

Governance Report

Remuneration Report

Committee members and attendance

Member	Number of meetings attended
Richard Cotton – Chair	●●●●
Anna Keay – Member	●●●●
Vince Niblett – Member	●●●●
Michael O'Donnell – Member	○●●●
Laela Pakpour Tabrizi – Member	●●●●
Heather Savory – Member	●●●●

● attended
○ absent
 not applicable

Introduction

This report has been prepared by the Remuneration Committee and approved by the Board. It has been prepared in accordance with Schedule 8 of the Large and Medium-size Companies and Groups (Accounts and Report) (Amendment) Regulations 2013 (the “Regulations”).

The report is divided into three main sections:

- The **Annual Statement** – which summarises the remuneration outcomes in the year ended 31 March 2022 and how, subject to shareholder approval, the new Remuneration Policy will be operated in the year ending 31 March 2023;
- The **Remuneration Policy Report** – which sets out the proposed Remuneration Policy to be approved by shareholders at the 2022 AGM; and
- The **Annual Report on Remuneration** – which sets out how the Committee intends to operate the Remuneration Policy for the year ending 31 March 2023, the link between Company performance and remuneration and payments and awards made to the Directors in respect of the year just ended.

The Companies Act 2006 requires the auditor to report to the shareholders on certain parts of the Remuneration Report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the Annual Report on Remuneration that are subject to audit are indicated in the report.

The Committee and its Work During the Year

Committee Chair: Richard Cotton

Current Committee members: Vince Niblett, Anna Keay, Michael O'Donnell, Laela Pakpour Tabrizi and Heather Savory

Terms of Reference: <https://corporate.bigyellow.co.uk/investors/corporate-governance>

The Committee met four times during the year under review. The Committee's main activities during the year ended 31 March 2022 (full details are set out in the relevant sections of this report) included:

- Agreeing Executive Director base salary increases from 1 April 2022;
- Agreeing the cash annual bonus awards for the year ended 31 March 2021 and setting the targets for the year ended 31 March 2022;
- Agreeing the deferred annual bonus plan awards for the year ended 31 March 2021 and setting the targets for the year ended 31 March 2022;
- Reviewing the EPS and Total Shareholder Return ("TSR") performance targets and determining the percentage vesting for the 2018 LTIP awards which vested in 2021;
- Reviewing the CEO Pay Ratio calculations and disclosures;
- Reviewing the Company's Gender Pay calculations and disclosures;
- Reviewing the Company's Ethnicity Pay calculations and disclosures; and
- Reviewing the 2021 AGM voting results, considering shareholder feedback received and consulting with major shareholders on a revised Remuneration Policy for the 2022 AGM.

In addition, the Committee has considered how the current and proposed Policy and practices are consistent with the six factors set out in Provision 40 of the UK Corporate Governance Code:

Clarity – Our Policy is understood by our senior executive team and is clearly articulated to our shareholders and representative bodies (both on an ongoing basis and when changes are proposed).

Simplicity – The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our executive remuneration policies and practices continue to be straightforward to communicate and operate.

Risk – Our Policy has been designed to ensure that inappropriate risk-taking is discouraged and will not be rewarded via: (i) the balanced use of annual and long-term pay which employ a blend of financial, non-financial and shareholder return targets; (ii) the significant role played by equity in our incentive plans; and (iii) malus/clawback provisions.

Predictability – Our incentive plans are subject to individual caps, our share plans are also subject to market standard dilution limits.

Proportionality – There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/'at-risk' pay, together with the structure of the Executive Board Directors' service contracts, ensures that poor performance is not rewarded.

Alignment to culture – Our executive pay policies are fully aligned to Big Yellow's culture through the use of metrics in both the annual bonus, deferred bonus and LTIP that measure how we perform against our KPIs.

Governance Report

Remuneration Report (continued)

Annual statement

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2022.

Performance, Decisions and Reward Outcomes for the year ended 31 March 2022

The business conditions and performance of the Group in the year ended 31 March 2022 are described more fully in the Chairman's Statement and the Operating and Financial Review of this Annual Report. In summary:

- The business of the Group performed strongly despite the continued impact of the pandemic throughout the financial year;
- Big Yellow remains the clear UK brand leader in self storage and delivered growth in revenue, cash flow and earnings for the thirteenth year in a row;
- Revenue, operating cash flow and adjusted profit before tax increased 27%, 40% and 30% respectively; and
- Dividends are being increased by 24%.

Payments made to the Executive Board Directors under the cash annual bonus plan for the year ended 31 March 2022 amounted to 10.3% of salary (out of a maximum of 25% of salary), based on performance against pre-set targets for occupancy, store profitability, store audits and customer satisfaction. The targets set, and the out-turn, were identical to the average bonus awarded across the stores and head office.

Awards made to the Executive Board Directors under the deferred annual bonus plan for the year ended 31 March 2022 amounted to 119.25% of salary (out of a maximum of 125% of salary), based on performance against financial and non-financial performance targets linked to the business plan.

In respect of the Long Term Incentive Plan ("LTIP") awards granted in 2018, which vested in July 2021, three-year EPS and TSR performance resulted in 62% of awards vesting.

Further details of the targets, and performance against the targets, for cash and deferred annual bonus plans and share award vesting levels are set out in the Annual Report on Remuneration.

Operation of the Policy and use of discretion

The Remuneration Policy operated as intended for the year ended 31 March 2022, and no discretion was applied.

Policy review

Following shareholder approval of the rolled forward Policy at the 2021 AGM, and after giving further consideration to feedback received in respect of the structure and quantum of remuneration, the Committee has concluded that it wishes to make two changes to the Remuneration Policy at the 2022 AGM.

- LTIP potential is currently capped at 100% of salary and awards have been granted at this level since the annual LTIP grant policy was introduced in 2010. Subject to shareholder approval, the Committee wishes to increase LTIP award potential to 200% of salary. The proposed change will enable LTIP awards to be granted over shares with a value equal to 200% of salary which will align LTIP potential to market levels in % of salary terms, albeit it will remain below market in £ terms given the below market salary levels; and
- Where an Executive Director has not met the 200% of salary 'in employment' shareholding guideline, the current Policy requires at least 50% of the net of tax shares which vest under any discretionary share award to be retained. From the 2022 AGM, rather than 50%, the Committee will require 100% of the net of tax discretionary share awards which vest to be retained until the shareholding guideline is met.

Major shareholders were consulted, and the majority were able to confirm that they were supportive of the proposals.

Implementing the Policy for the Year Ending 31 March 2023

Base salary

The Committee has operated a policy of targeting base salaries "close to (but generally just below) median" for some time. However, notwithstanding that Executive Director base salary levels are currently well below the market level for a FTSE 250 company of Big Yellow's size and complexity, salary levels were increased by 4% in line with the general workforce increase from 1 April 2022:

	Chief Executive (Jim Gibson)	Executive Chairman (Nicholas Vetch)	Chief Financial Officer (John Trotman)	Operations Director (Adrian Lee)
From 1 April 2021	£448,800	£382,500	£331,500	£290,700
From 1 April 2022	£466,750	£397,800	£344,750	£302,325
% increase	4%	4%	4%	4%

Pension & benefits

Pension provision for the Executive Directors will continue at 6% of salary, which is in line with the pension offered to the general workforce. Benefit provision will remain unchanged (private fuel, private medical insurance, permanent health insurance, life assurance and relocation allowances, where relevant).

Annual bonus

Annual bonus potential will continue to be capped at 150% of salary for the year ending 31 March 2023.

Up to 25% of salary will continue to be aligned to the workforce annual bonus (measured against store performance, through occupancy growth, store profitability, store audits and customer satisfaction scores). Any bonus earned under this part will be payable in cash, following the year ending 31 March 2023.

The remaining 125% of salary will continue to be measured against financial, operational, real estate and strategic targets measured over the financial year ending 31 March 2023. Any award under this part will be deferred into Big Yellow shares for three years (with vesting subject to continued employment).

LTIP

The LTIP will continue to operate in its current form following the Policy review, albeit with two changes. The Committee:

- wishes to increase award potential from 100% to 200% of salary (albeit award levels will remain below market in value terms given the below market salary levels). Subject to shareholder approval, LTIP awards will be granted up to 200% of salary to Executive Directors shortly following the 2022 AGM; and
- will introduce ESG related performance metrics for 20% of LTIP awards from 2022 onwards. The remaining 80% of awards will be measured against Earnings Per Share (“EPS”) and relative Total Shareholder Return (“TSR”) although reflecting the increased quantum, the EPS and relative TSR performance targets will be increased at the maximum. Details of the proposed targets for the 2022 LTIP awards are set out in the Annual Report on Remuneration.

