

Remuneration Report

Committee members and attendance

Member	Number of meetings attended
Richard Cotton – Member	●●●
Julia Hailes – Member	○●●
Georgina Harvey – Member	●●●
Steve Johnson – Member	●●●
Anna Keay – Member	●●●
Vince Niblett – Member	●●●

● attended
 absent
 not applicable

Introduction

This report details the activities of the Remuneration Committee for the period from 1 April 2019 to 31 March 2020. The report has been prepared by the Remuneration Committee and approved by the Board. It sets out the current Remuneration Policy which was approved by shareholders at the 2018 AGM and remuneration details for the Executive and Non-Executive Directors of the Company. 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 2020 and how the Remuneration Policy will be operated in the year ending 31 March 2021;
- **The Remuneration Policy Report** – which sets out the current Remuneration Policy as approved by shareholders at the 2018 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 2021, the link between Company performance and remuneration for the year ended 31 March 2020 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.

Annual statement

Dear Shareholder

I am pleased to present the Directors’ Remuneration Report for the year ended 31 March 2020 which has been operated under our existing Directors’ Remuneration Policy, for which shareholder approval was obtained in 2018.

Performance, Decisions and Reward Outcomes for the year ended 31 March 2020

The business conditions and performance of the Group in the year ended 31 March 2020 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 well despite the impact of Covid-19 in the final month of 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 eleventh year in a row;
- Revenue, operating cash flow and adjusted profit before tax increased by 3.1%, 1.9% and 5.2% respectively; and
- Dividends are being increased by 1.8%.

Remuneration Report (continued)

Payments made to the Executive Board Directors under the cash annual bonus plan for the year ended 31 March 2020 amounted to 9.3% 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 2020 amounted to 59.4% 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 2016, which vested in July 2019, three-year EPS and TSR performance resulted in 100% 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.

The Committee and its Work During the Year

Committee Chair: Georgina Harvey

Committee members: Richard Cotton, Steve Johnson, Vince Niblett, Julia Hailes and Anna Keay

Terms of Reference

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

The Committee met three times during the year under review. The Committee's main activities during the year ended 31 March 2020 (full details are set out in the relevant sections of this report) included:

- Agreeing Executive Director base salary increases from 1 April 2020 in line with the Remuneration Policy and consistent with the consultation exercise carried out in 2018;
- Agreeing the cash annual bonus awards for the year ended 31 March 2019 and setting the targets for the year ended 31 March 2020;
- Agreeing the deferred annual bonus plan awards for the year ended 31 March 2019 and setting the targets for the year ended 31 March 2020;
- Reviewing the EPS and Total Shareholder Return ("TSR") performance targets and determining the percentage vesting for the 2016 LTIP awards which vested in 2019;
- Reviewing the new UK Corporate Governance Code and amendments to the disclosure requirements (including the requirement to disclose a CEO pay ratio); and
- Reviewing the Company's Gender Pay calculations and disclosures.

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

Clarity – Our Policy is understood by our senior executive team and has been 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 are straightforward to communicate and operate and the current approach will be reviewed in advance of the 2021 AGM.

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.

Charitable donations

Following a likely shortfall in donations to the Big Yellow Foundation in connection with Covid-19, the Executive Directors are donating a total of £50,000 to the Foundation during 2020.

The Company's Non-Executive Directors are also donating £11,000 to the Foundation during 2020.

Discretion

No discretion was exercised by the Committee in respect of the year ended 31 March 2020.

Implementing the Policy for the Year Ending 31 March 2021

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.

Following the consideration of Executive Director base salary levels in the prior year as part of the Remuneration Policy review, the Remuneration Committee consulted with major shareholders and the main representative bodies in 2018 in respect of ensuring that base salary levels reflect each individual's role and responsibilities in a FTSE 250 company of Big Yellow's size and complexity given the increase in (i) the numbers of stores; (ii) the geographical spread; (iii) the employee base; (iv) customers; (v) revenue; and (vi) profits. As such, and in connection with the simplification and de-gearing of incentive potential as part of the 2018 Remuneration Policy review, the following base salary increases over three years were agreed, and received a strong level of shareholder support following the consultation. For any increase to be awarded, the Committee must be satisfied with Group performance and the individual contribution of each Director for the year ended prior to the relevant salary review:

