

Remuneration Report

Year ended 31 March 2017

INTRODUCTION

This report describes the activities of the Remuneration Committee for the period from 1 April 2016 to 31 March 2017. It sets out a summary of the Directors' Remuneration Policy ("the Remuneration Policy"), which was approved by shareholders in July 2015, 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) Regulations 2013 (the "Regulations").

The report is divided into three main areas:

- > the annual statement by the Remuneration Committee Chairman;
- > the summary of the approved Remuneration Policy; and
- > the annual report on Directors' remuneration.

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 Directors' remuneration which are subject to audit are indicated in the report. The annual statement by the Remuneration Committee Chairman and the summary of the approved Remuneration Policy are not subject to audit.

ANNUAL STATEMENT BY THE REMUNERATION COMMITTEE CHAIRMAN

Dear Shareholder,

I am very pleased to present the Directors' Remuneration Report for the year ended 31 March 2017. This report has been prepared by the Remuneration Committee and approved by the Board.

Business conditions and Group performance in the year ended 31 March 2017

The business conditions and performance of the Group in the year ended 31 March 2017 are described more fully in the Chairman's Statement and the Operating and Financial Review of this Annual Report. In summary:

- > the business of the Group performed strongly;
- > in an improving economic environment, Big Yellow remained the clear UK brand leader in self storage and delivered occupancy, cash flow and earnings growth for the eighth year in a row;
- > revenue, cash flow and adjusted profit before tax increased by 8%, 10% and 11% respectively;
- > like-for-like occupancy was increased by 2.8 ppts;
- > the capital structure remains robust with interest cover of 6.2 times; and
- > dividends are being increased by 11%.

Policy on executive remuneration

The Committee is keenly aware of the sensitivity of the public, shareholders and the government regarding executive remuneration currently. The Committee is also mindful of the concerns being raised by these parties around the effectiveness of remuneration structures and the alignment of remuneration with shareholder interests and business outcomes. The Committee continues to closely monitor the latest developments in the executive remuneration space to ensure that our remuneration policy and its operation continues to remain fit-for-purpose for the Company.

The policy of the Company is to ensure that the executive remuneration packages are designed to attract, motivate and retain Directors of high calibre and reward the Executive Directors for protecting and enhancing value for shareholders. The Policy aims to provide:

- > remuneration to the Directors which is fair to the Directors both generally and in the context of the remuneration of other staff of the Company and the returns to shareholders; and
- > a balance of short and long term incentives which provide a strong link between reward of individual and Group performance to align the interests of the Executive Directors with the interests of shareholders.

The Committee believes that the success of the remuneration policy is reflected in the length of service, stability and strong performance of the Executive Director team. Two of the Executive Directors were founders of the Company while the other two have been Executive Directors for 18 years and ten years respectively. The Executive Directors have significant interests in the shares of the Company, each in excess of two times base salary, which is the Company's shareholding guideline for Executive Directors. The Executive Directors are interested in shares comprising approximately 9% of the share capital of the Company (including unvested share incentives held).

The Committee does not intend to make any revisions at the 2017 AGM to the Policy approved in 2015. The Committee will be putting a new policy to a shareholder vote at the AGM in 2018 (as the current policy expires at that time).

A summary of the approved Policy is provided in the Directors' Remuneration Policy section of the Directors' Remuneration Report and the full Policy is available online (<http://corporate.bigyellow.co.uk/investors>).

Remuneration changes during the year

All of the changes in remuneration in the year ended 31 March 2017 were within the Policy. In summary, the changes related to an increase in base salary of 2%, in line with the Group's staff.

Within the aggregate figure for Executive Director remuneration, the changes during the year were:

- > *Base salary*: increased by £20,000 (2%) – in line with increases provided to staff
- > *Taxable benefits*: increased by £4,000 (25%)
- > *Annual bonus*: was 10% of salary for the year – in line with the average for all staff of the Company (compared to 12% in the prior year) a reduction of £18,000 (15%).
- > *Pension contributions*: remained at 15% of base salary, and therefore increased in line with the increase in base salaries by 2% (£3,000).
- > *Sharesave Scheme*: there were no gains from Sharesave schemes in the year (2016: one Director's Sharesave Scheme vested producing a gain of £14,000 in total)
- > *Long term incentives*:
 - > the 2013 award of shares granted under the LTIP vested at 100% (representing a total gain for all of the Executive Directors of £1,566,000). As in the previous year, each of the Executive Directors was granted an award equal to 100% of base salary subject to performance conditions. The value of these awards was £1,004,000 – an increase of £20,000 (2% in line with the increase in base salary); and
 - > no awards were made under the Long Term Bonus Performance Plan ("LTBPP") in the year (2016: total awards of £4.43 million were made to the four Executive Directors). The Remuneration Committee reviewed the performance targets for the year and concluded that, based on the relative achievement of those targets, the awards under the Plan have provisionally vested at 90% in respect of the year ended 31 March 2017. The provisional vesting for the year ended 31 March 2016 was 90%. There is a further year's performance on which the LTBPP is assessed and a final assessment of the whole three year period to March 2017 is then made. This final assessment will determine the extent to which the awards vest.
- > Salaries for the Executive Directors for the year ending 31 March 2018 have been increased by 2%, in line with the increase applied to all Group staff. There are no other changes to the remuneration structure for the year ending 31 March 2018.

