

Boohoo unveils new share incentive scheme with easier targets

Fast fashion brand [Boohoo](#) launched a new performance plan for its senior [management](#) team, after determining its previous targets were so hard to reach that the existing plan had “little or no value”.

[Shares](#) in Boohoo – whose celebrity ambassadors include [Jack Grealish](#), [Molly-Mae Hague](#) and Kourtney Kardashian Barker – have halved in value in the last year, opening at 45.6p today, and are down 88.5% since June 2020.

As a result, Boohoo said its existing incentive plan for management had “little or no value” as targets had become too hard to reach. In its 2020 plan, shares had to reach at least 500p for any incentives to be granted.

Now, management can receive rewards if Boohoo shares hit 95p, with further incentives up to 395p.

The maximum value of the plan will be £175 million, with CEO John Lyttle receiving up to £50 million worth of Boohoo shares.

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Iain McDonald, chairman of the Boohoo remuneration committee, said the deal would help the fashion retailer retain senior personnel.

“The Boohoo group has an outstanding executive team whose ongoing retention is crucial, particularly in an era where the [recruitment](#) of such quality is more competitive than ever before,” he said, “This plan facilitates retention and resolutely aligns our executives’ interests with those of shareholders.

Co-founder and executive chairman Mahmud Kamani added that the new plan would help Boohoo achieve value for shareholders.

“I wholeheartedly endorse the remuneration committee’s proposed growth plan, designed to rebuild very substantial shareholder value within the next five years,” he said.

“While these are extremely ambitious targets in a changed world, in my view as executive chairman and the company’s largest shareholder it’s absolutely the right thing to do to align the interests of the management team and all of our hardworking colleagues with those of all of our shareholders.”