	Chief Executive (James Gibson)	Executive Chairman (Nicholas Vetch)	Chief Financial Officer (John Trotman)	Operations Director (Adrian Lee)
At 1 April 2017	£302,000	£275,200	£223,700	£223,700
At 1 April 2018	£350,000	£315,000	£260,000	£250,000
From 1 April 2019	£400,000	£350,000	£300,000	£270,000
From 1 April 2020*	£440,000	£375,000	£325,000	£285,000

* Postponed (see below)

In considering whether the 1 April 2020 increases should be awarded in full, the Committee considered Group performance and the individual contribution of each Director. In assessing Group performance, the Committee considered the Group performance in the year ended 31 March 2020, including the financial results highlighted earlier in my statement, coupled with the acquisition of three development sites, key planning consents being granted, and the extension of the loan with Aviva. In assessing individual performance, the Committee considered the contribution of each Director to the above success.

The Committee also considered whether it was appropriate to award the increases in light of the impact of Covid-19. Whilst it is clear that Big Yellow is not immune from the current challenging environment, the Group's business model, capital structure and management actions have provided the Group with a good deal of resilience which has enabled the Group to continue to operate and deliver on our expansion strategy whilst ensuring our employees and customers remain safe, and without seeking any government support. As such, and noting that the original rationale for the phased salary increases remains unchanged, the Committee concluded that it was appropriate to award the final tranche of the three-staged salary increases but that the effective date should be postponed until 1 July 2020. Other than for a material role change, and assuming no material changes are made to the approach to remuneration at the next policy review, subsequent salary increases are expected to be in line with the general workforce increases.

Pension & benefits

Executive Director pension provision will continue to be capped at 10% of salary (being the pension provided for the Company's Department Heads) although this approach will be reviewed as part of the next policy review. 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 2021.

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 2021.

The remaining 125% of salary will be measured against financial, operational, real estate and strategic targets measured over the financial year ending 31 March 2021. Any award under this part will be deferred into Big Yellow shares for three years (with vesting subject to continued employment).

Remuneration Report *(continued)*

LTIP

LTIP awards will continue to be granted to Executive Board Directors annually, over shares equal to 100% of salary. Following a review of the LTIP performance conditions, and difficulty in setting robust long-term earnings targets in light of Covid-19, the Committee has made a minor change in respect of the 2020 awards. Rather than a 70:30 EPS:TSR weighting, the targets will be reweighted to 30:70 EPS:TSR for the 2020 awards. No changes will be made to the EPS and TSR target ranges. The performance conditions for awards intended to be granted to Executive Board Directors in 2020 will therefore be as follows:

- 30% adjusted EPS – 25% of this part of an award will vest for EPS growth of RPI+3% p.a. increasing pro-rata to 100% of this part of an award vesting for EPS growth of RPI+8% p.a. for the year ending 31 March 2023; and
- 70% – relative TSR performance vs. FTSE Real Estate Index with 25% of this part of an award vesting at median increasing to 100% of this part of an award vesting at upper quartile.

A two year post-vesting holding period will apply.

Shareholding guidelines

The requirement 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 Executive Board Directors. If this guideline has not been met, then there is a requirement to retain at least 50% of shares vesting (net of taxes) in discretionary share-based incentive plans.

Policy review

As the current remuneration policy reaches the end of its three-year life next year and noting a number of recent developments in respect of corporate governance, the Committee will table a new remuneration policy for shareholder approval at the 2021 AGM. As such, and consistent with the last review, the Committee will consult with our major shareholders and representative bodies on any changes being proposed.

I hope that, at the AGM on 5 August 2020, you will support the advisory resolution on the remuneration paid to the Directors in the last financial year, and implementation of the Remuneration Policy for the forthcoming year as set out in the Annual Remuneration Report section of this Remuneration Report.

Finally, as I step down at the forthcoming AGM, with Richard Cotton taking over as Chair of the Committee, I would like to extend my thanks to my fellow colleagues on the Committee for their support and work in 2019/20 and during my time on the Committee more generally.

Georgina Harvey

Chair of the Remuneration Committee

8 June 2020

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 19 July 2018. As the current remuneration policy reaches the end of its three-year life next year, the Committee plans to table a new remuneration policy for shareholder approval at the 2021 AGM.