In considering the relative importance of the spend on pay (see page 84):

- > **Total employee pay**: increased by 3%, (and amounted to £15.6 million)
- > **Profit distributed by way of dividend**: increased by 13% (and amounted to £41.2 million)
- > **Retained profit for the year**: reduced by 23% (and amounted to £58.4 million)

As part of the remuneration package for our employees, we operate an Employee Share Save Scheme ("SAYE") which allows any employee who has more than six months' service to save annually up to £6,000, over a three year savings contract with the ability under the scheme to purchase shares at a 20% discount to the average quoted market price of the Group shares at the date of grant of the SAYE option. In addition, our annual bonus scheme provides an opportunity for all our employees to earn a bonus based on the performance of the store they are based in against their store KPIs and targets for the year.

More details of the remuneration of the Directors in the year ended 31 March 2017 are set out in the Annual Report on Remuneration section of the Remuneration Report.

AGM

I hope that, at the Annual General Meeting in July, you will support the advisory resolution on the remuneration paid to the Directors in the last financial year set out in the Annual Remuneration Report section of this Remuneration Report.

Tim Clark

Chairman of the Remuneration Committee

Remuneration Report (continued)

Year ended 31 March 2017

REPORT ON DIRECTORS' REMUNERATION POLICY

This section of the Remuneration Report contains a summary of the Company's Directors' Remuneration Policy ("the Policy") which governs the Company's approach to remuneration. The Policy was approved by shareholders at the Company's AGM in July 2015 and is applicable for a period of three years, unless shareholder approval is sought within that period to amend the Policy.

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.

The Committee deals with all aspects of remuneration of the Executive Directors, including:

- > setting salaries;
- > agreeing conditions and coverage of annual incentive schemes and long term incentives;
- > policy for and scope of pension arrangements;
- > determining targets for performance-related schemes;
- > scope and content of service contracts; and
- > deciding the extent of compensation (if any) on termination of service contracts.

The Committee's members are currently Tim Clark (Committee Chairman), Richard Cotton, Georgina Harvey, Steve Johnson and Mark Richardson. Georgina Harvey will replace Tim Clark as Chairman of the Committee at the 2017 AGM.

The Remuneration Committee's Terms of Reference are available on the Company website. The Committee met three times during the year.

Summary of the Directors' Remuneration Policy ("the Policy")

The main components of the Policy and how they are linked to, and support, the Company's business strategy are summarised below.

The full policy which was approved by shareholders in July 2015 is available on the Company's website at www.corporate.bigyellow.co.uk/investors.aspx. This includes details of the policy regarding target-setting; remuneration arrangements for new appointments; payments for loss of office and other matters.

Element	Operation of element
<p>Salary, Benefits and Pension</p> <p>To provide a level of fixed compensation that can attract and retain talent required to successfully deliver on our business strategy.</p>	<p>Salaries are reviewed annually and typically set on 1 April after considering the salary levels in companies of a similar size and complexity in the FTSE 250.</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; > increases provided to Executive Directors in comparable companies; > pay and employment conditions of employees throughout the Group, including increases provided to staff; and > inflation. <p>Our overall policy is normally to target salaries at close to (but generally below) median levels.</p> <p>Base salaries are intended to increase in line with inflation and general employee increases in salary; higher increases may be applicable if there is a change in role, level of responsibility or experience or if the individual is new to the role.</p> <p>The level of benefits provided is reviewed annually to ensure they remain market competitive. Benefits currently include: private fuel, private medical insurance, permanent health insurance and life assurance.</p> <p>The maximum contribution to an Executive Director's pension or salary supplement is 20% of gross basic salary. Executive Directors currently receive a contribution of 15% of salary.</p>
<p>Annual bonus</p> <p>To provide cash awards which aligns reward to key Group strategic objectives and drives short-term performance.</p>	<p>Maximum opportunity of 25% of salary with 10% of salary payable at target and 0% payable at threshold.</p> <p>Awards are directly aligned to the level of staff bonus and therefore linked to store performance, which is measured based on occupancy growth and net contribution, customer satisfaction and store standards.</p>
<p>Long Term Incentive Plan ("LTIP")</p> <p>To align Executive Directors' interests with those of shareholders and rewards value creation.</p>	<p>LTIP maximum grant is 100% of salary per annum with grants normally made at the maximum. Awards (granted from 2015 onwards) will vest at the end of a three year performance period subject to:</p> <ul style="list-style-type: none"> > EPS (70% of award) which provides a link to earnings growth and value creation in the Company; and > Relative TSR (30% of award) which provides a link to delivering returns in excess of companies in the FTSE Real Estate Index. <p>The LTIP contains clawback and malus provisions.</p>

Summary of the Directors' Remuneration Policy ("the Policy") (continued)

