Remuneration Report

Year ended 31 March 2018

INTRODUCTION

This report details the activities of the Remuneration Committee for the period from 1 April 2017 to 31 March 2018.

The report has been prepared by the Remuneration Committee and approved by the Board.

It sets out the proposed Remuneration Policy for which the Committee is seeking approval at the forthcoming AGM and remuneration details for the Executive and Non-Executive Directors of the Company (both in terms of how the existing Policy has been operated and how the proposed Policy will operate). 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 2018, the proposed new Remuneration Policy and how it will be operated in the year ending 31 March 2019;
> **The Remuneration Policy Report** – which sets out the proposed Remuneration Policy for which shareholder approval will be sought 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 2019, the link between Company performance and remuneration for the year ended 31 March 2018 and payments and awards made to the Directors in respect of the year just ended.

The Companies Act 2006 requires the auditor to report to the shareholders on certain parts of the Remuneration Report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the Annual Report on Remuneration that are subject to audit are indicated in the report. The Annual Statement by the Remuneration Committee Chair and the Remuneration Policy Report are not subject to audit.

The Committee and its Work During the Year

Committee Chair: Tim Clark (to 19 July 2017), Georgina Harvey (from 20 July 2017)

Committee members: Tim Clark (from 20 July 2017), Richard Cotton, Georgina Harvey (until 19 July 2017), Steve Johnson, Mark Richardson (until 20 July 2017), Vince Niblett (from 1 June 2017) and Anna Keay (from 1 March 2018)

Terms of Reference: www.corporate.bigyellow.co.uk/investors/governance/remuneration-policy.aspx

The Committee met four times during the year under review.

The Committee's main activities during the year ended 31 March 2018 (full details are set out in the relevant sections of this report) included:

> Agreeing Executive Director base salary increases from 1 April 2017 (2%);
> Agreeing the annual bonus pay-out for the year ended 31 March 2017 and setting the targets for the annual bonus for the year ended 31 March 2018;
> Reviewing the interim performance targets in respect of the Long Term Bonus Performance Plan ("LTBPP") awards which had a three-year performance period ended 31 March 2018;
> Reviewing the EPS and Total Shareholder Return ("TSR") performance targets and determining the percentage vesting for the 2014 LTIP awards which vested in 2017;
> Reviewing the Company's Gender Pay calculations and draft disclosures; and
> Reviewing the Remuneration Policy and consulting with the Company's major shareholders and representative bodies in respect of the proposed Remuneration Policy which will be taken to shareholders for approval at the 2018 AGM.

ANNUAL STATEMENT

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2018. This is my first report as Chair of the Committee and I would like to thank Tim Clark, who chaired the Committee for nine years, for all of his hard work.

At the 2018 AGM, we will be tabling a binding resolution to seek shareholder approval to update our existing Directors' Remuneration Policy, for which shareholder approval was originally obtained in 2015. A binding resolution will also be tabled to seek approval for the establishment of a Deferred Share Bonus Plan to enable part of the annual bonus to be deferred into shares for a period of time. In addition, the regular advisory resolution to approve the Annual Report on Remuneration will also be tabled.

Performance, Decisions and Reward Outcomes for the year ended 31 March 2018

The business conditions and performance of the Group in the year ended 31 March 2018 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;
> Big Yellow is the clear UK brand leader in self storage and delivered growth in occupancy, cash flow and earnings for the ninth year in a row;
> Revenue, cash flow and adjusted profit before tax increased by 7%, 13% and 12% respectively;
> Like-for-like occupancy increased by 3.9 ppts; and
> Dividends are being increased by 12%.

This strong performance has been reflected in the annual bonus award and share awards which vested in the year ended 31 March 2018.

Performance, Decisions and Reward Outcomes for the year ended 31 March 2018 (continued)

Payments made to the Executive Directors under the annual bonus plan amounted to 12.9% 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 consistent with the average bonus awarded across the stores and head office.