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 took effect from the AGM on 19 July 2018, 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 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>	<p>Bonus potential:</p> <p>150% of salary.</p>	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 influence significantly 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 clawback and malus provisions.</p> <p>A two year post vesting holding period is applied to LTIP awards granted to Executive Directors following the 2018 AGM.</p>	<p>Maximum annual grant is 100% of base salary, with normal awards of 100% of annual salary for the Executive Board Directors.</p> <p>Minimum vesting is 25% of salary assuming achievement of threshold performance, and the maximum vesting is 100% of salary.</p>	Vesting under the LTIP is based on financial and share-price related performance measures.

Remuneration Report (continued)

Summary Policy table (Executive Board Directors) (continued)

	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.	Maximum contribution of 10% 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 ▪ 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	To ensure that Executive Board Directors' interests are aligned with those of shareholders over a longer time horizon.	Requirement to build and maintain a holding of shares in the Company, through retaining at least 50% of shares vesting in discretionary share-based incentive plans if this guideline has not been met.	200% of salary.	N/A
All Employee Scheme	To encourage share ownership by all employees. This allows them to align their interests with those of investors and also 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

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 and strategic targets.

2. Long Term Incentive Plan performance measures and targets

The Committee selected the performance conditions on the LTIP as they provide a direct link between the incentive for the Executive Board Directors and the value created for shareholders. The two metrics for the outstanding and proposed 2020 awards 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.
- The adjusted EPS figure is 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;
- 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.

Remuneration Report (continued)

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 senior managers within Head Office, the area manager team and also to store managers.

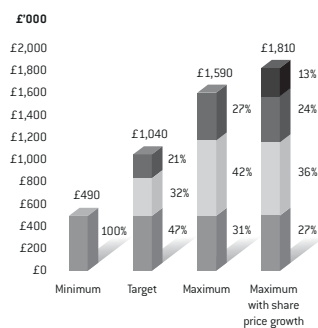
Illustrations of application of Remuneration Policy

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

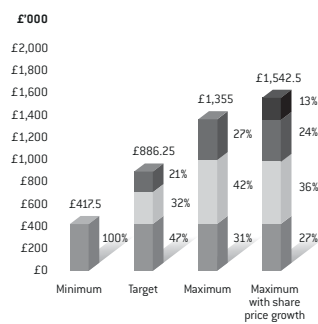
The assumptions used in determining the level of pay out under given scenarios are as follows:

Scenario	Description	Chief Executive	Executive Chairman	Chief Financial Officer	Operations Director
Fixed Pay					
	Base salary (from 1 July 2020)	£440,000	£375,000	£325,000	£285,000
	Estimated Benefits	£6,000	£5,000	£2,000	£5,000
	Pension [% of salary]	10%	10%	10%	10%
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.				
Maximum Plus 50% share price growth	As per the Maximum scenario but assuming 50% share price growth on LTIP awards.				

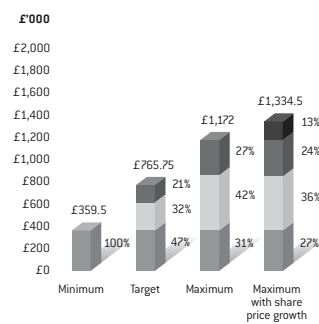
Chief Executive Officer



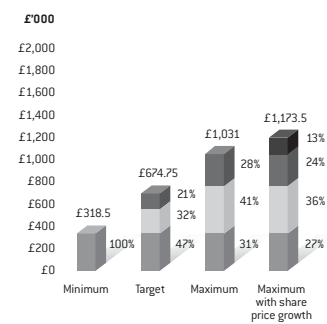
Executive Chairman



Chief Financial Officer



Operations Director



Share price growth
 LTIP
 Annual Bonus
 Fixed pay

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 comprises of a base fee, with an additional fee for Committee Chairman, 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 into account 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 100% 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.

Remuneration Report *(continued)*

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 on a pro-rata basis in respect of the period from the start of the financial year. Any pro-rated bonus would normally be payable in cash [i.e. no award of deferred shares would be made].</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 as a result of 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 our Remuneration Policy which was approved at 2018's AGM.

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

The Remuneration Committee considers shareholder feedback received in relation to the AGM each year at its first meeting following the 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.

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 2019 Remuneration Report and the binding vote on the Remuneration Policy at the AGM held on 19 July 2018.

	Votes for	%	Votes Against	%	Votes withheld
2019 Remuneration Report	127,777,330	97.2%	3,704,744	2.8%	77,317
2018 Remuneration Policy	123,499,408	96.4%	4,603,796	3.6%	260,131

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 2021 and how it was implemented during the year ended 31 March 2020.