Element	Operation of element
<p>Long Term Bonus Performance Plan</p> <p>To ensure that the total remuneration package is more competitive, supports the Company's strategy and its ability to react to changing economic and business circumstances.</p>	<p>The total maximum incentive value awarded across all four Executive Directors will not exceed 4 x 450% of base salary (over a three year performance period); however each individual will have the potential to be awarded a maximum of 675% of base salary (so long as the total maximum is not exceeded).</p> <p>Vesting depends on an assessment of performance (over three years but reviewed annually) against a series of financial and non-financial targets aligned with the annual business plan.</p> <p>The value accrued to participants may be subject to clawback if subsequent performance reflects adversely on achievement of the targets. The LTBPP also contains malus provisions.</p> <p>A further holding period will apply to 50% of the award, such that 25% will be released one year after vesting and the remaining 25% will be released two years after vesting, so that the full release of vested entitlements takes place over five years.</p> <p>Within the constraints of business confidentiality, performance measures for each year are disclosed in the corresponding Annual Report on Remuneration – the information for this year can be found on pages 78 and 79.</p>
<p>Sharesave Scheme</p> <p>To encourage share ownership by all employees.</p>	<p>This HMRC approved scheme allows employees to align their interests with those of investors and also to share in the long-term success of the Company. The annual allowance for investing in the Sharesave scheme is £6,000.</p>
<p>Shareholding</p> <p>Ensures that Executive Directors' interests are aligned with shareholders' over a longer time period.</p>	<p>Each Executive Director is required to build and maintain a holding of at least two times base salary in shares of the Company, through retaining at least 50% of shares vesting in share plans if this guideline has not been met.</p>
<p>Non-Executive Director Fees</p> <p>Provides a level of fees to support recruitment and retention of Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.</p>	<p>Fee levels are normally reviewed annually in March and are set at broadly median levels for comparable roles at companies of a similar size and complexity within the FTSE250.</p> <p>Fees are intended to rise in line with inflation.</p> <p>The fees may be paid in the form of shares.</p>

Remuneration Report (continued)

Year ended 31 March 2017

Illustrations of application of the Policy

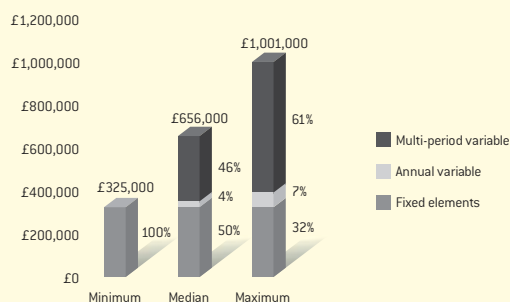
The graph below seeks to demonstrate how pay varies with performance for the Executive Directors based on the Policy approved by shareholders. This is based on pay for the year ending 31 March 2018.

Element	Description
Fixed	Total amount of salary, pension and benefits.
Annual variable	Money or other assets received or receivable for the reporting period as a result of the achievement of performance conditions that relate to that period (i.e. annual bonus payments).
Multiple period variable	Money or other assets received or receivable for multiple reporting periods as a result of the achievement of performance conditions over a given period under the LTIP and LTBP. For the purposes of these charts, the LTBP is represented by one-third of the potential vesting as it is granted once every three years. This provides a better comparison from year to year and against other companies.

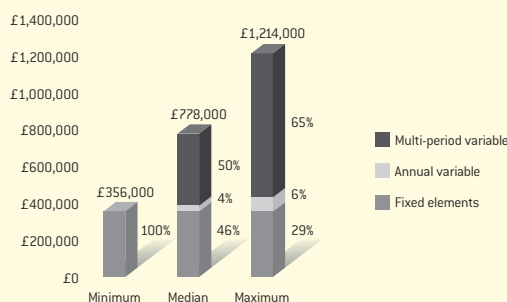
Assumptions used in determining the level of pay out under given scenarios are as follows:

Element	Description
Minimum	Fixed pay only (no variable payments under annual bonus and Company's LTIP or LTBP).
On-target	40% of annual bonus award being paid (i.e. 10% of basic salary), 50% vesting of the LTIP and 50% vesting of the annualised value of the three year LTBP.
Maximum	100% of annual bonus award being paid (i.e. 25% of basic salary) and 100% vesting of the LTIP, one-third of 100% vesting of the three year LTBP.

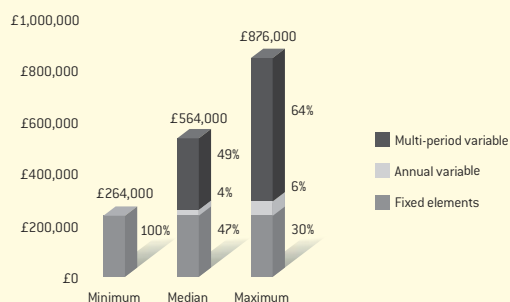
Executive Chairman



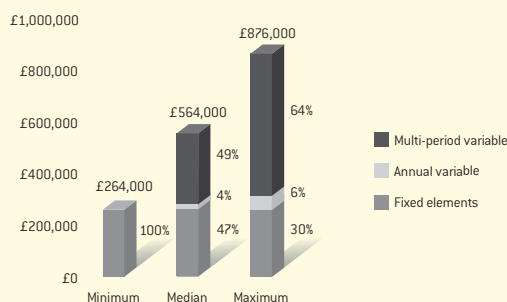
CEO



Operations Director



CFO



ANNUAL REPORT ON REMUNERATION

This section of the Remuneration Report contains details of how the Directors' Remuneration Policy ("the Remuneration Policy") was implemented during the year ended 31 March 2017. The individual sections of this report which are required by the Regulators to be subject to audit are:

- > Single figure table and notes;
- > Scheme interests awarded during the financial year;
- > Payments to past Directors;
- > Payments for loss of office; and
- > Statement of Directors' shareholding and share interests.

