

Report of the Nominations Committee

Committee members and attendance

Member	Number of meetings attended
Richard Cotton – Chairman and Senior Independent Director	
Julia Hailes – Member	
Georgina Harvey – Member	
Steve Johnson – Member	
Anna Keay – Member	
Vince Niblett – Member	

attended
 absent, Steve Johnson missed one meeting due to an unavoidable diary conflict
 not applicable

Introduction

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.

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 Chairman 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

During the year, the effectiveness of the Board and its Committees was evaluated by Simon Robertson Associates LLP ("SRA"). Simon Robertson Associates have no other business relationship with the Group or any of the Company's Directors.

The process

January 2020	SRA met the Chairman and the Senior Independent Director to settle upon the evaluation process and scope.
February – March 2020	SRA met individually each Director, the Company Secretary, many of the senior management team and certain external advisers to the Company.
March 2020	SRA attended Board and Committee meetings.
April 2020	SRA's draft evaluation was discussed with the Chairman and the Senior Independent Director prior to finalisation and presentation to the Board.
April 2020	SRA presented the findings of its evaluation to the Board.

Context of evaluation

SRA's evaluation took place against the background of Covid-19 which inevitably had an impact on the practicalities of the review and the nature of the Board's business during this time. Some of the meetings could not be conducted in person and the main Board meeting which SRA attended and observed was held electronically. The subject matter of that Board was inevitably dominated by Covid-19. Accordingly, SRA did not have the opportunity to witness much of the ordinary business of the Board although SRA did record its approval of how well the Board responded at a time of substantial risk and challenge and the level of detailed response and planning covered by the Board.

Outcome

Overall, SRA's evaluation was complimentary of the high standards of performance and governance set by the Board. SRA commented on the culture and strategic coherence of the Board and the strong balance between process and governance on the one hand and long-term strategic planning on the other. SRA gained comfort that the Board provides an environment where robust debate is encouraged and a good level of challenge and diversity of thought exists. The Board is appropriately structured to provide the right balance of internal scrutiny, taking account of its own particular construct.

SRA made a number of recommendations including:

- continuing to develop the Board's existing succession plans to cover the Board as a whole, executive and non-executive;
- maximising the opportunity and education around Board debate on long-term strategic and financial planning; and
- increasing the interaction of the entire Board with the wider executive team.

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 and the Board as a whole were operating effectively, with appropriate procedures put in place for minor areas identified for improvement.

Board and Company gender diversity

Board

Total 10

7	3	70:30
Male	Female	Male / female ratio
—	—	—

Key Executives

Total 8

3	5	38:62
Male	Female	Male / female ratio
—	—	—

Board and Key Executives

Total 18

10	8	56:44
Male	Female	Male / female ratio
—	—	—

All employees

Total 405

223	182	55:45
Male	Female	Male / female ratio
—	—	—

Report of the Nominations Committee (continued)

Succession planning

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

The Board comprises a team of four 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, with no change in composition since John Trotman joined in 2007. Continuity of experience and knowledge, particularly of self storage, within the executive team is particularly important in a long-term focussed business such as Big Yellow.

The team have 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 the department heads have worked for the business for a substantial period of time and are highly capable individuals. We have 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 twelve, comprising of four Executive Board Directors, supported by eight key executives within the business. The Group does not have a formal Executive Committee or formal Operating Board, as we use a more flexible approach to the day-to-day management of the business within a relatively flat management structure.

In addition to the four Executive Board Directors, the other members of the Executive team cover finance, sales and marketing, operations, construction, human resources, information technology and digital security, and CSR.

We run the business 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.

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 Company meets the 30% recommended minimum proportion of women on the Board.

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, with the exception of Georgina Harvey and Steve Johnson, who will be retiring from the Board.

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 60 to 61.

Richard Cotton
Nominations Committee Chairman
8 June 2020