Implementing the Policy for the Year Ending 31 March 2021

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.

Following the review of Executive Director base salary levels as part of the Remuneration Policy review, the Remuneration Committee consulted with major shareholders and the main representative bodies in 2018 in respect of ensuring that base salary levels reflect each individual's role and responsibilities in a FTSE 250 company of Big Yellow's size and complexity given the increase in (i) the numbers of stores; (ii) the geographical spread; (iii) the employee base; (iv) customers; (v) revenue; and (vi) profits. As such, and in connection with the simplification and de-gearing of incentive potential as part of the 2018 Remuneration Policy review, the following base salary increases over three years were agreed, and received a strong level of shareholder support following the consultation. For any increase to be awarded, the Committee must be satisfied with Group performance and the individual contribution of each Director for the year ended prior to the relevant salary review:

	Chief Executive (James Gibson)	Executive Chairman (Nicholas Vetch)	Chief Financial Officer (John Trotman)	Operations Director (Adrian Lee)
At 1 April 2017	£302,000	£275,200	£223,700	£223,700
From 1 April 2018	£350,000	£315,000	£260,000	£250,000
From 1 April 2019	£400,000	£350,000	£300,000	£270,000
From 1 April 2020*	£440,000	£375,000	£325,000	£285,000

* Postponed (see below)

In considering whether the 1 April 2020 increases should be awarded in full, the Committee considered Group performance and the individual contribution of each Director. In assessing Group performance, the Committee considered the Group performance in the year ended 31 March 2020, including the financial results highlighted in the statement from the Remuneration Committee Chair, coupled with the acquisition of three development sites, and key planning consents being granted. In assessing individual performance, the Committee considered the contribution of each Director to the above success.

The Committee also considered whether it was appropriate to award the increases in light of the impact of Covid-19. Whilst it is clear that Big Yellow is not immune from the current challenging environment, the Group's business model, capital structure and management actions have provided the Group with a good deal of resilience which has enabled the Group to continue to operate and deliver on our expansion strategy whilst ensuring our employees and customers remain safe, and without seeking any government support. As such, and noting that the original rationale for the phased salary increases remains unchanged, the Committee concluded that it was appropriate to award the final tranche of the three-staged salary increases but that the effective date should be postponed until 1 July 2020. Other than for a material role change, and assuming no material changes are made to the approach to remuneration at the next policy review, subsequent salary increases are expected to be in line with the general workforce increases.

Benefits

No changes will be made to benefit provision (private fuel, private medical insurance, permanent health insurance, life assurance and relocation allowances, where relevant).

Remuneration Report (continued)

Annual bonus

Annual bonus potential will be capped at 150% of salary for the year ending 31 March 2021.

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 2021.

The remaining 125% of salary will be measured against financial, operational, real estate and strategic targets measured over the financial year ending 31 March 2021. Any award under this part will be deferred into Big Yellow shares for three years (with vesting subject to continued employment).

Pension

Executive Director pension provision will continue to be capped at 10% of salary (being the pension provided for the Company's Department Heads).

LTIP

LTIP awards will continue to be granted to Executive Board Directors annually, over shares equal to 100% of salary. Following a review of the LTIP performance conditions, and difficulty in setting robust long-term earnings targets in light of Covid-19, the Committee has made a minor change in respect of the 2020 awards. Rather than a 70:30 EPS:TSR weighting, the targets will be reweighted to 30:70 EPS:TSR for the 2020 awards. No changes will be made to the EPS and TSR target ranges. The performance conditions for awards intended to be granted to Executive Board Directors in 2020 will therefore be as follows:

- 30% adjusted EPS – 25% of this part of an award will vest for EPS growth of RPI+3% p.a. increasing pro-rata to 100% of this part of an award vesting for EPS growth of RPI+8% p.a. for the year ending 31 March 2023; and
- 70% – relative TSR performance vs. FTSE Real Estate Index with 25% of this part of an award vesting at median increasing to 100% of this part of an award vesting at upper quartile.

A two year post vesting holding period will apply.

Shareholding Guidelines

The requirement to build and maintain a holding of at least 200% of salary in shares of the Company, through retaining at least 50% of shares vesting in discretionary share-based incentive plans if this guideline has not been met, will continue to apply.

Non-Executive Directors

Non-Executive Director base fees for the year ending 31 March 2021 have been increased by 3% (in line with the general workforce increase) to £42,350. The increment for Committee Chairs and additional responsibilities has also been increased by 3% to £10,300 for the year ending 31 March 2021. These increases will take effect from 1 July 2020.