Single total figure of remuneration

The table below sets out the single total figure of remuneration and breakdown for each Executive Director paid in the year ended 31 March 2017. The figures have been calculated in accordance with the remuneration disclosure regulations.

Year ended 31 March 2017	Salary £		Taxable benefits ¹ £		Annual bonus £		Long term incentives £		Pensions ² £		Sharesave Scheme £		Total £	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Nicholas Vetch	269,800	264,500	5,313	4,081	26,980	31,740	433,011	548,680	40,470	39,675	-	-	775,574	888,676
James Gibson	296,000	290,100	5,713	4,681	29,600	34,812	474,914	601,738	44,400	43,515	-	13,965	850,627	988,811
Adrian Lee	219,300	215,000	4,806	4,041	21,930	25,800	329,102	404,353	32,895	32,250	-	-	608,033	681,444
John Trotman	219,300	215,000	2,061	2,227	21,930	25,800	329,102	404,353	32,895	32,250	-	-	605,288	679,630
Total	1,004,400	984,600	17,893	15,030	100,440	118,152	1,566,129	1,959,124	150,660	147,690	-	13,965	2,839,522	3,238,561

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

(2) 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 above £10,000.

The value shown in long term incentives in the current year is the LTIP award granted in 2013 which vested on 22 July 2016 to 100% of its maximum value and is valued using the share price on that date of 718.5p. The award granted for 2017 is 100% of salary for each Executive Director.

The average salary increase across the Group in the year was 2%; this increase was also applied to the Executive Directors for the year.

The value shown for the Sharesave Scheme in the prior year is the value of the shares under option at vesting less each Director's contributions to the scheme.

Annual Bonus Plan awards

The policy of the Company is that the bonus paid to the Executive 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, the Executive Directors' performance was carefully reviewed by the Committee, in consultation with the Executive Chairman in respect of the other Executive Directors, and it was determined that the performance in the year by the Executive Directors results in a bonus of 10% of salary in line with the average bonus as a percentage of salary paid across the stores.

Overview of the staff 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 73 stores in this report.

However following feedback received from our shareholders on last year's report 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 Directors.

Remuneration Report (continued)

Year ended 31 March 2017

Annual Bonus Plan awards (continued)

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	39	2	3	3	3	23	73
Average bonus paid	0%	0.7%	2.0%	4.5%	5.9%	8.7%	3.1%

Additionally, eight stores were awarded bonuses for averaging 85% occupancy and above earning a total weighted average bonus of 0.2%. The weighted average bonus paid to stores for performance against occupancy targets is therefore 3.3% 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	37	14	11	7	4	73
Average bonus paid	0%	3.3%	4.2%	9.2%	9.7%	2.7%

The weighted average bonus paid to stores for performance against profitability targets is therefore 2.7% 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 31 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 0.7% of salary.

4. Customer satisfaction

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

NPS score	<65	65 to 75	75 to 80	>80	Total
No of stores	9	20	15	29	73
Average bonus paid	0%	1.3%	2.3%	2.9%	1.9%

The weighted average bonus paid to stores for performance against net promoter scores is therefore 1.9% of salary for the year.

The bonus paid to stores for individual customer service awards amounted to a further 1.4% of salary, which, combined with the net promoter score, amounted to a weighted average bonus paid to the stores for Customer satisfaction of 3.3% 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	33%	3.3%
2. Profitability	27%	2.7%
3. Store audits	7%	0.7%
4. Customer satisfaction	33%	3.3%
Total	100%	10%

Annual Bonus Plan awards (continued)

In line with the Remuneration Policy an award at this level has therefore also been paid to the Executive Directors for the year.

The performance in the year resulted in a bonus of 10% of salary, which equated to the following payments for the Executive Directors:

- > Nicholas Vetch – £26,980
- > James Gibson – £29,600
- > Adrian Lee – £21,930
- > John Trotman – £21,930

Long Term Incentive Plan (“LTIP”) awards

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.

Vesting is conditional on the achievement of EPS growth of an average of 3% above RPI per annum. This hurdle was met for the 2013 awards, with average annual growth in EPS of 20%, compared to RPI plus 3% of 6% per annum.

