses marks the latest event in a series of disputes between Boohoo and its shareholders regarding executive compensation.