

# Nominations Committee Report

The Committee is responsible for reviewing the Composition of the Board. It also makes recommendations for membership of the Board and considers succession planning for Directors. The Committee is also responsible for evaluating Board and Committee performance.

## Committee members and attendance

Member	Number of meetings attended
<b>Vince Niblett – Chair and Senior Independent Director</b>	●
Richard Cotton – Member (until 21 July 2022)	●
Anna Keay – Member	●
Michael O'Donnell – Member	●
Laela Pakpour Tabrizi – Member	●
Heather Savory – Member	●

● attended  
● absent  
● not applicable

## Introduction

The Nominations Committee is responsible for reviewing the structure, size and composition of the Board and giving consideration to succession planning for Directors and other senior Executives. Where changes are required, it is also responsible for the identification, selection and proposal to the Board for approval of persons suitable for appointment or reappointment to the Board, whether as Executive or Non-Executive Directors and to seek approval from the Remuneration Committee of the remuneration and terms and conditions of service of any proposed Executive Director appointment. The Chair of the Committee reports to the Board as appropriate to enable the Board as a whole to agree the appointments of new Directors. The Committee meets at least once a year and otherwise as required and as determined by its members.

The terms and conditions of appointment for the Non-Executive Directors are available for inspection at the Company's Head Office during normal working hours. They are also available for inspection at the Company's AGM.

## Board performance evaluation

In keeping with the three-yearly evaluation cycle, the effectiveness of the Board and its Committees was externally reviewed by Simon Robertson Associates LLP ("SRA") this year. Simon Robertson Associates have no other business relationship with the Group or any of the Company's Directors. An overview of the process is outlined below:

**January 2023** SRA appointed to undertake evaluation. Scope, process and timetable agreed with Chairman and Senior Independent Director ("SID")

**February to March 2023** SRA provided with requested information (including board papers, investor feedback and broker research) and spoke individually with each Director, the Company Secretary and a number of other non-Board members who attend or support the Board and its Committees

**March 2023** Preliminary findings discussed with both the Chairman and the SID. SRA attended and observed the scheduled Board meeting where it presented its findings

**April 2023** SRA finalised its report and produced a summary document for inclusion in the Company's 2023 Annual Report

## Context of evaluation

This is the second consecutive external Board evaluation that SRA has undertaken for the Company. The decision to use SRA again was to provide continuity and context for their observations given material changes to the Board in recent years. There have been three new NED appointments and a new SID. Consequently, the dynamics of the Board have altered but SRA noted that it operates just as effectively, with the new NEDs strengthening skills and experience, particularly around the ESG agenda. SRA was positive about the implementation of recommendations made following the last review.

## Findings

The overall conclusion was that the Board operates with a high degree of efficiency, with a good level of leadership and in a way that promotes honest discussion and healthy debate. High-priority business is unanimously recognised and given the appropriate allocation of time for detailed discussion. This does not detract from other tabled business which is well covered; conversations are straightforward and substantive. SRA was complimentary of the comprehensive approach to governance, noting that the Board is appropriately structured and balanced, with its Committees both well-defined and purpose-driven. SRA noted that a distinct entrepreneurial culture and set of values are evident at Board level, a sentiment echoed by others who were part of the review process.

SRA's main recommendations were:

- consider internal deep-dive exercises on risk management systems and financial controls to test the robustness of current processes;
- continue open dialogue around Board evolution to help with succession planning;
- nurture board dynamics through opportunities for the Board to meet independently of main meetings; and
- restructure the NEDs induction process to allow for a more extensive introduction to senior management and continue the NEDs education and visibility around the business.

## Director evaluation

During the current year, the Executive Chairman evaluated the performance of the other Executive Board Directors, and the performance of the Chairman was evaluated by the Senior Independent Non-Executive Director. It was considered that the individuals were operating effectively, with appropriate procedures put in place for minor areas identified for improvement.

## Succession planning

It is a key responsibility of the Committee to advise the Board on succession planning. The Committee ensures that any future changes in the Board's composition are foreseen and effectively managed.

The Board comprises a team of three Executive Board Directors, two of whom were co-founders of the Company, complemented by Non-Executive Directors who have wide business experience and skills as well as a detailed understanding of the Group's philosophy and strategy. The Executive Board Directors have worked together for a significant length of time. Continuity of experience and knowledge, particularly of self storage, within the executive team is important in a long-term focused business such as Big Yellow.