The Committee assessed the extent to which the TSR performance condition has been satisfied for the 2013 award which vested in 2016, with the following results:

Condition	Weighting	Threshold performance required	Maximum performance required	LTIP value for meeting threshold and maximum performance (% salary)	Performance achieved	Vesting %
Relative TSR	100%	Median of comparator group of real estate companies	Upper quartile of the comparator group	25% – 100%	4 out of 34 in comparator group of companies in the FTSE Real Estate Index	100%
Total	100%					100%

The full vesting of the 2013 LTIP award in 2016, equated to the following value for the Executive Directors based on the share price at the date of vesting:

- > Nicholas Vetch – £433,011 (60,266 shares)
- > James Gibson – £474,914 (66,098 shares)
- > Adrian Lee – £329,102 (45,804 shares)
- > John Trotman – £329,102 (45,804 shares)

LTIP awards granted in year ended 31 March 2017

The table below sets out the details of the long term incentive awards granted in the year ended 31 March 2017 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			£269,800				
James Gibson	Annual cycle of awards over nil cost options	100% of salary	£296,000	25%	100%	22 July 2019	Adjusted EPS growth and relative TSR
Adrian Lee			£219,300				
John Trotman			£219,300				

(1) The face value of the award is calculated using the average share price three days prior to the grant date of 22 July 2016 (average share price of 721 pence).

Remuneration Report (continued)

Year ended 31 March 2017

LTIP awards granted in year ended 31 March 2017 (continued)

The performance conditions applicable to the awards granted in the year ended 31 March 2017 are set out below:

Condition	Weighting	Threshold performance required	Maximum performance required	LTIP value for meeting threshold and maximum 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.
Total	100%				

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

Long Term Bonus Performance Plan

No awards were granted under the LTBP during the year.

The following awards were made during the prior year (year ended 31 March 2016) under the LTBP:

Director	Award type	Awards as a % of salary at the time of grant	Face value of award	Percentage of award vesting at threshold performance	Maximum percentage of face value that could vest	Performance period end date	Performance conditions
Nicholas Vetch	Granted every three years, award converts to nil cost options on vesting.	377%	£996,900	0%	100%	31 March 2018	Assessed annually on a basket of measures
James Gibson		496%	£1,440,000				
Adrian Lee		464%	£996,900				
John Trotman		464%	£996,900				

The performance targets for the LTBP are not disclosed for the year ahead, given the commercially sensitive nature of a number of the targets (which are derived from the Group's business plan). Shortly after the end of each year, the Committee assesses the key targets and the extent to which management has been able to meet these targets for that year and reports on this assessment (excluding any that are still commercially sensitive). The targets are only adjusted during the year if material events occur that necessitate a change to the business plan. The report on the targets for the year ended 31 March 2017 (other than those which remain commercially sensitive) is summarised in the table below:

Objective	Committee Comment
Grow the Group's annual free cash flow by £5 million (pre working capital movements) for the year to 31 March 2017 compared to the year to 31 March 2016.	The Group's free cash flow for the year to 31 March 2017 was £58.3 million, an increase of £5.0 million from the prior year.
Comply with all banking covenants and maintain a net worth in excess of £750 million.	All banking covenants were complied with during the year. Net worth has grown by £61 million to £890.4 million.
Grow the occupancy of the like-for-like stores open at 31 March 2016 from 75.3% to 77.8% by 30 September 2016, and following the seasonal occupancy loss in the third quarter, recover to this level by 31 March 2017.	The occupancy of these stores at 30 September 2016 was 78.5%. At the end of March 2017, the like-for-like occupancy was 78.1%.
Grow the average net rent per square foot across the stores from £25.90 per square foot by 2.5% to £26.55 by 31 March 2017.	The closing net rent per sq ft at 31 March 2017 was £26.03, an increase of 0.5%. Management's focus remains on driving occupancy performance across the stores.
Meet budgeted revenue (£109.3 million) and profit before tax (£54.5 million) targets.	Revenue for the full year was £109.1 million, and adjusted PBT was £54.6 million, slightly behind and slightly ahead of budget respectively.

Long Term Bonus Performance Plan (continued)

Objective	Committee Comment
Maintain the Group's online market share measured against the top 35 self storage operators by Connexity Hitwise, at 35% to 38%.	The Group's average market share ranged between 31% and 38% over the course of the financial year. The nearest competitor had a market share of 16% to 21% for the year.
Review potential sites (in London and key target towns outside of London) for store acquisition with a view of acquiring at least one new site in the year.	The Group has continued to investigate opportunities for land acquisitions in London and a number of key towns outside. In May 2017 the Group exchanged contracts to acquire a site in Wapping, East London – a key target location. The Group continues to monitor other opportunities.
Complete the acquisition of the Lock and Leave portfolio into Big Yellow and Armadillo.	The Lock and Leave portfolio acquisition completed in April 2016, in line with the original timetable.
Submit a planning application for the development at Camberwell by the end of the financial year.	The planning application for Camberwell was submitted in November 2016. The application was rejected in February 2017, and the Group has subsequently submitted an appeal.
Obtain planning consent for the extension of the Wandsworth store.	Planning consent was obtained for the Wandsworth extension in December 2016. Construction has commenced on the extension with the work due to complete in April 2018.
Obtain revised planning consent for Guildford Central, and commence construction of the store in the year.	The revised planning consent for Guildford Central was obtained in July 2016. Construction has commenced on the store with a view to a March 2018 opening.
Maintain the net promoter score for customer satisfaction from the Customer Experience programme in excess of 65 for move in and move out surveys.	The move in NPS score for the year was 83, a significant increase from 75 in the prior year. The move out NPS score for the year was 67, an increase from 66 in the prior year.
Maintain the Group's brand leadership of unprompted and prompted awareness throughout the UK, to be measured by third party survey in the year.	The You Gov survey commissioned in April 2017 has shown our prompted awareness to be at 74% in London, two and half times higher than our nearest competitor and 41% for the rest of the UK, nearly three times higher than our nearest competitor. This compares to 74% and 38% respectively last year. For unprompted brand awareness, our recall in London is 47%, nearly six times higher than our nearest competitor and for the rest of the UK it is 21%, more than eight times higher than our nearest competitor.
Reduce the carbon intensity for the year to 31 March 2017 (KgCO ₂ /m ² of occupied space) by 5% from the year to 31 March 2016.	Carbon intensity was reduced by 13% for the year to 31 March 2017.