Shareholding guidelines – in employment

The guideline to build and maintain a holding of at least 200% of salary in shares of the Company will continue to apply and has been met by all of the current Executive Board Directors. Where a newly appointed Executive Director does not meet the 200% of salary ‘in employment’ shareholding guideline in the future, the current Policy requires at least 50% of the net of tax shares which vest under any discretionary share award to be retained. From the 2022 AGM, rather than 50%, the Committee will require 100% of the net of tax discretionary share awards which vest to be retained until the shareholding guideline is met.

Shareholding guidelines – post employment

The post-cessation shareholding guideline whereby Executive Directors will need to retain shares equal to 100% of the shareholding guideline (or the actual number of shares held against the guideline if the guideline is not met at cessation) up until the second anniversary of cessation will continue to apply.

Conclusion

I hope that, at the AGM on 21 July 2022, you will support the resolutions on: (i) the remuneration paid to the Directors in the last financial year, and the implementation of the new Remuneration Policy for the forthcoming year; and (ii) the new Directors’ Remuneration Policy. No resolution is being tabled in respect of the LTIP as the shareholder approved LTIP already has an authority to grant up to 200% of salary.

Finally, I retire from the Board at the upcoming AGM, and Michael O’Donnell will be taking over as the Chair of the Committee, and I wish him well in the role. I would like to extend my thanks to my fellow colleagues on the Committee for their support and work in 2021/22 and throughout my tenure as Chair of the Committee.

Richard Cotton

Chair of the Remuneration Committee

23 May 2022

Directors’ remuneration policy

This section of the Remuneration Report contains details of the Company’s Directors’ Remuneration Policy (the “Policy”) which governs the Company’s approach to remuneration.

It is the policy of the Company to ensure that the executive remuneration packages are designed to attract, motivate, and retain Directors of a high calibre and reward the executives for enhancing value to shareholders.

As a result, a substantial element of the remuneration of the Executive Board Directors is structured to be dependent on the performance of the Company. The policy aims to support a performance culture where there is appropriate reward for the achievement of strong Company performance without creating incentives which will encourage excessive risk-taking or unsustainable Company performance.

Policy Scope

The Policy applies to the Executive Board Directors and Non-Executive Directors.

Policy Duration

The current Directors’ Remuneration Policy Report was approved by a binding shareholder vote at the AGM on 22 July 2021. A new Remuneration Policy is being put to shareholders for approval at the forthcoming AGM.

Policy Changes

Following a consultation exercise with Big Yellow’s major shareholders and the main shareholder representatives, the Committee is proposing two changes to the current Remuneration Policy as follows:

- **Increase to LTIP Potential** – LTIP potential is currently capped at 100% of salary and awards have been granted at this level since the annual LTIP grant policy was introduced in 2010. Subject to shareholder approval, the Committee wishes to increase LTIP award potential to 200% of salary. The proposed change will enable LTIP awards to be granted over shares with a value up to 200% of salary; and
- **Strengthening of Shareholder Guidelines** – Where an Executive Director has not met the 200% of salary ‘in employment’ shareholding guideline, the current Policy requires at least 50% of the net of tax shares which vest under any discretionary share award to be retained. From the 2022 AGM, rather than 50%, the Committee will require 100% of the net of tax discretionary share awards which vest to be retained until the shareholding guideline is met.

Governance Report

Remuneration Report (continued)

Summary Policy table (Executive Board Directors)

The main components of the Directors' Remuneration Policy, and how they are linked to and support the Company's business strategy, which will be presented to shareholders for approval at the 2022 AGM, are summarised below:

Executive Board Directors

	Purpose and link to strategy	Operation	Maximum potential value	Performance conditions and assessment
Base salary	To provide competitive fixed remuneration that will attract and retain key employees and reflect their experience and position in the Company.	<p>Base salary is normally set annually on 1 April.</p> <p>When considering any increases to base salaries in the normal course (as opposed to a change in role or responsibility), the Committee will take into consideration:</p> <ul style="list-style-type: none"> ▪ level of skill, experience, scope of responsibilities and performance; ▪ business performance, economic climate, and market conditions; ▪ pay and employment conditions of employees throughout the Group, including increases provided to staff; ▪ inflation; and ▪ increases provided to Executive Board Directors in comparable companies (although such data would be used with caution). 	<p>Salaries are typically set after considering the salary levels in companies of a similar size and complexity in the FTSE 250.</p> <p>Our overall policy is normally to target salaries at close to (but generally just below) median levels.</p> <p>Base salaries are intended to increase in line with inflation and general employee increases in salary.</p> <p>Higher increases may apply if there is a change in role, level of responsibility or experience or if the individual is new to the role.</p> <p>There is no maximum salary cap in place.</p>	None
Annual bonus	The annual bonus aligns reward to key Group strategic objectives and drives short-term performance.	<p>Executive Board Directors participate in an annual performance-related bonus scheme.</p> <p>Up to 25% of salary will be paid in cash. Up to 125% of salary will be deferred into shares for three years.</p> <p>Dividend equivalents may be payable on deferred share awards.</p> <p>The annual bonus plan rules contain clawback and malus provisions.</p>	150% of salary.	Assessed annually and determined by the Committee based on financial, strategic and/or personal performance against the Group's business plan for each financial year.
Long Term Incentive Plan	The Long Term Incentive Plan aligns Executive Director interests with those of shareholders and rewards value creation.	<p>Awards are made annually to the Executive Board Directors (and certain senior managers who are in a position to significantly influence the performance of the Group) in the form of nil-paid options.</p> <p>The awards granted under the Long Term Incentive Plan are subject to performance conditions to be met over a performance period of three years.</p> <p>Dividend equivalents may be payable on LTIP awards during the vesting period, to the extent awards vest.</p> <p>The LTIP contains malus and clawback provisions.</p> <p>A two year post vesting holding period applies to LTIP awards granted to Executive Directors following the 2018 AGM.</p>	200% of salary, albeit actual award levels may be lower.	Vesting under the LTIP will be based on financial, share-price, strategic and/or ESG related performance measures.

	Purpose and link to strategy	Operation	Maximum potential value	Performance conditions and assessment
Pension	To provide competitive levels of retirement benefit.	Contribution made into Executive Director's personal pension plan, or a cash supplement of equivalent value paid in lieu of pension contribution.	Workforce aligned (currently 6% of salary)	None
Other benefits	To provide competitive levels of employment benefits.	<p>Benefits include:</p> <ul style="list-style-type: none"> ▪ Private fuel; ▪ Private medical insurance; ▪ Permanent health insurance; ▪ Life assurance of four times base salary; and ▪ Relocation allowances (where relevant). <p>Other benefits may be provided where appropriate.</p> <p>The type and level of benefits provided is reviewed annually to ensure they remain market competitive.</p>	Maximum opportunity is the total cost of providing the benefits. There is no monetary cap on benefits.	None
Shareholding policy - in employment	To ensure that Executive Board Directors' interests are aligned with those of	Requirement to build and maintain a holding of shares in the Company, through retaining at least 100% of shares vesting in discretionary share-based incentive plans if this guideline has not been met.	200% of salary.	N/A
Shareholding policy - post employment	shareholders over a longer time horizon.	<p>Requirement to retain shares equal to 100% of the shareholding guideline (or the actual number of shares held against the guideline if the guideline is not met at cessation) up until the second anniversary of cessation.</p> <p>Own shares purchased and share awards granted prior to the 2021 AGM are excluded from the post-cessation guideline.</p>		
All Employee Scheme	To encourage share ownership by all employees. This allows them to align their interests with those of investors and to share in the long-term success of the Company.	Executive Board Directors may participate in any HMRC tax favoured all employee arrangements.	In line with the prevailing HMRC limits.	None

Governance Report

Remuneration Report (continued)

Notes to the policy table

The key principle for the short and long-term incentives is to provide a strong link between reward and individual and Group performance to align the interests of Executive Board Directors with those of shareholders.

1. Annual bonus performance measures and targets

Annual bonuses for the Executive Board Directors are based on:

- 25% of salary cash bonus: the average of the stores' performance against their quarterly targets providing direct alignment of the Directors' bonuses to performance (and the bonus levels) of the staff. The four Key Performance Indicators used to assess store performance are occupancy growth, store profitability, store audits and customer satisfaction. Store targets are set every quarter and an average of the four quarters is taken.
- 125% of salary deferred share bonus: measured against pre-set financial, operational, real estate, strategic and ESG-related targets.

2. Long Term Incentive Plan performance measures and targets

Performance metrics and targets for LTIP awards will provide a direct link between the incentive for the Executive Board Directors and the long-term value created for shareholders. The main two performance metrics, which may be supplemented by strategic and/or ESG-related metrics are:

- Relative TSR against the constituents of the FTSE Real Estate Index, given that Big Yellow's historic performance has been closely aligned to the performance of this Index.
- Adjusted EPS figure as reported in the audited results of the Group for the last complete financial year ending before the start of the performance period and the last complete financial year ending before the end of the performance period.

3. Malus and clawback

The cash annual bonus, deferred annual bonus plan and LTIP include malus and clawback provisions.