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 2020.

Year ended 31 March 2020

	Salary		Taxable benefits ¹		Annual bonus – cash		Annual bonus – deferred		Long term incentives ²		Pensions ³		Total	
	£		£		£		£		£		£		£	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Nicholas Vetch	350,000	315,000	5,645	4,974	32,550	32,130	207,813	322,383	379,439	358,253	35,000	31,500	1,010,447	1,064,240
James Gibson	400,000	350,000	5,645	4,974	37,200	35,700	237,500	358,203	416,288	398,605	40,000	35,000	1,136,633	1,182,482
Adrian Lee	270,000	250,000	4,737	4,184	25,110	25,500	160,313	255,859	308,418	302,564	27,000	25,000	795,578	863,107
John Trotman	300,000	260,000	2,199	1,884	27,900	26,520	178,125	266,094	308,418	291,212	30,000	26,000	846,642	871,710
Total	1,320,000	1,175,000	18,226	16,016	122,760	119,850	783,751	1,202,539	1,412,563	1,350,634	132,000	117,500	3,789,300	3,981,539

¹ Taxable benefits comprise medical cover, permanent health insurance, life insurance and private fuel usage.

² The values shown in long-term incentives in the current year are the LTIP award granted in 2016 which vested on 22 July 2019 to 100% of its maximum value and is valued using the share price on that date of 1014p. The award granted for 2020 is 100% of salary for each Executive Director.

³ Nicholas Vetch and James Gibson receive a cash supplement in lieu of their full pension contributions. Adrian Lee and John Trotman receive cash supplements in lieu of pension contributions to the extent that they exceed £10,000.

The average salary increase across the Group in the year was 3%.

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 9.3% 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	51	3	3	3	1	14	75
Average bonus paid	0.0%	0.6%	2.3%	4.3%	4.9%	11.4%	2.4%

Additionally, 14 stores were awarded bonuses for averaging 85% occupancy and above earning a total weighted average bonus of 0.8%. The weighted average bonus paid to stores for performance against occupancy targets is therefore 3.2% 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	36	15	13	5	6	75
Average bonus paid	0.0%	2.0%	3.4%	3.5%	6.5%	1.8%

The weighted average bonus paid to stores for performance against profitability targets is therefore 1.8% of salary for the year.

3. Store audits

Stores receive a bonus if they receive an audit score of in excess of 85% based on visits carried out by the Group's store compliance team. There were 63 instances of stores receiving an audit score of 85% and above across the year, leading to a weighted average bonus paid to the stores of 1.6% of salary.

Remuneration Report (continued)

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

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	14	61	75
Average bonus paid	0%	1.5%	1.2%

The weighted average bonus paid to stores for performance against net promoter scores is therefore 1.2% of salary for the year.

The bonus paid to stores for individual customer service awards amounted to a further 1.5% of salary, which, combined with the net promoter score, amounted to a weighted average bonus paid to the stores for customer satisfaction of 2.7% of salary.

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	3.2%	34.4%
2. Profitability	1.8%	19.4%
3. Store audits	1.6%	17.2%
4. Customer satisfaction	2.7%	29.0%
Total	9.3%	100%

In line with the Remuneration Policy an award of 9.3% of salary has therefore also been paid to the Executive Board Directors for the year, which equated to the following payments:

- Nicholas Vetch – £32,550
- James Gibson – £37,200
- Adrian Lee – £25,110
- John Trotman – £27,900

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

This is the second year of operation of the Group's deferred annual bonus plan. The Remuneration Committee set 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.

Pay-out*	Below Target 0%	Target 50%	Above Target 75%	Maximum 100%	Actual performance	Pay-out
1. Like-for-like occupancy growth (ppts)						
Weight: 12.5%**	<1.75	1.75-2.3	2.3-2.8	>2.8	(1.1 ppts)	0%
2. Average net rent per sq ft growth (%)						
Weight: 12.5%**	<1.25	1.25-1.75	1.75-2.5	>2.5	2.7%	100%
3. Revenue (£m)						
Weight: 17.5%**	<130	130-131	131-132	>132	£129.3m	0%
4. Operating Profit (£m)						
Weight: 15%**	<£80.5	80.5-81.25	81.25-82	>82	£80.0m	0%
5. EPS (pence)						
Weight: 15%**	<42	42-43	43-43.75	>43.75	42.1p	50%
6. NPS						
Weight: 5%**	<72	72-75	75-79	>79	81.9	100%
7. Staff Turnover (%)						
Weight: 5%**	>33	33-32	32-31	<31	32.5%	50%