The other targets, covering areas such as real estate, staffing and certain financial targets, were met in the majority of cases.

Following careful consideration of the performance targets and actual performance of the Group and the Executive Directors, the Committee has concluded that the award in respect of the financial year ended 31 March 2017 has provisionally vested at 90% of its potential amount for the year. For the year ended 31 March 2016, the Committee concluded that the award had provisionally vested as to 90% of its potential amount for the year. There is a further year's performance on which the LTBP is assessed before any awards vest. Part of the award will then be subject to a holding period in line with the Remuneration Policy.

Sharesave Scheme

The Group's Sharesave Scheme is open to all UK employees (including Executive Directors) with a minimum of six months' service and meets UK HMRC approval requirements, thus giving all eligible employees the opportunity to acquire shares in the Company in a tax efficient manner. Three of the Executive Directors participated in the scheme during the financial year. The details of the Sharesave scheme options are shown on page 82.

Pension entitlements

The Company pays pension contributions into the Executive 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 2017, the Company contribution was 15% of salary for the Executive Directors.

Remuneration Report (continued)

Year ended 31 March 2017

Payments to past Directors

No payments of money or any other assets were made to any former Director of the Company in the financial year ended 31 March 2017 (2016: no payments).

Payments on loss of office

No payments were made to any Directors in respect of loss of office during the financial year ended 31 March 2017 (2016: no payments).

Non-Executive Directors

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 2017.

	2017	Fees £ 2016
Tim Clark	43,700	42,800
Richard Cotton	41,000	40,100
Georgina Harvey	38,400	37,600
Steve Johnson	38,400	37,600
Mark Richardson	41,000	40,100
Total	202,500	198,200

Non-Executive Director fees were increased by 2% for the year ended 31 March 2017. Non-Executive Directors received no taxable benefits for the year ended 31 March 2017.

Implementation of the Policy in coming year

The main elements of Executive Director remuneration for the year ended 31 March 2017 and the forthcoming financial year are summarised below:

Element	Implementation in 2016/17	Implementation in 2017/18
Base salary	<p>Salary levels for Executive Directors:</p> <ul style="list-style-type: none"> > Executive Chairman: £269,800 > Chief Executive: £296,000 > Operations Director: £219,300 > Chief Financial Officer: £219,300 <p>Salaries were increased by 2% from the 2015/16 salaries. Increases for the wider employee population were 2%.</p>	<p>Salary levels for Executive Directors:</p> <ul style="list-style-type: none"> > Executive Chairman: £275,200 > Chief Executive: £302,000 > Operations Director: £223,700 > Chief Financial Officer: £223,700 <p>Salaries were increased by 2% from the 2016/17 salaries. Increases were made in accordance with the Policy. Increases for the wider employee population were 2%.</p>
Benefits and Pension	Contribution of 15% of salary made into Executive Directors personal pension plan, or a cash supplement of equivalent value paid in lieu of pension contribution.	<i>No change</i>
Annual bonus	<p>Maximum opportunity of 25% of salary.</p> <p>Assessed on stores' performance against our Key Performance Indicators:</p> <ul style="list-style-type: none"> > Occupancy and net contribution together represented 60% of the bonus > Customer satisfaction (33% of the bonus) > Store standards (7% of the bonus) 	<i>No change</i>

Implementation of the Policy (continued)

Element	Implementation in 2016/17	Implementation in 2017/18
Long Term Incentive Plan	<p>Maximum opportunity of 100% of salary, with grants of 100% of salary for each of the Executive Directors.</p> <p>These awards were granted with the following performance conditions:</p> <ul style="list-style-type: none"> > 70% adjusted EPS – adjusted EPS growth of RPI+3% for 25% of this element of the award to vest with full vesting occurring for adjusted EPS growth of RPI+8% p.a.; > 30% – relative TSR performance vs. FTSE Real Estate Index with 25% of this element of the award vesting for median TSR comparative performance and full vesting at upper quartile. 	<i>No change</i>
Long Term Bonus Performance Plan	<p>> No awards were made under the scheme this year as awards are granted every three years.</p> <p>The assessment of targets for the year ended 31 March 2017 can be found on page 78 and 79.</p>	No awards will be made this year as awards are granted every three years.

Non-Executive Directors

During the year, fees for Non-Executive Directors have been reassessed for the year ending 31 March 2018.

The Company reviewed the Non-Executive Director base fee and decided to adjust it from £38,400 to £39,200 (2.1% increase) and to harmonise the additional fee provided for Committee Chairs and the Senior Independent Director to £5,000.