The team has confirmed individually and collectively that they all remain committed to the business for the foreseeable future. Each Executive has a significant personal financial interest in the Company. The risk of unforced succession within the business is therefore low.

Given the financial interest of each member of the team in the Company, any planned change in the team in the medium-term (e.g. upon retirement) will be staggered to ensure there is not significant disruption to the overall team. This will be in a similar way to how the Company has managed the replacement of the Non-Executive Directors over recent years.

The Directors work closely together across the various departments that each manages, and so each carries knowledge of the way the whole business operates and would be able to take over the running of that department in the short-term should a vacancy arise. Equally important is the strength of the Senior Management team within the business. The majority of department heads have worked for the business for a substantial period of time and are highly capable individuals. The Committee has confidence that they would be able to step up if there is a gap in the Executive Director team at any point.

In the event of unforeseen changes, the Committee ensures that management and oversight of the Group's business and long-term strategy will not be affected.

The Committee also addresses the development and continuity of the Senior Management team below Board level and has considered succession planning for this team during the year.

## Big Yellow Executive team

Big Yellow operates with a leadership team of fourteen, comprising of three Executive Board Directors, supported by eleven key executives within the business. The Group does not have a formal Executive Committee or formal Operating Board, as a more flexible approach to the day-to-day management of the business is used within a relatively flat management structure.

In addition to the three Executive Board Directors, the other members of the Executive team cover finance, sales and marketing, operations, facilities, construction, property acquisitions, human resources, information technology and digital security, and ESG.

## Nominations Committee Report continued

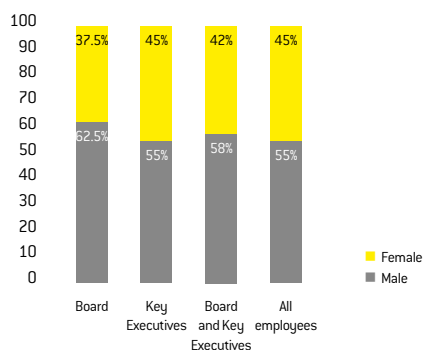
The business is run through small sub-groups of decision-making committees, which meet regularly throughout the year around particular key delivery areas which contribute to our growth and success. These committees are attended by members across the leadership team and other employees as required. All of these meetings are also attended by at least one of the Executive Board Directors, and in many cases more than one Executive Director. All strategic and acquisition decisions are made at the PLC Board level and then the Committees implement and take the detailed decisions to drive operational performance and deliver growth. There are also specific thematic executive committees, such as an Environmental Committee and a Health and Safety Committee.

### Policy on diversity

All aspects of diversity, including gender are considered at every level of recruitment. All appointments to the Board are made on merit. The Board's policy states that the Board seeks a composition with the right balance of skills and diversity to meet the demands of the business. The listing rules set out a target of 40% representation of the Board as women. The Company at 31 March 2023 had 38% of the Board as women. The listing rules also target Boards to have at least one woman in the roles of Chair, Senior Independent Director ("SID") and/or as CEO or CFO. It is our intention to have at least one woman in one of the defined roles above by 2025. Two members of the Board are from a minority ethnic background.

Gender diversity of the Board, Key Executives and Company at 31 March 2023 is set out below:

	Male	Female	Total	Male/female ratio
Board	5	3	8	62:38
Key Executives	6	5	11	55:45
Board and Key Executives	11	8	19	58:42
<b>All employees</b>	<b>283</b>	<b>232</b>	<b>515</b>	<b>55:45</b>



### External appointments

On making new appointments, the Board takes into account the other demands on a Director's time. Prior to any appointment, significant commitments are disclosed with an indication of the time involved. Any additional external appointments are only undertaken with prior approval of the Board. The Group's Executive Board Directors may not take on more than one non-executive Directorship within a FTSE 350 company or other significant and time-consuming appointment.

### Directors standing for re-election

All of the Directors will retire in accordance with the UK Corporate Governance Code and will offer themselves for re-election at the Annual General Meeting.

Following a performance appraisal process, the Board has concluded that the Directors retiring are effective, committed to their roles and operate as effective members of the Board.

The Board, on the advice of the Committee, therefore recommends the re-election of each Director standing for re-election. Full biographical details of each Director are available on pages 78 to 80.

#### Vince Niblett

Nominations Committee Chair

22 May 2023