As a result of the Long Term Bonus Performance Plan (LTBPP) awards reaching the end of the three-year performance period to 31 March 2018, 93.3% of the awards are expected to vest in August 2018 based on strong 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 2014, which vested in July 2017, three-year EPS and TSR performance resulted in 100% of awards vesting.

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

Remuneration Policy Review

Big Yellow has sought to offer a remuneration policy for its Executive Directors close to, but generally below market levels. However, packages in practice and salary levels in particular, have been significantly below market levels in recent years. In addition, the Policy has been at the more complicated end of market practice due to the operation of three incentive plans, being an annual bonus, a conventional LTIP granted annually and LTBPP whereby awards have been granted every three years. It is against this background and the sensitivities surrounding the executive pay debate that the Committee has reviewed Big Yellow's Remuneration Policy, which has been in place since it was formally approved by shareholders at the 2015 AGM.

Following the completion of its review, the Committee has concluded that the current incentive arrangements are overly complicated in terms of administration and communication and the current salary positioning is no longer sustainable (and risks creating significant issues in future in respect of both retention and recruitment). As such, the Committee wishes to simplify the Remuneration Policy and align it to a more conventional approach in respect of fixed and variable pay which better reflects Big Yellow (in terms of maturity, size and complexity) and individual contributions (in terms of each individual's relative responsibilities and roles).

The Committee is therefore proposing: (i) a major simplification (and reduction, in percentage of salary terms) of Big Yellow's incentive arrangements; (ii) certain adjustments to Executive Director base salary levels to more appropriate and fair levels; (iii) a reduction to Executive Director pension provision in support of the Investment Association's encouragement for pension alignment internally; and (iv) additional/enhanced shareholder protections to update the Policy.

Summary of the Proposed Changes

While details of the proposed changes to the Remuneration Policy and its implementation are set out in detail in the Directors' Remuneration Policy and Annual Report on Remuneration, in summary, the key changes are:

> **Simplified incentive arrangements** – the LTBPP, whereby awards are granted every three years, with performance targets set annually and reviewed at the end of each financial year and end of the three-year period, will be replaced by a conventional deferred annual bonus arrangement. Rather than enabling a grant of up to 675% of salary every three years (providing the average award level across the four Executive Directors does not exceed 450% of salary award every three years), it is proposed that going forward, subject to shareholder approval, the LTBPP is consolidated into the annual bonus (albeit with significant deferral). As such, the annual bonus will be capped at 150% of salary with the existing 25% of salary continuing to be aligned to the workforce cash annual bonus (measured through occupancy growth, store profitability, store audits and customer satisfaction scores), and the remaining 125% of salary (measured against financial, operational, real estate and strategic targets) deferred into Big Yellow shares for three years (with vesting subject to continued employment).
> Full details of the performance targets set, and Big Yellow's performance against those targets with resulting pay-outs, will normally be disclosed in the relevant Remuneration Report for the year just ended. Alternatively, if the targets are considered to be commercially sensitive, they will be disclosed at the point the Committee considers that they have ceased to be so.

> **Phased base salary increases** – Executive Director base salaries will be increased over three years, to more closely reflect each Executive Director's role and contribution to Big Yellow and Big Yellow's size and complexity, which has increased significantly. 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 a review of Executive Director base salary levels as part of the Remuneration Policy review, the Remuneration Committee has concluded that current salary levels are no longer reflective of each individual's role and responsibilities in a company of Big Yellow's size and complexity given the increase in: (i) the number of stores; (ii) the geographical spread, (iii) the employee base; (iv) customers; (v) revenue; and (vi) profits over the last ten years. As such, and in connection with the simplification and de-gearing of incentive potential as part of the Remuneration Policy review, the following base salary increases are proposed:

	Chief Executive (James Gibson)	Executive Chairman (Nicholas Vetch)	Chief Financial Officer (John Trotman)	Operations Director (Adrian Lee)
Current	£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