Malus is the adjustment of outstanding deferred bonus and LTIP awards as a result of the occurrence of one or more of the circumstances listed below. The adjustment may result in the value being reduced to zero. Malus will apply for the three year period from grant to vesting for the deferred bonus and LTIP awards.

Clawback is the recovery of payments/vestings under the cash bonus and LTIP as a result of the occurrence of one or more circumstances listed below. Clawback will apply for three years post payment of a cash bonus/grant of deferred share awards and three years post vesting for LTIP awards.

The circumstances in which malus and clawback could apply are as follows:

- discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company;
- the assessment of any performance target or condition in respect of an award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine the amount of an award was based on error, or inaccurate or misleading information;
- corporate failure or the occurrence of an insolvency event;
- action or conduct of an award holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and
- events or behaviour which have led to the censure of the Company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Company.

4. Discretion

The Committee has discretion in several areas of policy as set out in this report. The Committee may also exercise operational and administrative discretion under relevant plan rules approved by shareholders as set out in those rules. In addition, the Committee has the discretion to amend policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

In certain circumstances, the Committee will be required to exercise its discretion, taking into consideration the particular circumstances of an Executive Director's departure and/or the recent performance of the Company in determining the specific level of payments to be made.

In addition to the discretion under the terms of the annual bonus plan (both cash and deferred shares) and LTIP, the Committee has discretion to determine whether an individual is classified as a "good leaver".

It should be noted that it is the Committee's policy to only apply its discretion if the circumstances at the time are, in its opinion, sufficiently exceptional, and to provide a full explanation to shareholders where discretion is exercised. The Committee does not currently intend to amend or waive any performance conditions.

5. Differences in remuneration policy for all employees

All employees are currently entitled to base salary, benefits, pensions, and the Sharesave Scheme. Additionally, all employees are eligible for annual bonuses with the maximum opportunity available based on the seniority and responsibility of the role held.

The Company's LTIPs are granted to a number of key team members within Head Office, the area manager team and also to store managers.

Illustrations of application of Remuneration Policy

The graphs below seek to demonstrate how pay varies with performance for the Executive Board Directors based on the current Remuneration Policy.

The assumptions used in determining the level of pay out under given scenarios are as follows:

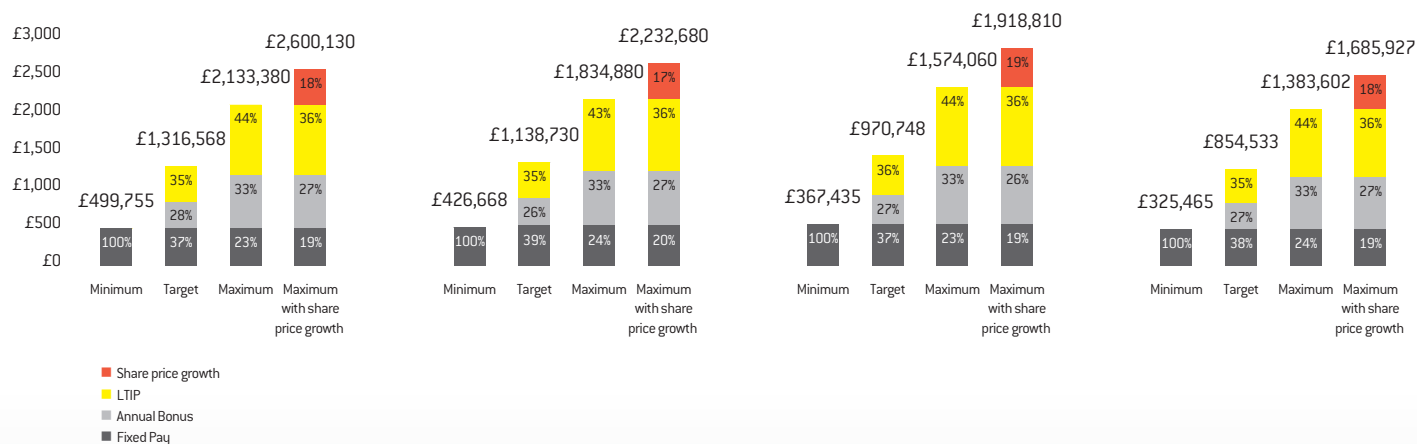
Scenario	Description	Chief Executive	Executive Chairman	Chief Financial Officer	Operations Director
Fixed Pay					
	Base salary (from 1 April 2022)	£466,750	£397,800	£344,750	£302,325
	Estimated Benefits	£5,000	£5,000	£2,000	£5,000
	Pension (% of salary)	6%	6%	6%	6%
On-target	50% of annual bonus award being paid and 50% vesting of the LTIP.				
Maximum	100% of annual bonus award being paid (i.e. 150% of salary) and 100% vesting of the LTIP (i.e. 200% of salary, albeit actual awards levels may be lower).				
Maximum Plus 50% share price growth	As per the Maximum scenario but assuming 50% share price growth on LTIP awards.				

Chief Executive Officer

Executive Chairman

Chief Financial Officer

Operations Director



Governance Report

Remuneration Report (continued)

Summary Policy table (Non-Executive Directors)

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Fees	To attract Non-Executive Directors with the requisite skills and experience.	<p>Fee levels are normally reviewed annually in March.</p> <p>The Non-Executive Director fee structure is a matter for the full Board.</p> <p>Non-Executive Directors may be entitled to benefits relating to travel and office support and such other benefits as may be considered appropriate.</p> <p>The fees may be paid in the form of shares.</p>	<p>Fee levels are normally set at broadly median levels for comparable roles at companies of a similar size and complexity within the FTSE 250.</p> <p>Fees are normally intended to increase in line with inflation.</p>	N/A

Non-Executive Directors' fees comprise of a base fee, with an additional fee for Committee Chairs, the Senior Independent Non-Executive Director and the Employee Representative Director.

Approach to recruitment remuneration

The table below summarises our key policies with respect to recruitment remuneration:

Salary and benefits	<ul style="list-style-type: none"> ▪ Set by reference to market and taking account of individual experience and expertise in the context of the role. ▪ Salary would also be set with reference to the salary of any departing Executive Director and the remaining Executive Board Directors. ▪ The Executive Director would be eligible to receive benefits in line with Big Yellow Group's benefits policy as set out in the remuneration policy table – this includes either a contribution to a personal pension scheme or cash allowance in lieu of pension benefits in line with the policies set out in the policy table.
Maximum variable incentive	<ul style="list-style-type: none"> ▪ Annual bonus of up to 150% of base salary. ▪ Long term incentive plan award of equivalent to 200% of base salary.
Sign-on payments	<ul style="list-style-type: none"> ▪ The Company does not provide sign-on payments to Executive Board Directors.
Share buy-outs	<ul style="list-style-type: none"> ▪ Any previous outstanding share awards which the Executive Director holds which would be forfeited on cessation of his or her previous employment may be compensated. ▪ Where this is the case, the general principle is that the outstanding award will be valued based on the consideration of the following factors: <ul style="list-style-type: none"> – The proportion of the performance period completed on the date of the Director's cessation of employment; – The performance conditions attached to the vesting of the incentives and the likelihood of them being satisfied; and – Any other terms and conditions having a material impact on their value. ▪ The valuation will be conducted using a recognised valuation methodology by an independent party and the equivalent 'fair value' may be awarded as a one-off LTIP on date of joining under the Company's existing long-term incentive plan. To the extent that this is not possible, a bespoke arrangement will be used. ▪ To ensure effective retention of the Executive Director upon recruitment, any new award will be granted subject to performance conditions and vesting may be over the same period as those forfeited from the previous employer or a new three year period. ▪ The exact terms will be determined by the Remuneration Committee on a case-by-case basis taking into account all relevant factors.
Relocation policies	<ul style="list-style-type: none"> ▪ In instances where the new Executive Director is relocating from one work location to another, the Company may provide, as a one-off or otherwise, a relocation allowance as part of the Director's relocation benefits. ▪ The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost of living differences, housing allowance and schooling.

Service contracts

The Company's policy on Directors' service contracts is that they should be on a rolling basis without a specific end-date providing for one year's notice. All Executive Board Directors have contracts which reflect this policy.

The Non-Executive Directors do not have service contracts with the Company. Their appointments are governed by letters of appointment which are available for inspection on request at the Company's registered office and which will be available for inspection at the Company's AGM. Each appointment is for a period of up to three years, although the continued appointment of all Directors is put to shareholders at the AGM on an annual basis. In addition, the appointment is terminable by either party giving notice of three months.