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

Pay-out	Fail 0%	Pass 100%	Actual performance	Pay-out
8. Online Market Share Weight: 5%**				
	Maintain the Group's online market share measured of unbounced visits against the top 59 self storage operators by SimilarWeb Analytics, at on average between 20% and 30%		The Group's average market share during the year was 26%	100%
9. Property Acquisitions Weight: 5%**				
	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		Sites acquired in Hayes, Slough and Harrow in the year	100%
10. Planning Weight: 5%**				
	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		Planning consent was obtained in the year at Queensbury, Uxbridge and Hove	100%
11. ESG Weight: 5%**				
	Reduce carbon intensity by 5% or better year-on-year		Carbon intensity reduced by 9% in the year	100%

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 (%)
Occupancy growth	0%	12.5%	0%
Average net rent growth	100%	12.5%	12.5%
Revenue	0%	15%	0%
Operating profit	0%	15%	0%
EPS	50%	15%	7.5%
NPS	100%	5%	5%
Staff turnover	50%	5%	2.5%
Online market share	100%	5%	5%
Property acquisitions	100%	5%	5%
Planning consents	100%	5%	5%
ESG	100%	5%	5%
Total		100%	47.5%

The above performance assessment of 47.5% translates into the following awards for each of the Executive Board Directors:

Director	Value of award
Nicholas Vetch	£207,813
James Gibson	£237,500
Adrian Lee	£160,313
John Trotman	£178,125

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 June 2020. The awards will vest three years after the date of grant of each award.

Remuneration Report (continued)

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 2016 award which vested in 2019, 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%	11.0% adjusted EPS growth, compared to 10.9% (RPI +8%).	100%
Relative TSR	30%	Median of comparator group of real estate companies	Upper quartile of the comparator group	25% to 100%	7 out of 42 in comparator group of companies in the FTSE Real Estate Index	100%
Total	100%					100%

The full vesting of the 2016 LTIP award in 2019, 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 100% vesting)	Value at Vesting	Loss attributable to share price appreciation*
Nicholas Vetch	37,420	37,420	£379,439	{£1,123}
James Gibson	41,054	41,054	£416,288	{£1,232}
Adrian Lee	30,416	30,416	£308,418	{£912}
John Trotman	30,416	30,416	£308,418	{£912}

*Calculated by taking the difference between the share price at vesting and share price at exercise and multiplying by the number of shares which vested.

LTIP awards granted in year ended 31 March 2020 (Audited)

The table below sets out the details of the long-term incentive awards granted in the year ended 31 March 2020 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			£350,000				
James Gibson	Annual cycle of awards over nil cost options	100% of salary	£400,000	25%	100%	19 July 2022	Adjusted EPS growth and relative TSR
Adrian Lee			£270,000				
John Trotman			£300,000				

¹ The face value of the award is calculated using the average share price three days prior to the grant date of 19 July 2019 (average share price of 1032.3 pence).

LTIP awards granted in year ended 31 March 2020 (Audited) (continued)

The performance conditions applicable to the awards granted in July 2019 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	30%	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	70%	Adjusted EPS growth of RPI+3% per annum	Adjusted EPS growth of RPI+8% per annum	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.

Between threshold and maximum performance, vesting will take place on a straight-line basis.

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 89.

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 2020, the Company contribution was 10% of salary for the Executive Board Directors.

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 2020 (2019: no payments).

Payments on loss of office (Audited)

No payments were made to any Directors in respect of loss of office during the financial year ended 31 March 2020 (2019: 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 2020.

	2020	2019
Tim Clark ¹	–	13,704 ¹
Richard Cotton	51,100	45,100
Georgina Harvey	51,100	45,100
Steve Johnson	41,100	40,000
Anna Keay	51,100	40,000
Vince Niblett	51,100	45,100
Julia Hailes ²	4,258 ²	–
Total	249,758	229,004

¹ until retirement on 19 July 2018

² from appointment on 1 March 2020

Non-Executive Directors received no taxable benefits for the year ended 31 March 2020.

Remuneration Report (continued)

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 2020.