Summary of the Proposed Changes (continued)

The Committee considers the proposed base salary levels to be more appropriate in light of each individual's role and contribution to Big Yellow and Big Yellow's size and complexity (although they remain conservatively positioned against the sector and market more generally). Further, in addition to his Executive Chairman role, it should also be noted that Nicholas Vetch has also taken on executive responsibility for the property team in the past year, covering both property acquisitions and development.
The proposed salary increases are neither post freeze catch-up awards, nor are they benchmarking driven and while the Committee had originally intended to increase salary levels from 1 April 2018 and 1 April 2019, the Committee has decided to phase the salary increases over three years following feedback received from a number of investors during consultation.

Further, in line with best practice, the increases from 1 April 2019 and 1 April 2020 are not guaranteed but will be subject to satisfactory Group and individual performance during the years ending 31 March 2019 and 31 March 2020. Other than for a material role change, subsequent salary increases are expected to be in line with the general workforce increases.

> **Reduced pension provision** – Reflecting the proposed base salary increases and the Investment Association's recent encouragement for company pension provision to be aligned to that provided to the general workforce (as a percentage of salary), Executive Director pension provision will be reduced from 15% of salary (with a policy maximum of 20% of salary) to 10% of salary (being the pension provided for the Company's Department Heads).
> **Enhanced shareholder protection** – A two-year post vesting holding period will be introduced on future LTIP awards granted to Executive Directors following the 2018 AGM. Further, withholding and recovery provisions (malus and clawback) will be added to the annual (and deferred) bonus plan and the existing provisions in the LTIP will be updated and enhanced where necessary. Shareholding guidelines will remain at 200% of salary.

Shareholder Consultation Exercise and 2018 AGM Resolutions

The Remuneration Committee has carefully considered the proposed policy on executive remuneration and the implementation of the approach underlying that policy during the year ending 31 March 2019. This has included an extensive consultation exercise with Big Yellow's top 15 investors and the major shareholder representative bodies and I would like to take this opportunity to thank them for their constructive and very positive feedback on the proposals, which the Committee considered and which helped formulate the final policy that is being put to shareholders for approval.

I therefore hope that, at the AGM on 19 July 2018, you will support:

> the binding resolution on the revised Directors' Remuneration Policy contained within this Remuneration Report;
> the binding resolution on the establishment of a Deferred Share Bonus Plan to enable a significant part of the annual bonus to be deferred into shares for a period of time; and
> the advisory resolution on the remuneration paid to the Directors in the last financial year, and implementation of the new Remuneration Policy for the forthcoming year as set out in the Annual Remuneration Report section of this Remuneration Report.

Finally, I would like to extend my thanks to my fellow colleagues on the Committee for their support and work in 2017/18.

Georgina Harvey
Chair of the Remuneration Committee
21 May 2018

REPORT ON DIRECTORS' REMUNERATION POLICY

This section of the Remuneration Report contains details of the Company's Directors' Remuneration Policy (the "Policy") which will govern the Company's approach to remuneration. Following a remuneration review conducted by the Committee, a revised Remuneration Policy is being proposed which will be put to shareholders for approval at the Company's AGM on 19 July 2018.

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 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 Directors and Non-Executive Directors.

Policy Duration

The new Directors' Remuneration Policy Report will be put to a binding shareholder vote at the AGM on 19 July 2018 and, subject to receiving majority shareholder support, the Policy will apply from the date of approval and is intended to remain in place for a maximum of three years. That said, the Remuneration Committee will keep the Policy under review to ensure that it continues to remain appropriate.