Payments for loss of office

Element	Approach
Salary and benefits	<p>Salary and benefits may be paid in lieu of notice. In cases where a contract is terminated other than on the terms of the service contract, the Company will seek to mitigate any damages payable.</p> <p>There will be no compensation for normal resignation or in the event of termination by the Company due to misconduct.</p>
Annual bonus	<p>If the individual is a good leaver, any bonus will be paid/awarded on a pro-rata basis in respect of the period from the start of the financial year.</p> <p>Deferred share awards would normally vest at the normal vesting date (although may vest at the date of cessation).</p> <p>A good leaver is defined as an individual ceasing employment due to ill-health, disability, redundancy, or retirement or in any other circumstances which the Committee permits.</p> <p>A bad leaver is an Executive Director who does not fall within the category of "good leaver" and bad leavers will forfeit any entitlement to a bonus payment in respect of the current financial year or any completed financial year in respect of which the bonus has not been paid at the cessation date.</p>
Long term incentives (LTIP)	<p>A proportion of the LTIP awards held by good leavers will vest at the Committee's discretion determined by taking into account whether, and to what extent, any performance conditions have been satisfied and the length of time the LTIP award has been held at the date of cessation of employment.</p> <p>The LTIP awards will not normally vest until the end of the performance period with performance tested at that time, although exceptionally such awards may, at the discretion of the Committee, vest at cessation of employment.</p> <p>A good leaver is defined as an individual ceasing employment as a result of ill-health, injury, disability, redundancy, retirement, or the sale out of the Group of his employing business or any other reason which the Committee in its absolute discretion permits.</p> <p>A bad leaver is an Executive Director who does not fall within the category of good leaver, and bad leavers will forfeit any unvested awards.</p>
Other	<p>The Group may meet relocation and other incidental expenses on termination of employment, the fees of legal or other professional advisers, outplacement, compensation in respect of statutory rights under relevant employment protection legislation and accrued but untaken holiday. It may also elect to continue to provide certain benefits rather than making payment in lieu of the benefit in question.</p>

Statement of consideration of shareholders' views

The views of our shareholders are very important to the Committee and we actively consulted with our major shareholders and the main representative bodies to help formulate the proposed new Remuneration Policy.

Any consultations on remuneration with shareholders and representative bodies will usually be led by the Chair of the Remuneration Committee.

The Remuneration Committee also considers shareholder feedback received in relation to the AGM each year at its first meeting following the relevant AGM. This feedback, as well as any additional feedback received during any other meetings with shareholders throughout the year, is then considered as part of the Company's annual review of remuneration policy.

The Remuneration Committee notes that shareholders do not speak with a single voice, but we engage with our largest shareholders to ensure we understand the range of views which exist on remuneration issues. When any material changes are proposed to the Remuneration Policy, the Remuneration Committee Chair will consult major shareholders in advance and will offer a meeting to discuss these.

Governance Report

Remuneration Report (continued)

Shareholder voting

The Group is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the reasons for that voting will be sought and any actions in response will be detailed here. There have been no significant issues raised by shareholders in respect of remuneration in the year.

The table below shows the advisory vote on the 2021 Remuneration Report and the binding vote on the Remuneration Policy at the AGM held on 22 July 2021.

	Votes for	%	Votes Against	%	Votes withheld
2021 Remuneration Report	139,401,352	93.3%	10,014,714	6.7%	838,691
2021 Remuneration Policy	142,929,739	96.2%	5,673,310	3.8%	1,651,708

Annual report on remuneration

This section of the Remuneration Report contains details of how the Directors' Remuneration Policy will be implemented for the year ending 31 March 2023 and how it was implemented during the year ended 31 March 2022.

Implementing the Policy for the Year Ending 31 March 2023

Base salary

While the Committee has operated a policy of targeting base salaries "close to (but generally just below) median" for some time, actual salaries have been set significantly below median levels.

Notwithstanding that Executive Director base salary levels are well below the market level for a FTSE 250 company of Big Yellow's size and complexity, salary levels were increased by 4% in line with the general workforce increase from 1 April 2022:

	Chief Executive (Jim Gibson)	Executive Chairman (Nicholas Vetch)	Chief Financial Officer (John Trotman)	Operations Director (Adrian Lee)
From 1 April 2021	£448,800	£382,500	£331,500	£290,700
From 1 April 2022	£466,750	£397,800	£344,750	£302,325
% increase	4%	4%	4%	4%

Pension & benefits

Pension provision for the Executive Directors will continue at 6% of salary, which is in line with the pension offered to the general workforce. Benefit provision will remain unchanged (private fuel, private medical insurance, permanent health insurance, life assurance and relocation allowances, where relevant).

Annual bonus

Annual bonus potential will continue to be capped at 150% of salary for the year ending 31 March 2023.

Up to 25% of salary will continue to be aligned to the workforce annual bonus (measured against store performance, through occupancy growth, store profitability, store audits and customer satisfaction scores). Any bonus earned under this part will be payable in cash, following the year ending 31 March 2023.

The remaining 125% of salary will be measured against financial, operational, real estate and strategic targets measured over the financial year ending 31 March 2023. Any award under this part will be deferred into Big Yellow shares for three years (with vesting subject to continued employment).

LTIP

The LTIP will continue to operate in its current form following the Policy review, albeit with two changes:

- Subject to shareholder approval, award potential will be increased from 100% to 200% of salary. Reflecting the proposed increase to LTIP quantum, the performance conditions will be increased at the top end:
 - Rather than EPS growth of 8% p.a. as used for the 2021 LTIP awards, EPS growth of 9% p.a. will be required for full vesting of this part of the awards; and
 - Rather than upper quartile relative TSR performance, upper quintile relative TSR performance will be required for full vesting of this part of the awards.
- ESG related performance metrics will be introduced for 20% of LTIP awards. The remaining 80% of awards will be measured against Earnings Per Share (EPS) and relative Total Shareholder Return (TSR).

The targets for the 2022 LTIP awards, which will be granted shortly after the 2022 AGM, are as follows:

	Weighting	Threshold (25% of this part of an award vests)	Maximum (100% of this part of an award vests)
Adjusted EPS	50%	4% p.a.	9% p.a.
Relative TSR	30%	Median	Upper Quintile
Retro-fitting of solar panels on the Group's estate	10%	Retro-fitting of solar panels on 30 of the Group's stores	Retro-fitting of solar panels on 40 of the Group's stores
Proportion of Group's external debt facilities that are green loans	10%	30% of the Group's total debt facilities being green loans	50% of the Group's total debt facilities being green loans

Shareholding guidelines - in employment

The guideline to build and maintain a holding of at least 200% of salary in shares of the Company will continue to apply and has been met by all of the current Executive Board Directors. Where an Executive Director has not met the 200% of salary 'in employment' shareholding guideline, the current Policy requires at least 50% of the net of tax shares which vest under any discretionary share award to be retained. From the 2022 AGM, rather than 50%, the Committee will require 100% of the net of tax discretionary share awards which vest to be retained until the shareholding guideline is met.

Shareholding guidelines - post employment

Executive Directors are required to retain shares equal to 100% of the shareholding guideline (or the actual number of shares held against the guideline if the guideline is not met at cessation) up until the second anniversary of cessation.

Non-Executive Directors

Non-Executive Director base fees for the year ending 31 March 2023 have been increased by 4% (in line with the general workforce increase) to £44,075. The increment for Committee Chairs and additional responsibilities has also been increased by 4% to £10,933 for the year ending 31 March 2023. These increases took effect from 1 April 2022.

Governance Report

Remuneration Report (continued)

Single total figure of remuneration (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive Director paid in the year ended 31 March 2022.

Year ended 31 March 2022

	Fixed pay							
	Salary £		Taxable benefits ¹ £		Pensions ² £		Total fixed pay £	
	2022	2021	2022	2021	2022	2021	2022	2021
Nicholas Vetch	382,500	368,750	5,094	4,930	22,950	36,875	410,544	410,555
Jim Gibson	448,800	430,000	6,526	6,130	26,928	43,000	482,254	479,130
Adrian Lee	290,700	281,250	5,739	5,167	17,442	28,125	313,881	314,542
John Trotman	331,500	318,750	1,913	1,620	19,890	31,875	353,303	352,245
Total	1,453,500	1,398,750	19,272	17,847	87,210	139,875	1,559,982	1,556,472

	Variable pay						Total pay			
	Annual bonus – cash £		Annual bonus – deferred £		Long term incentives ³ £		Total variable pay £		£	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Nicholas Vetch	39,398	57,894	456,131	437,891	295,550	301,057	791,079	796,842	1,201,623	1,207,397
Jim Gibson	46,226	67,510	535,194	510,625	316,858	336,225	898,278	914,360	1,380,532	1,393,490
Adrian Lee	29,942	44,156	346,660	333,984	238,445	244,717	615,047	622,857	928,928	937,399
John Trotman	34,145	50,044	395,314	378,516	228,376	256,432	657,835	684,992	1,011,138	1,037,237
Total	149,711	219,604	1,733,299	1,661,016	1,079,229	1,138,431	2,962,239	3,019,051	4,522,221	4,575,523

1. Taxable benefits comprise medical cover, permanent health insurance, life insurance and private fuel usage.
2. Nicholas Vetch, Jim Gibson and Adrian Lee receive a cash supplement in lieu of their full pension contributions. John Trotman receives a cash supplement in lieu of pension contributions to the extent that they exceed the prevailing individual allowance.
3. The values shown in long-term incentives in the current year are the LTIP award granted in 2018 which vested on 19 July 2021 to 61.6% of its maximum value and is valued using the share price on that date of £13.81. The award granted for 2022 is 100% of salary for each Executive Director. For Nicholas Vetch, Jim Gibson and Adrian Lee, the value also includes a gain on Sharesave Scheme awards which vested on 31 March 2022.