Non-Executive	2016/17 fee	2017/18 fee
Richard Cotton	£41,000	£44,200
Tim Clark	£43,700	£44,200
Georgina Harvey	£38,400	£44,200
Mark Richardson	£41,000	£44,200
Steve Johnson	£38,400	£39,200

Fees retained for external non-executive directorships

The Executive Directors' contracts do not allow them to engage in any other business outside the Group except where prior written consent from the Board is received. The Company recognises that Executive Directors may be invited to become Non-Executive Directors of other companies and that this can help broaden the skills and experience of a Director. Executive Directors are normally permitted to accept external appointments with the approval of the Board and may retain the fees for the appointment.

Nicholas Vetch is a Non-Executive Director of The Local Shopping REIT plc for which he receives a fee of £30,000 per annum. James Gibson is a Non-Executive Director of AnyJunk Limited and of Moby Self Storage in Brazil; he does not receive any fees for his services.

Statement of Directors' shareholding

The Executive Directors are required to build and maintain a holding of two times base salary. These requirements have been met by all Executive 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].

No changes took place in the interests of the Directors in the shares of the Company between 31 March 2017 and the date of this report.

Remuneration Report (continued)

Year ended 31 March 2017

Statement of Directors' shareholding (continued)

The table below shows, in relation to each Director, the total number of shares and share options in which they have an interest. LTIPP awards are not shown in the table below as the number of shares awarded is calculated by reference to the total vested award value divided by the Company's share price at the vesting date.

Director	Share ownership requirement (multiple of salary)	Share ownership requirements met	Holding as multiple of salary	Beneficially owned shares	LTIP awards subject to performance conditions	Unexercised Sharesave options	Options exercised in the financial year
Nicholas Vetch	2x	Yes	240.6x	9,062,663	125,999	–	60,266
James Gibson	2x	Yes	60.0x	2,479,700	138,207	1,480	66,098
Adrian Lee	2x	Yes	27.9x	854,643	102,385	2,960	45,804
John Trotman	2x	Yes	5.1x	154,658	100,322	3,639	45,804
Richard Cotton	N/a	N/a	N/a	73,485	–	–	–
Mark Richardson	N/a	N/a	N/a	27,225	–	–	–
Tim Clark	N/a	N/a	N/a	20,615	–	–	–
Steve Johnson	N/a	N/a	N/a	10,000	–	–	–
Georgina Harvey	N/a	N/a	N/a	13,013	–	–	–

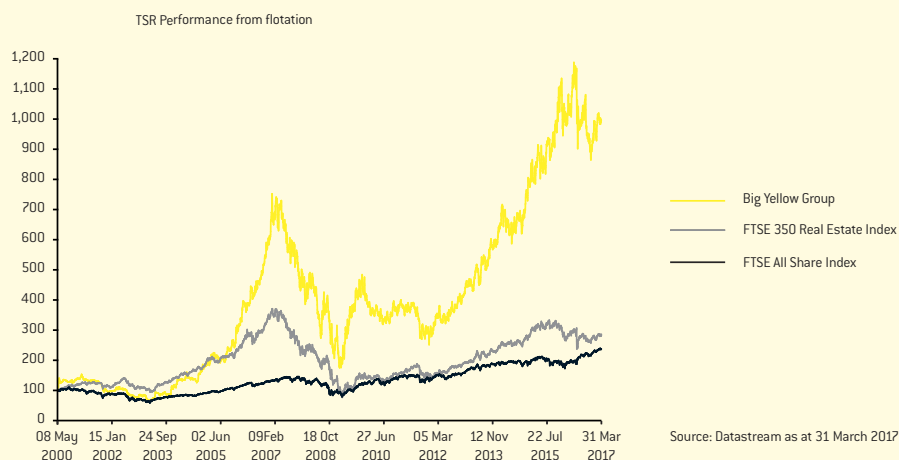
Directors' share options

To provide further context on the shareholding of the Executive 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 2016	Granted during the year	Exercised during the year	Lapsed during the year	No. of shares under option at 31 March 2017	Exercise price	Market price at date of exercise	Date from which first exercisable	Expiry Date
Nicholas Vetch	22 July 2013	LTIP	60,266	–	(60,266)	–	–	nil p	696.0 p	22 July 2016	21 July 2023
	29 July 2014	LTIP	50,467	–	–	–	50,467	nil p	–	29 July 2017	28 July 2024
	21 July 2015	LTIP	38,112	–	–	–	38,112	nil p	–	21 July 2018	20 July 2025
	22 July 2016	LTIP	–	37,420	–	–	37,420	nil p	–	22 July 2019	21 July 2026
James Gibson	22 July 2013	LTIP	66,098	–	(66,098)	–	–	nil p	766.7 p	22 July 2016	21 July 2023
	29 July 2014	LTIP	55,352	–	–	–	55,352	nil p	–	29 July 2017	28 July 2024
	21 July 2015	LTIP	41,801	–	–	–	41,801	nil p	–	21 July 2018	20 July 2025
	14 March 2016	SAYE	1,480	–	–	–	1,480	608.0p	–	31 March 2019	1 October 2019
	22 July 2016	LTIP	–	41,054	–	–	41,054	nil p	–	22 July 2019	21 July 2026
Adrian Lee	22 July 2013	LTIP	45,804	–	(45,804)	–	–	nil p	766.7 p	22 July 2016	21 July 2023
	29 July 2014	LTIP	40,989	–	–	–	40,989	nil p	–	29 July 2017	28 July 2024
	21 July 2015	LTIP	30,980	–	–	–	30,980	nil p	–	21 July 2018	20 July 2025
	14 March 2016	SAYE	2,960	–	–	–	2,960	608.0p	–	31 March 2019	1 October 2019
	22 July 2016	LTIP	–	30,416	–	–	30,416	nil p	–	22 July 2019	21 July 2026
John Trotman	22 July 2013	LTIP	45,804	–	(45,804)	–	–	nil p	766.7 p	22 July 2016	21 July 2023
	29 July 2014	LTIP	38,926	–	–	–	38,926	nil p	–	29 July 2017	28 July 2024
	16 March 2015	SAYE	3,639	–	–	–	3,639	494.6p	–	31 March 2018	1 October 2018
	21 July 2015	LTIP	30,980	–	–	–	30,980	nil p	–	21 July 2018	20 July 2025
	22 July 2016	LTIP	–	30,416	–	–	30,416	nil p	–	22 July 2019	21 July 2026