Changes from 2015 Remuneration Policy

The main changes from the 2015 Remuneration Policy are summarised below:

- **Simplified incentive arrangements.** The Long Term Bonus Performance Plan ("LTBPP"), whereby awards are granted every three years, with performance targets set annually and reviewed at the end of each financial year and at the end of the three year period, will be consolidated into the annual bonus arrangement albeit with significant deferral. Rather than enabling a grant of up to 675% of salary every three years (providing the average award level across the four Executive Directors does not exceed 450% of salary award every three years), it is proposed that going forward, subject to shareholder approval, the annual bonus will be capped at 150% of salary with:
  - 25% of salary continuing to be aligned to the workforce cash annual bonus (measured against store performance, through occupancy growth, store profitability, store audits and customer satisfaction scores); and
  - the remaining 125% of salary (measured against financial, operational, real estate and strategic targets) deferred into Big Yellow shares for three years, with vesting subject to continued employment.
- **Reduced pension provision.** Reflecting the proposed base salary increases explained in the Annual Statement and Annual Report on Remuneration and the Investment Association's recent encouragement for company pension provision to be aligned to that provided to the general workforce (as a percentage of salary), Executive Director pension provision will be reduced from 15% of salary (with a policy maximum of 20% of salary) to 10% of salary (being the pension provided for Big Yellow Department Heads).
- **Enhanced shareholder protection.** In addition to the changes above, a two-year post vesting holding period will be introduced on future LTIP awards granted to Executive Directors following the 2018 AGM and withholding and recovery provisions (malus and clawback) will be added to the annual (and deferred) bonus plan and the existing provisions in the LTIP will be updated and enhanced where necessary.

To aid the administration and clarity of its operation, a number of minor changes have also been made to the wording of the Policy where appropriate.

Summary Policy table (Executive Directors)

The main components of the Directors' Remuneration Policy, and how they are linked to and support the Company's business strategy, which will take effect subject to approval from shareholders at the AGM on 19 July 2018, are summarised below:

Executive 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.	Base salary is normally set annually on 1 April. 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: > 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; and inflation; and > increases provided to Executive Directors in comparable companies (although such data would be used with caution).	Salaries are typically set after considering the salary levels in companies of a similar size and complexity in the FTSE 250. Our overall policy is normally to target salaries at close to median levels. Base salaries are intended to increase in line with inflation and general employee increases in salary. 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. There is no maximum salary cap in place.	None
Annual bonus	The annual bonus aligns reward to key Group strategic objectives and drives short-term performance.	Executive Directors participate in an annual performance-related bonus scheme. Up to 25% of salary will be paid in cash. Up to 125% of salary will be deferred into shares for three years. Dividend equivalents may be payable on deferred share awards. The annual bonus plan rules contain clawback and malus provisions.	Bonus potential: 150% of salary.	Assessed annually and determined by the Committee based on financial, strategic and/or personal performance against the Group's business plan for each financial year.

Summary Policy table (Executive Directors)

	Purpose and link to strategy	Operation	Maximum potential value	Performance conditions and assessment
Long Term Incentive Plan	The Long Term Incentive Plan aligns Executive Director interests with those of shareholders and rewards value creation.	Awards are made annually to the Executive 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. The awards granted under the Long Term Incentive Plan are subject to performance conditions to be met over a performance period of three years. Dividend equivalents may be payable on LTIP awards during the vesting period, to the extent awards vest. The LTIP contains clawback and malus provisions. A two year post vesting holding period will be applied to any LTIP award granted to Executive Directors following the 2018 AGM.	Maximum annual grant is 100% of base salary, with normal awards of 100% of annual salary for the Executive Directors. Minimum vesting is 25% of salary assuming achievement of threshold performance, and the maximum vesting is 100% of salary.	Vesting under the LTIP is based on financial and share-price related performance measures.
Pension	To provide competitive levels of retirement benefit.	Contribution made into Executive Directors 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.	Benefits include: > Private fuel > Private medical insurance > Permanent health insurance > Life assurance of four times base salary > Relocation allowances (where relevant) Other benefits may be provided where appropriate. The type and level of benefits provided is reviewed annually to ensure they remain market competitive.	Maximum opportunity is the total cost of providing the benefits. There is no monetary cap on benefits.	None
Shareholding policy	To ensure that Executive 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 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 Directors with those of shareholders.