The average salary increase across the Group in the year was 2%.

Cash Annual Bonus Plan awards – cash (25% of salary maximum)

The policy of the Company is that the cash bonus paid to the Executive Board Directors is the same as the average of the bonus awards (as a % of salary) paid to all the Group's stores on achieving their targets during the course of the year. It is an important part of the Group's culture that the Executive team are rewarded with the same level of annual bonus as the average for all staff.

In respect of the year under review, and in line with the average bonus as a percentage of salary paid across the stores the Executive Board Directors received a cash bonus of 10.3% of salary (out of a maximum of 25% of salary).

Overview of the staff (and Executive Director) cash bonus scheme

The staff bonus scheme is designed, on a quarterly basis, to reward each store with a bonus of up to 25% of their quarterly salary, made up of the following four key elements set out below:

Occupancy performance against target

Each store is set a quarterly target for occupancy growth. The weighting of the contribution of these metrics to the bonus varies based on store occupancy, with higher occupied stores having a lower weighting towards their performance against their occupancy target.

The bonus awarded to each store increases as the store moves further ahead of target. No bonus is awarded if the store fails to meet its target. The individual store targets have not been disclosed as it would be impractical and commercially sensitive to disclose the targets for every one of our stores in this report.

However following feedback received from our shareholders on previous remuneration reports to increase the disclosure around the annual bonus, we have shown the average annual distribution of performance against target for each of the bonus measures across our stores and the corresponding average pay-out as a percentage of salary which directly corresponds to the bonus percentage pay-out for the Executive Board Directors.

The average performance against the four key targets and the associated reward for the stores were as follows:

1. Occupancy

Performance against target	Below target	0 to 10% ahead of target	10 to 20% ahead of target	20 to 30% ahead of target	30 to 40% ahead of target	> 40% ahead of target	Total
No of stores	66	4	2	3	3	27	105
Average bonus paid	0.0%	0.6%	1.6%	2.9%	3.0%	6.1%	1.8%

Additionally, stores averaging above certain levels of occupancy throughout the year received additional bonus, which amounted to 0.7% of salary. The weighted average bonus paid to stores for performance against occupancy targets is therefore 2.5% of salary for the year.

2. Profitability

Each store is set a quarterly target for profitability. The weighting of the contribution of these metrics to the bonus varies based on store occupancy, with higher occupied stores having a higher weighting towards their performance against their profitability target.

The bonus awarded to each store increases as the store moves further ahead of target. No bonus is awarded if the store fails to meet its target. The performance distribution of the store's performance against their individual targets are provided below.

Performance against target	Below target	0 to 1% ahead of target	1 to 2% ahead of target	2 to 3% ahead of target	>3% ahead of target	Total
No of stores	43	18	17	11	16	105
Average bonus paid	0.3%	3.3%	7.7%	12.5%	12.7%	5.1%

The weighted average bonus paid to stores for performance against profitability targets is therefore 5.1% of salary for the year.

3. Store audits

Stores receive a bonus if they receive a certain audit score based on visits carried out by the Group's store compliance team. There were 53 instances of stores receiving an audit bonus score across the year, leading to a weighted average bonus paid to the stores of 1.4% of salary.

4. Customer satisfaction

Stores are rewarded based on two elements of customer satisfaction, net promoter scores and individual customer service awards. The awards based on net promoter scores are summarised in the table below.

NPS score	<75	>75	Total
No of stores	35	70	105
Average bonus paid	0%	2%	1.3%

The weighted average bonus paid to stores for performance against net promoter scores is therefore 1.3% of salary for the year.

Summary

The bonus received by the stores against their targets in the year is summarised as follows.

Category	Actual % weighting for category	Average % of salary bonus paid across stores
1. Occupancy	2.5%	24.3%
2. Profitability	5.1%	49.5%
3. Store audits	1.4%	13.6%
4. Customer satisfaction	1.3%	12.6%
Total	10.3%	100%

Governance Report

Remuneration Report (continued)

In line with the Remuneration Policy an award of 10.3% of salary has therefore also been paid to the Executive Board Directors for the year, which equated to the following payments:

Nicholas Vetch	£39,398
Jim Gibson	£46,226
Adrian Lee	£29,942
John Trotman	£34,145

Deferred Annual Bonus Plan awards – deferred shares (125% of salary maximum)

This is the fourth year of operation of the Group's deferred annual bonus plan. The Remuneration Committee sets targets at the start of the financial year across a broad range of financial and non-financial targets. Targets are either on a sliding scale or binary. The targets and the performance against them in the year is shown in the table below:

Sliding scale targets (50% weighting):

Pay-out	0%	100%	Performance	Pay-out
1. Revenue				
Weight: 22.5%	<£157.0m	>£162.0m	The Group's revenue for the year was £171.3 million.	100%
2. Adjusted Earnings per share				
Weight: 22.5%	<46.0p	>49.0p	The Group's adjusted earnings per share for the year was 52.5p.	100%
3. Staff Turnover				
Weight: 5%	>35	<28	The Group's staff turnover for the year was 34.2%.	11.4%

Binary targets (25% weighting):

Pay-out	Fail	Pass	Actual performance	Pay-out
	0%	100%		
4. Property Acquisitions				
Weight: 10%	Seek to acquire at least two sites for new stores in the year, which complement the existing portfolio and which are consistent with the Group's strategy and long-term plans.		The Group acquired two high quality London sites during the year in Kentish Town and West Kensington.	100%
5. Planning				
Weight: 10%	Obtain planning consent on at least two of the Group's development sites during the year, consistent with the strategy to continue to add high quality capacity to the Group's existing open store portfolio.		The Group obtained planning on two development sites during the year at Slough and Newcastle.	100%
6. Net Promoter Score				
Weight: 5%	Based on move-ins and move-outs. Achieve an NPS score of 75, which represents exceptional levels of customer service.		The Group's net promoter score for move-ins and move-outs during the year was 78.9.	100%

ESG targets (25% weighting):

Pay-out	Fail	Pass	Actual performance	Pay-out
	0%	100%		
7. Battery pilot				
Weight: 10%	Invest in a pilot project to assess the feasibility of battery technology in at least one solar store by the end of the financial year.		Battery project installed at Guildford Central and commercial arrangement for management and monitoring of battery by Drax Power in place.	100%
8. Solar panel retro-fit				
Weight: 5%	Retro-fit or upgrade solar PV systems during the year, pay-out as follows: <ul style="list-style-type: none"> ▪ 2.5% for 8 stores upgraded or retro-fitted ▪ 3.75% for 9 stores ▪ 5% for 10 stores 		We had committed to retrofit 12 stores with solar PV installations; but work was halted when we became aware of potential human rights issues in our supply chain. We have since identified and engaged with an alternative supplier of solar panels and expect to complete the installation of these 12 stores by September 22. We used the holding time to complete the roof preparation works necessary to our stores for the solar panel installations; these works are all completed. We aim to complete 36 stores by end of 23/24.	Please see below.
9. Gas boiler replacement				
Weight: 5%	Replace at least one gas boiler installation with electric alternative.		Four gas boilers replaced with electric boilers in 21/22; a further five scheduled for 22/23.	100%
10. BREEAM ratings				
Weight: 5%	To build all stores to an equivalent standard of BREEAM "Very Good" or better; and to certify a store with BREEAM where required to do so by the planning authorities.		Hove, Hayes, and Uxbridge all achieved "Excellent" standard. From Slough Bath Road onwards all stores will be built to BREEAM Very Good standard and certified.	100%
11. Science-based targets				
Weight: 5%	To prepare the Big Yellow & Armadillo portfolios for SBTi analysis as soon as the data can be assembled.		Science-based target set and published this year. Submission to SBTi will be in July 2022 using Year End data.	100%

Solar panel retro-fit

The Board made an ethical decision to delay the installation of solar panels in its stores once it discovered a human rights issue in the supply chain of the solar panel manufacturing. The project is still being delivered, but with a new supplier, and the panels will be installed by September 2022. In light of the Board's decision, which the Committee fully supported, the Committee has decided to remove this target for the year, and re-weight the vesting for the other targets out of 95%.