Executive Director	Share ownership requirement (multiple of salary)	Share ownership requirements met	Holding as multiple of March 2020 salary	Beneficially owned shares	LTIP awards subject to performance conditions	Deferred bonus plan awards	Unexercised Sharesave options	Options exercised in the financial year
Nicholas Vetch	2x	Yes	193x	6,743,284	102,018	30,519	2,400	37,420
James Gibson	2x	Yes	63x	2,506,293	113,939	33,910	2,532	41,054
Adrian Lee	2x	Yes	32x	872,192	80,896	24,221	2,400	30,416
John Trotman	2x	Yes	8x	231,037	84,835	25,190	2,665	30,416

The Company announced a placing of 8.3 million shares on 20 April 2020. Each of the Executive Directors participated in the placing, acquiring shares per the table below:

Executive Director	Shares acquired in placing	Total beneficial shares held following placing
Nicholas Vetch	10,174	6,753,458
James Gibson	8,646	2,514,939
Adrian Lee	2,543	874,735
John Trotman	5,086	236,123

Post-Employment Shareholding Policy

The Remuneration Committee's post cessation shareholding policy for Executive Board Directors is as follows:

- Unvested deferred annual bonus and LTIP awards will be treated in line with the good leaver/bad leaver provisions explained in the Remuneration Policy;
- Any LTIP awards which vested pre-cessation but which are still subject to the two-year holding period will need to be retained by the individual (either on a post-tax basis or as unexercised awards), post cessation, until the relevant two-year holding period has expired; and
- No restrictions will apply in respect of own shares held, irrespective of whether those shares are held as part of the shareholding guideline or not.

The Committee will keep the above policy under review and revisit this in detail at the next Policy review.

Non-Executive Directors' shareholdings (Audited)

Non-Executive	Beneficially owned shares
Richard Cotton	92,248
Georgina Harvey	18,518
Steve Johnson	10,000
Steve Johnson	3,000
Vince Niblett	–
Anna Keay	–

Richard Cotton acquired a further 4,069 shares in the placing, taking his beneficial holding to 96,317 shares.

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 2019	Granted during the year	Exercised during the year	Lapsed during the year	No. of shares under option at 31 March 2020	Exercise price	Market price at date of exercise	Date from which first exercisable	Expiry Date
Nicholas Vetch	22 July 2016	LTIP	37,420	–	(37,420)	–	–	nil p	1011p	22 July 2019	21 July 2026
	3 August 2017	LTIP	35,588	–	–	–	35,588	nil p	–	3 August 2020	2 August 2027
	19 July 2018	LTIP	32,525	–	–	–	32,525	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
James Gibson	19 July 2019	LTIP	–	33,905	–	–	33,905	nil p	–	19 July 2022	18 July 2029
	14 March 2016	SAYE	1,480	–	(1,480)	–	–	608.0p	1049p	1 April 2019	1 October 2019
	22 July 2016	LTIP	41,054	–	(41,054)	–	–	nil p	1011p	22 July 2019	21 July 2026
	3 August 2017	LTIP	39,053	–	–	–	39,053	nil p	–	3 August 2020	2 August 2027
	12 March 2018	SAYE	1,332	–	–	–	1,332	675.4p	–	31 March 2021	1 October 2021
Adrian Lee	19 July 2018	LTIP	36,138	–	–	–	36,138	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
	14 March 2016	SAYE	2,960	–	(2,960)	–	–	608.0p	1049p	1 April 2019	1 October 2019
John Trotman	22 July 2016	LTIP	30,416	–	(30,416)	–	–	nil p	1011p	22 July 2019	21 July 2026
	3 August 2017	LTIP	28,928	–	–	–	28,928	nil p	–	3 August 2020	2 August 2027
	12 March 2018	SAYE	2,665	–	–	–	2,665	675.4p	–	1 April 2021	1 October 2021
	19 July 2018	LTIP	26,846	–	–	–	26,846	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	

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.



Remuneration Report (continued)

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 %
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%
2012	1,400,570	40% (10% of salary)	n/a	89%
2011	325,968	40% (10% of salary)	n/a	0%

The single figure of remuneration for 2018, 2015 and 2012 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 £1,343,995 (93.33% vesting), £945,750 (97% vesting) and £900,000 (90% vesting) respectively for the three year period ended in that year.

Percentage increase in the CEO's remuneration

The table below compares the percentage increase in the CEO's remuneration (including salary, fees, benefits and annual bonus) with the remuneration of Big Yellow Group employees.