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 since 2000. The FTSE All Share Real Estate Index is used for the assessment of the Company's LTIP.



CEO Remuneration

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

Year	CEO single figure of total remuneration (£)	Annual bonus pay out % against maximum of 25% of salary	Long term incentive weighted average vesting rates against maximum opportunity %
2017	850,619	40% (10% of salary)	100%
2016	988,811	48% (12% of salary)	100%
2015	1,756,290	50% (12.5% of salary)	98%
2014	536,262	40% (10% of salary)	53%
2013	335,891	40% (10% of salary)	0%
2012	1,400,570	40% (10% of salary)	89%
2011	325,968	40% (10% of salary)	0%
2010	875,593	40% (10% of salary)	100%

The single figure of remuneration for 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 £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 2017 compared with 2016	
	CEO	Employees
Salary and fees	2%	2%
All taxable benefits	22%	2%
Annual bonuses	(15%)	(15%)

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 Bonus Plan awarded to Executive Directors is directly linked to the bonuses awarded to all staff.

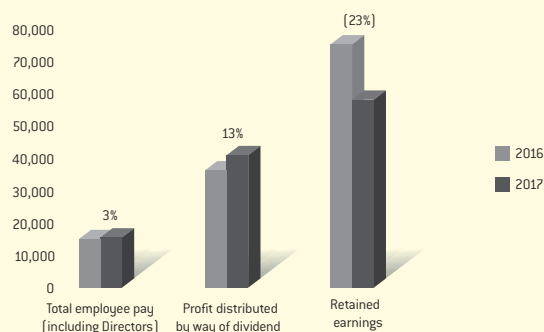
The Directors are invited to be present at this review of the proposals for salary increase for the employee population generally and on any other changes to remuneration policy within the Company. The information presented at this review is taken into consideration when setting the pay levels of the 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.

Remuneration Report (continued)

Year ended 31 March 2017

Relative importance of spend on pay

The graph sets out the relative importance of spend on pay in the year ended 31 March 2017 and 31 March 2016 compared with other disbursements from profit, being the distributions to shareholders and retained earnings [comprehensive gain for the year less dividends].



Advisers to the Remuneration Committee

The Committee consults with the Executive Chairman, Nicholas Vetch, about proposals on a range of matters relating to the remuneration of the Executive Directors including the levels of overall remuneration, salary and bonus and awards and distributions under the share incentive and bonus plans.

The Committee relies upon remuneration data provided by PwC. In addition, PwC has provided advice to the Committee on the preparation of this report as well as on market practice and trends. PwC is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK.

The Committee is satisfied that advice received from PwC during the year was objective and independent.

Adviser	Appointed by	Services provided to the Committee in 2016/17	Fees in relation to remuneration advice
PwC	Remuneration Committee in 2008	Remuneration market practice, governance updates and support in the drafting of the Directors' Remuneration Report.	£6,000

Attendance at Remuneration Committee meetings

Attendance at meetings of the individual Directors at the Remuneration Committee Meetings that they were eligible to attend is shown in the table below:

Director	Number of meetings attended
Tim Clark	●●●
Richard Cotton	●●●
Georgina Harvey	●●●
Steve Johnson	●●○
Mark Richardson	●●●

● attended ○ absent

Steve Johnson missed one meeting due to an unavoidable business commitment.

Consideration of shareholders' views

The Group is committed to ongoing shareholder dialogue and monitors and reviews 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. Following feedback from shareholders, we have enhanced the disclosures surrounding the annual bonus paid to the Executive Directors in this report.

The table below shows the advisory vote on the 2016 Remuneration Report at the AGM held on 22 July 2016.

	Votes for	%	Votes Against	%	Votes withheld
2016 Remuneration Report	125,349,939	99.25	944,742	0.75	239,135

The views of our shareholders are very important to us and 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 Policy, the Remuneration Committee Chairman will inform major shareholders in advance, and will offer a meeting to discuss these.

Tim Clark

Chairman of the Remuneration Committee
22 May 2017