Governance Report

Remuneration Report (continued)

Summary table

The performance against each target, and its contribution to the deferred bonus payable is summarised in the table below:

Target	% achieved	Weighting	Contribution to plan vesting [%]
Revenue	100%	22.5%	22.5%
Earnings per share	100%	22.5%	22.5%
Staff turnover	11.4%	5%	0.6%
Property acquisitions	100%	10%	10%
Planning	100%	10%	10%
Net promoter score	100%	5%	5%
Battery pilot	100%	5%	5%
Solar panel fit-out	n/a	n/a	n/a
Gas boiler replacement	100%	5%	5%
BREEAM ratings	100%	5%	5%
Science-based targets	100%	5%	5%
Total		95%	90.6%

The above performance assessment of 90.6% against 95% weighting translates into a 95.4% award, of the 125% maximum potential. In addition to performance against the targets detailed above, the Committee has also reviewed the stakeholder experience and health and safety performance in respect of the year ended 31 March 2022. Based on this review, the Committee considers the 95.4% of maximum award level to be appropriate.

The value of award for each of the Executive Board Directors is shown below:

Director	Value of award
Nicholas Vetch	£456,131
Jim Gibson	£535,194
Adrian Lee	£346,660
John Trotman	£395,314

The number of shares will be calculated by reference to the closing share price on the date of grant, which will be after the Company's Preliminary Announcement in May 2022. The awards will vest three years after the date of grant of each award.

Long Term Incentive Plan ("LTIP") awards (Audited)

The awards granted under the LTIP are subject to performance conditions to be met over a performance period of three years. There is no retesting of performance conditions and, if they are not satisfied, the awards will lapse.

The performance conditions applicable to the LTIP which vested in the year, which relate to EPS and TSR, are set out below. The Committee assessed the extent to which the EPS and TSR performance condition has been satisfied for the 2018 award which vested in 2021, with the following results:

Condition	Weighting	Threshold Performance required	Maximum Performance Required	LTIP value for meeting threshold and maximum performance (% salary)	Performance achieved	Vesting %
Adjusted eps growth	70%	Adjusted EPS growth of RPI + 3% per annum	Adjusted EPS growth of RPI + 8% per annum	25% to 100%	6.8% adjusted EPS growth, compared to 5.45% (RPI +3%), and 10.45% (RPI plus 8%). Adjusted EPS has been normalised for the impact of the placings in September 2018 and April 2020.	45.2%
Relative TSR	30%	Median of comparator group of real estate companies	Upper quartile of the comparator group	25% to 100%	5 out of 43 in comparator group of companies in the FTSE Real Estate Index	100%
Total	100%					61.6%

The vesting of the 2018 LTIP award in 2021, equated to the following value for the Executive Board Directors based on the share price at the date of vesting:

Director	Shares Awarded	Shares Vested (based on 61.6% vesting)	Value at Vesting
Nicholas Vetch	32,525	20,035	£276,683
Jim Gibson	36,138	22,261	£307,424
Adrian Lee	25,813	15,900	£219,579
John Trotman	26,846	16,537	£228,376

LTIP awards granted in year ended 31 March 2022 (Audited)

The table below sets out the details of the long-term incentive awards granted in the year ended 31 March 2022 where vesting will be determined according to the achievement of performance conditions that will be tested in future reporting periods.

Director	Award Type	Awards as a % of salary	Face value of award ¹	Percentage of award vesting at threshold performance	Maximum percentage of face value that could vest	Performance Period end date	Performance conditions
Nicholas Vetch			£382,500				
Jim Gibson	Annual cycle of awards over nil cost options	100% of salary	£448,800	25%	100%	22 July 2024	Adjusted EPS growth and relative TSR
Adrian Lee			£290,700				
John Trotman			£331,500				

1. The face value of the award is calculated using the average share price three days prior to the grant date of 22 July 2021 (average share price of £13.85).

The performance conditions applicable to the awards granted in July 2021 are set out below:

Condition	Weighting	Threshold Performance required	Maximum Performance Required	LTIP value for meeting threshold and max performance (% salary)	Basis for measurement
Relative TSR	50%	Median of comparator group of real estate companies	Upper quartile of the comparator group	25% to 100%	The average of the Group's closing mid-market share price over the three months preceding the start of the performance period and preceding the end of the performance period will be used, including dividends re-invested.
Adjusted EPS	50%	Adjusted average annual compound EPS growth of 4%	Adjusted average annual compound EPS growth of 8%	25% to 100%	The adjusted EPS figure reported in the audited results of the Group for the last complete financial year ending before the start of the performance period and the last complete financial year ending before the end of the performance period will be used.

Whilst the Committee originally intended to have a proportion of the award vesting based on ESG, this has been delayed until 2022 to ensure targets are appropriately robust.

Sharesave Scheme

The Group's Sharesave Scheme is open to all UK employees (including Executive Board Directors) with a minimum of six months' service and meets UK HMRC requirements, thus giving all eligible employees the opportunity to acquire shares in the Company in a tax efficient manner. All of the Executive Board Directors participated in the scheme during the financial year. The details of the Sharesave scheme options are shown on page 175.

Pension entitlements

The Company pays pension contributions into the Executive Board Directors' personal pension plans or makes a cash contribution in lieu of pension contributions. They do not participate in any defined benefit scheme. For the year ended 31 March 2022, the Company contribution was 6% of salary for the Executive Board Directors, in line with the contribution for the Company's employees.

Payments to past Directors (Audited)

No payments of money or any other assets were made to any former Director of the Company in the financial year ended 31 March 2022 (2021: no payments).

Governance Report

Remuneration Report (continued)

Payments on loss of office (Audited)

No payments were made to any Director in respect of loss of office during the financial year ended 31 March 2022 (2021: no payments).

Non-Executive Directors (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Non-Executive Director paid in the year ended 31 March 2022.

	2022 £	2021 £
Richard Cotton	64,210	59,129
Georgina Harvey ¹	–	17,968
Julia Hailes ²	–	54,282
Steve Johnson ¹	–	14,452
Anna Keay	53,705	52,263
Vince Niblett	53,705	52,263
Michael O'Donnell ⁵	25,200	–
Laela Pakpour Tabrizi ³	50,486	31,763
Heather Savory ⁴	53,705	4,388
Total	301,011	286,508

1. until retirement from the Board on 5 August 2020
2. until stepping down from the Board on 14 January 2021
3. from appointment on 1 July 2020
4. from appointment on 1 March 2021
5. from appointment on 1 September 2021

Non-Executive Directors received no taxable benefits for the year ended 31 March 2022.

Statement of Directors' shareholding (Audited)

The Executive Board Directors are required to build and maintain a holding of two times base salary. These requirements have been met by all Executive Board Directors throughout the year. Non-Executive Directors are not subject to a shareholding requirement. Details of the Directors' interests in shares are set out below (all interests are beneficial interests).

The table below shows, in relation to each Director, the total number of shares and share options in which they have an interest at 31 March 2022:

Executive Director	Share ownership requirement (multiple of salary)	Share ownership requirements met	Holding as multiple of March 2022 salary	Beneficially owned shares	LTIP awards subject to performance conditions	Deferred bonus plan awards	Unexercised LTIP options	Unexercised Sharesave options	Options exercised in the financial year
Nicholas Vetch	2x	Yes	250x	6,229,004	98,468	82,826	20,035	2,400	29,749
Jim Gibson	2x	Yes	60x	1,766,271	114,502	94,425	22,261	2,196	1,332
Adrian Lee	2x	Yes	46x	874,735	75,223	64,297	15,900	2,400	–
John Trotman	2x	Yes	11x	238,788	85,016	70,254	16,537	1,992	2,665

Non-Executive Directors' shareholdings (Audited)

Non-Executive	Beneficially owned shares
Richard Cotton	96,317
Michael O'Donnell	4,000
Vince Niblett	3,000
Anna Keay	–
Laela Pakpour Tabrizi	–
Heather Savory	–

Directors' share awards (Audited)

To provide further context on the shareholding of the Executive Board Directors, options in respect of ordinary shares for Directors who served in the year are as below:

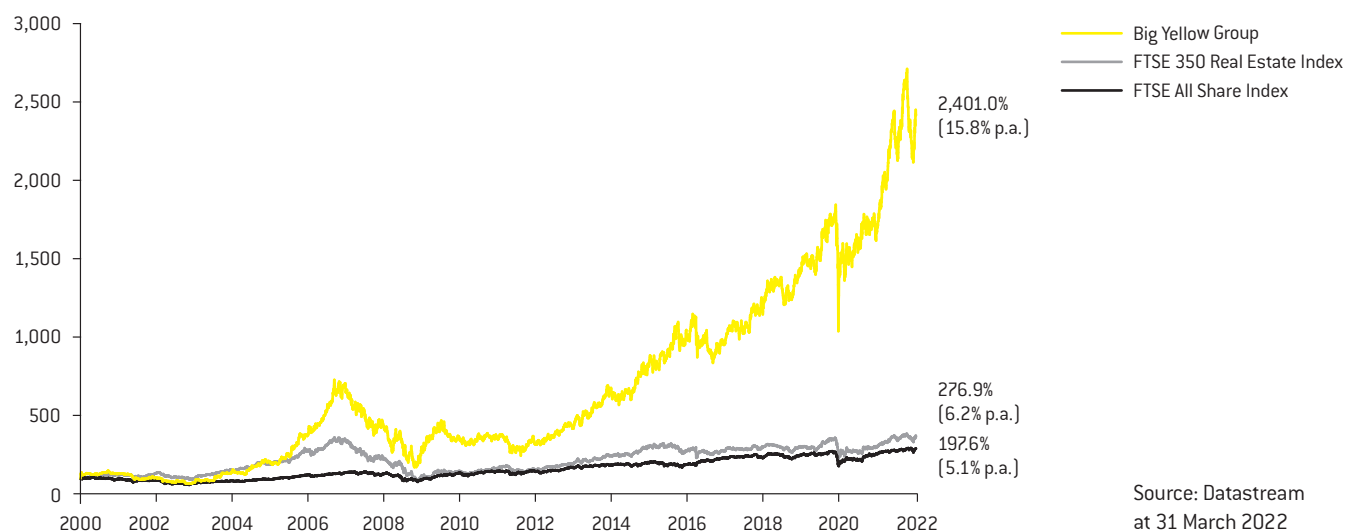
Name	Date option granted	Scheme	No. of shares under option at 31 March 2021	Granted during the year	Exercised during the year	Lapsed during the year	No. of shares under option at 31 March 2022	Exercise price	Market price at date of exercise	Date from which first exercisable	Expiry Date
Nicholas Vetch	3 August 2017	LTIP	29,749	–	(29,749)	–	–	nil p	1493p	3 August 2020	2 August 2027
	19 July 2018	LTIP	32,525	–	–	(12,490)	20,035	nil p	–	19 July 2021	18 July 2028
	11 March 2019	SAYE	2,400	–	–	–	2,400	749.9p	–	1 April 2022	1 October 2022
	23 May 2019	DBP	30,519	–	–	–	30,519	nil p	–	23 May 2022	22 May 2029
	19 July 2019	LTIP	33,905	–	–	–	33,905	nil p	–	19 July 2022	18 July 2029
	15 June 2020	DBP	20,691	–	–	–	20,691	nil p	–	15 June 2023	14 June 2030
	5 August 2020	LTIP	36,946	–	–	–	36,946	nil p	–	5 August 2023	4 August 2030
	22 July 2021	DBP	–	31,616	–	–	31,616	nil p	–	22 July 2024	21 July 2031
	22 July 2021	LTIP	–	27,617	–	–	27,617	nil p	–	22 July 2024	21 July 2031
Jim Gibson	12 March 2018	SAYE	1,332	–	(1,332)	–	–	675.4p	1307p	31 March 2021	1 October 2021
	19 July 2018	LTIP	36,138	–	–	(13,877)	22,261	nil p	–	19 July 2021	18 July 2028
	11 March 2019	SAYE	1,200	–	–	–	1,200	749.9p	–	1 April 2022	1 October 2022
	23 May 2019	DBP	33,910	–	–	–	33,910	nil p	–	23 May 2022	22 May 2029
	19 July 2019	LTIP	38,748	–	–	–	38,748	nil p	–	19 July 2022	18 July 2029
	15 June 2020	DBP	23,647	–	–	–	23,647	nil p	–	15 June 2023	14 June 2030
	5 August 2020	LTIP	43,350	–	–	–	43,350	nil p	–	5 August 2023	4 August 2030
	1 March 2021	SAYE	996	–	–	–	996	903.2p	–	1 April 2024	1 October 2024
	22 July 2021	DBP	–	36,868	–	–	36,868	nil p	–	22 July 2024	21 July 2031
22 July 2021	LTIP	–	32,404	–	–	32,404	nil p	–	22 July 2024	21 July 2031	
Adrian Lee	19 July 2018	LTIP	25,813	–	–	(9,913)	15,900	nil p	–	19 July 2021	18 July 2028
	11 March 2019	SAYE	2,400	–	–	–	2,400	749.9p	–	1 April 2022	1 October 2022
	23 May 2019	DBP	24,221	–	–	–	24,221	nil p	–	23 May 2022	22 May 2029
	19 July 2019	LTIP	26,155	–	–	–	26,155	nil p	–	19 July 2022	18 July 2029
	15 June 2020	DBP	15,962	–	–	–	15,962	nil p	–	15 June 2023	14 June 2030
	5 August 2020	LTIP	28,079	–	–	–	28,079	nil p	–	5 August 2023	4 August 2030
	22 July 2021	DBP	–	24,114	–	–	24,114	nil p	–	22 July 2024	21 July 2031
	22 July 2021	LTIP	–	20,989	–	–	20,989	nil p	–	22 July 2024	21 July 2031
John Trotman	12 March 2018	SAYE	2,665	–	(2,665)	–	–	675.4p	1307p	1 April 2021	1 October 2021
	19 July 2018	LTIP	26,846	–	–	(10,309)	16,537	nil p	–	19 July 2021	18 July 2028
	23 May 2019	DBP	25,190	–	–	–	25,190	nil p	–	23 May 2022	22 May 2029
	19 July 2019	LTIP	29,061	–	–	–	29,061	nil p	–	19 July 2022	18 July 2029
	15 June 2020	DBP	17,735	–	–	–	17,735	nil p	–	15 June 2023	14 June 2030
	5 August 2020	LTIP	32,020	–	–	–	32,020	nil p	–	5 August 2023	4 August 2030
	1 March 2021	SAYE	1,992	–	–	–	1,992	903.2p	–	1 April 2024	1 October 2024
	22 July 2021	DBP	–	27,329	–	–	27,329	nil p	–	22 July 2024	21 July 2031
	22 July 2021	LTIP	–	23,935	–	–	23,935	nil p	–	22 July 2024	21 July 2031

Governance Report

Remuneration Report (continued)

Performance and pay

The graph below shows the Group's performance, measured by TSR, compared with the performance of the FTSE All Share Real Estate Index and the FTSE All Share Index for the period since flotation. The FTSE All Share Real Estate Index is used for the assessment of the Company's LTIP.



CEO Remuneration

The table below sets out the details of remuneration of the CEO over the past ten financial years.

Year	CEO single figure of total remuneration (£)	Annual bonus (cash) pay-out % against maximum of 25% of salary	Annual bonus (deferred) pay-out % against maximum of 125% of salary	Long term incentive weighted average vesting rates against maximum opportunity %
2022	1,380,532	41.2% (10.3% of salary)	95.4% (119.25% of salary)	61.6%
2021	1,393,490	62.8% (15.7% of salary)	95% (118.75% of salary)	83.6%
2020	1,136,633	37.2% (9.3% of salary)	47.5% (59.4% of salary)	100%
2019	1,182,482	40.8% (10.2% of salary)	81.875% (102.3% of salary)	100%
2018	2,178,066	51.6% (12.9% of salary)	n/a	95%
2017	850,619	40% (10% of salary)	n/a	100%
2016	988,811	48% (12% of salary)	n/a	100%
2015	1,756,290	50% (12.5% of salary)	n/a	98%
2014	536,262	40% (10% of salary)	n/a	53%
2013	335,891	40% (10% of salary)	n/a	0%

The single figure of remuneration for 2015 and 2018 are higher than in other years due to the vesting of the three year Long Term Bonus Performance Plan in those years delivering a reward of £945,750 (97% vesting) and £1,343,995 (93.33% vesting) respectively for the three year period ended in that year.

Percentage change in the Director remuneration

The table below compares the percentage change in each Director's annual remuneration (i.e. salary/fees, benefits, and annual bonus) with the remuneration of Big Yellow Group employees.

	% Change from 2019/2020 to 2020/2021			% Change from 2020/2021 to 2021/2022		
	Salary/Fee	Benefits	Bonus	Salary/Fee	Benefits	Bonus
Nicholas Vetch	5%	(13%)	78%	4%	3%	(30%)
Jim Gibson	8%	9%	81%	4%	6%	(30%)
Adrian Lee	4%	9%	76%	3%	11%	(30%)
John Trotman	6%	(26%)	79%	4%	18%	(30%)
Richard Cotton	16%	n/a	n/a	3%	n/a	n/a
Anna Keay	2%	n/a	n/a	3%	n/a	n/a
Vince Niblett	2%	n/a	n/a	3%	n/a	n/a
Michael O'Donnell	n/a	n/a	n/a	n/a	n/a	n/a
Laela Pakpour Tabrizi	n/a	n/a	n/a	3%	n/a	n/a
Heather Savory	n/a	n/a	n/a	3%	n/a	n/a
Average employees	3%	2%	74%	2%	2%	(29%)

Where a Director has not served on the Board for the full financial year, "n/a" is shown in the salary/fee column of the above table.