	% increase in remuneration in 2020 compared with 2019	
	CEO	Employees
Salary and fees	14%	3%
All taxable benefits	13%	3%
Annual bonuses	5%	(6%)

The salary increase for the CEO is the second of a three-year adjustment designed to reflect his role and responsibilities in a FTSE 250 company of Big Yellow's size and complexity. This three year phasing was approved by shareholders at the Annual General Meeting in July 2018, and is explained further on page 73.

CEO pay ratio

The data shows how the CEO's single figure remuneration for the year ended 31 March 2020 (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
2020	Option A	50 to 1	42 to 1	28 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
2020	£20,495	£24,035	£35,330	£22,555	£27,232	£40,975

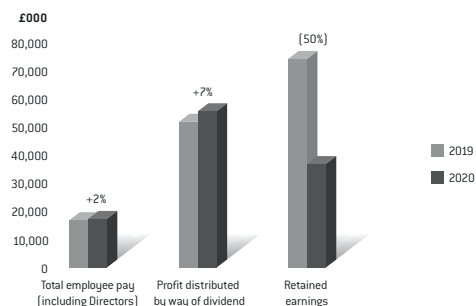
Statement of consideration of employment conditions elsewhere in the Group

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. Particular 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 does not invite employees to comment on the remuneration of Directors.

Relative importance of spend on pay

The graph below sets out the relative importance of spend on pay in the year ended 31 March 2020 and 31 March 2019 compared with other disbursements from profit, being the distributions to shareholders and retained earnings [comprehensive gain for the year less dividends].



Gender pay

The Group has reported on its gender pay gap for April 2019. The full report can be found on the investor relations website <http://corporate.bigyellow.co.uk/investors.aspx>. The Group's mean gender pay gap was 28% [2018: 26%], with a median gap of 10% [2018: 7%]. Excluding Executive Board Directors (three of whom were founders of the business), the mean gender pay gap falls to 13% [2018: 12%] with a median gap of 9% [2018: 6%]. All staff are paid equally according to job role.

We believe that any successful business requires a motivated and engaged workforce and the creation of a fully engaged culture has always been a key focus within the Company. 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.

During the last year, we have continued our focus on diversity and inclusion through the introduction of new policies, such as "How We Treat Our Colleagues" and reviewing our Recruitment and Family Friendly Policies. We have continued to support flexible working practices and enable our store teams to take ownership of their working hours to accommodate their personal circumstances, wherever this is possible. We also offer opportunities to work from home or remotely from another site, where this is suitable to a job role.

We have continued to focus on progression of women across the business, evidenced in particular by the following achievements:

- Big Yellow operates with a "Leadership Team" of twelve, comprising of our four executive Directors, supported by another eight key executives within the business. The business is run by small sub-groups of decision-making committees, which meet regularly throughout the year and which contribute to our growth and success. The male/female ratio of this Leadership Team was 75% : 25% in March 2018; and is now 58% : 42% in March 2020.
- We have encouraged more women to take part in our management development programmes. In the year to January 2020, 29% of Store Manager participants who completed the programme were female; more than double the 12.5% in 2019.
- As at April 2019, 32% of our Store Managers are female – in April 2018 this figure was 26%.

Remuneration Report (continued)

Gender pay (continued)

Big Yellow is committed to improving our diversity and we will continue to review our policies and practices against external best practice to ensure a truly inclusive experience for all our employees.

Going forward, we will insist on gender balanced short lists for all senior roles and encourage any recruitment agencies to do the same. We will also further encourage female representation across all positions within the business, through promoting career reviews on our website and through our internal staff blog.

We will continue to encourage women to participate in our training and development programmes and have made a significant investment in e-learning for our stores, which will result in many more development opportunities being accessible to all our employees on a flexible basis.

Our focus on employee wellbeing will continue, with all senior managers attending a Wellbeing Workshop, which will then be rolled out across the business. In addition, support and advice will be introduced specifically for women going through the menopause.

Whilst we would like to have seen a reduction in our Gender Pay Gap, we are making progress in improving the diversity of our Leadership Team and our operational management team; and we expect the further changes we have put in place to result in a reduction of the pay gap over time. We will therefore continue to maintain a flexible and innovative approach to how we recruit, retain and engage our people, ensuring that every policy and practice encourages inclusive ways of working.

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 impact of the UK Corporate Governance Code on the operation of the Committee. 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 8 June 2020 and signed on its behalf by

Georgina Harvey

Remuneration Committee Chair