CEO pay ratio

The data shows how the CEO's single figure remuneration for the year ended 31 March 2022 (as taken from the single figure remuneration table) compares to equivalent single figure remuneration for full-time equivalent UK employees, on a Group basis, ranked at the 25th, 50th and 75th percentile.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	Option A	46 to 1	40 to 1	28 to 1
2021	Option A	58 to 1	47 to 1	30 to 1

No components of pay and benefits have been omitted for the purpose of the above calculations. Option A was selected given that this method of calculation was considered to be the robust approach in respect of gathering the required data. The underlying quartiles for salary and total remuneration numbers for full-time equivalent UK employees are set out below.

Year	Salary			Total pay and benefits		
	25th %tile	Median	75th %tile	25th %tile	Median	75th %tile
2022	£23,535	£27,286	£38,098	£23,535	£27,286	£38,098
2021	£20,862	£24,190	£34,008	£24,109	£29,406	£46,162

Statement of consideration of employment conditions elsewhere in the Group

The Committee reviews the reward and retention of the whole employee population periodically throughout the year to ensure that it can attract and retain top talent. Consideration is given to the general basic salary increase, remuneration arrangements and employment conditions. Furthermore, the annual cash bonus awarded to Executive Board Directors is directly linked to the bonuses awarded to all staff.

The Directors are invited to be present at this review of the proposals for salary increase for the employee population generally and on any other changes to remuneration policy within the Company. The information presented at this review is taken into consideration when setting the pay levels of the executive population. Additionally, the Committee has guidelines for the grant of all LTIP awards across the Company and responsibility for approving the total annual bonus cost of the Company.

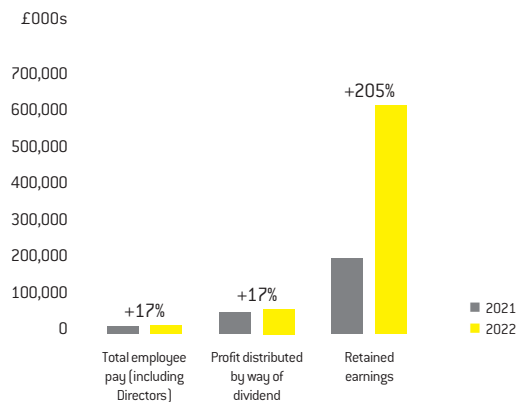
The Company did not invite employees to comment on the remuneration of Directors during the year and has not engaged with the workforce to explain how executive remuneration aligns with the wider company pay policy which does not comply with the relevant sections of Provisions 40 and 41 of the Code. However, when considering remuneration levels to apply, the Committee takes into account base pay increases, bonus payments and share awards made to the Company's employees generally. From next year the Company intends to communicate in line with these Provisions through the Workforce Engagement Director.

Governance Report

Remuneration Report (continued)

Relative importance of spend on pay

The graph below sets out the relative importance of spend on pay in the year ended 31 March 2022 and 31 March 2021 compared with other disbursements from profit, being the distributions to shareholders and retained earnings (comprehensive gain for the year less dividends).



Gender and ethnicity pay

The Group has reported on its gender pay gap for April 2021. The full report can be found on our investor relations website <http://corporate.bigyellow.co.uk/investors.aspx>. The Group's mean gender pay gap was 25% (2020: 26%), with a median gap of 7% (2020: 10%). Excluding Executive Board Directors (three of whom were founders of the business), the mean gender pay gap falls to 9% (2020: 10%) with a median gap of 5% (2020: 8%). All staff are paid equally according to job role.

It is pleasing to see that our Mean Gender Pay Gap has decreased to 25% from 26% in April 2020. This reduction from 26% was due to increase in female representation in the Upper Quartile from 25% in April 2020 to 27% in April 2021.

The Group has also analysed its ethnicity pay for April 2021. The Group's mean ethnicity pay gap was 1% (2020: 6%), with a median gap of 4% (2020: 9%). All staff are paid equally according to job role.

We believe that diversity and inclusion are key to a successful and sustainable business, and we are committed to creating a culture where all team members can be themselves, feel empowered to succeed and deliver a customer experience that is second to none. We encourage and enable all employees, regardless of their gender, race, background, or any other characteristics, to reach their full potential as we believe that having a diverse workforce with fair representation is strategically important and generates value to our stakeholders.

Over the past 12 months we have continued our focus on diversity and inclusion across the business and our key achievements during this period are outlined below:

Policy and Strategy

- We have continued the work of our Inclusivity and Diversity Committee, changing the scope and constitution of the committee to ensure that all protected characteristics are fully represented
- The work of the Diversity and Inclusivity Committee has been better communicated across the business via our Intranet and through our quarterly CSR newsletter
- Our Equal Opportunities Policy was updated with a new Inclusivity, Diversity and Equality Policy which reflects our current Inclusivity and Diversity practices, the work of the Inclusivity and Diversity Committee and manager and team member responsibilities
- The introduction of a Working from Home Policy within our head office has enabled all team members to achieve a better work life balance
- A Menopause Policy was introduced to increase awareness of the menopause across the business, including clarification of individual responsibilities and the support that is offered by the Company
- We have held regular meetings between line managers and the People, Talent and Development Team to review Inclusion and Diversity and identify on going opportunities for improvement across the different areas of the business
- The questions that we used on our Employee Engagement Survey were updated to ensure that we received feedback on inclusivity and diversity within the business. The overall result from our survey for 2021 was a very high score of 90% of team members scoring positively in this area.

Recruitment / Talent

- We appointed two dedicated recruitment consultancies who specifically represent female applicants and diverse minority groups and successfully recruited two females into senior management / management positions, replacing male leavers
- Our job advertisements, benefits and working practices were reviewed so that they have a greater appeal to female applicants, based upon feedback from new team members
- We focussed on attracting more female candidates through developing the careers pages on our Company website, including adding additional career reviews to help promote diversity and inclusion
- Alongside our marketing agency, we reviewed and amended all of our external job advertisements to remove any gender bias
- The proportion of our female Store Managers continues to increase steadily from 33% in March 2021 to 34% in March 2022
- Female representation within our senior leadership team has increased from 38% in March 2021 to 46% in March 2022.

Learning and Development

- Diversity and Inclusivity Training was provided for all management employees virtually, with the training being recorded and made available via our learning and development platform for non-management and new team members
- e-learning opportunities were further increased to include video e-learning relating to wellbeing for parents and women in leadership
- Our investments in e-learning have resulted in 25% more females in stores taking up this training than males (20% more in 2020) and 47% more females in head office taking up this training than males (15% more in 2020)
- We have continued to encourage more women to take part in our management development programmes with 25% of Store Manager delegates currently female (12.5% for the 2019 graduation) and 50% of Assistant Manager delegates currently female (31% for the 2021 graduation)
- Our Inclusivity and Diversity Survey reported that 86% of team members felt that they are encouraged to participate in learning and development opportunities to assist their progression (84% in 2019) of which 91% of females (91% in 2019) and 92% of males (87% in 2019) gave a positive score
- The number of females promoted internally has increased to 49% in 2022 (39% in 2021).

Whilst our Gender Pay Gap is reducing on a gradual basis and we will continue to work to reduce it further, we recognise that it would be unrealistic to close this gap quickly, given that all four of the Executive Directors are male and three of them were founders of the business more than 20 years ago.

We have however, made significant progress in relation to inclusion and diversity initiatives over the last 12 months and will continue to challenge our thinking around how we recruit new skills and manage and develop existing talent going forward.

In addition to the initiatives that we already have in place, we will also be considering the following:

- Working with a newly formed diversity recruitment team via one of our preferred suppliers to see how they may be able to assist us in developing our brand to better recognise us as an employer of different diverse groups, as well as advising on how we can further the work of our Inclusivity and Diversity Committee
- Continuing to appeal to all diverse groups including female applicants, thorough targeted advertisements, social media posts and producing a new recruitment video
- Increasing lines of communication through a new on boarding process, via live chat, with the aim of encouraging applicants from less represented groups to make more informal contact with us. We hope that this will then provide us with the opportunity to increase applications from these groups
- Two members of the People team will be training as Menopause Champions to further support team members within the business who are experiencing the menopause.

Advisers to the Remuneration Committee

In undertaking its responsibilities, the Committee seeks independent external advice as necessary. FIT Remuneration Consultants LLP have been advisers to the Committee since 2017. The Committee is comfortable that the FIT team provides independent remuneration advice to the Committee and does not have any other connections with Big Yellow that may impair their independence. FIT is a founding member and signatory of the Code of Conduct for Remuneration Consultants, details of which can be found at www.remunerationconsultantsgroup.com.

During the year, FIT provided independent advice on a wide range of remuneration matters including the proposed new Remuneration Policy. FIT provides no other services to the Company. The fees paid to FIT in respect of work carried out for the year under review were £20,000 (ex VAT).

Approval

This policy report was approved by the Board of Directors on 23 May 2022 and signed on its behalf by

Richard Cotton
Remuneration Committee Chair