1. Annual bonus performance measures and targets

Annual bonuses for the Executive 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 Directors and the value created for shareholders. The two metrics for the outstanding and proposed 2018 awards are:

- Relative TSR against the FTSE Real Estate Index, as Big Yellow's historic performance has been closely aligned to the performance of this Index; and
- 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 annual bonus, deferred 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 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 discretions 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 discretions under the terms of the annual bonus plan (both cash and deferred shares) and LTIP, the Committee has discretion to determine whether an individual is classified as a "good leaver".

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

5. Differences in remuneration policy for all employees

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

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

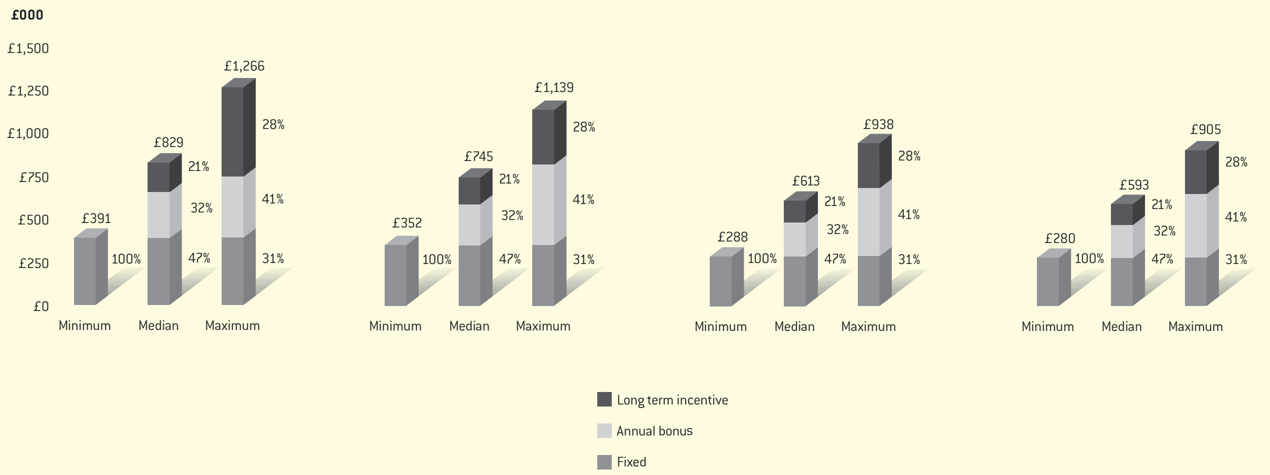
Illustrations of application of Remuneration Policy

The graphs below seek to demonstrate how pay varies with performance for the Executive Directors based on the proposed Remuneration Policy, which is subject to shareholder approval.

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

Scenario	Description				
Fixed Pay		**Chief Executive**	**Executive Chairman**	**Chief Financial Officer**	**Operations Director**
	Base salary (1 April 2018)	£350,000	£315,000	£260,000	£250,000
	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.				

Chief Executive Officer | Executive Chairman | Chief Financial Officer | Operations Director



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	Fee levels are normally reviewed annually in March. The Non-Executive Director fee structure is a matter for the full Board. Non-Executive Directors may be entitled to benefits relating to travel and office support and such other benefits as may be considered appropriate. The fees may be paid in the form of shares.	Fee levels are normally set at broadly median levels for comparable roles at companies of a similar size and complexity within the FTSE 250. Fees are normally intended to increase in line with inflation.	N/A

Non-Executive Directors' fees comprises of a base fee, with an additional £5,000 for a Committee Chairman and for the Senior Independent Non-Executive Director.

Approach to recruitment remuneration

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

Salary and benefits	> 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 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	> Annual bonus of up to 150% of base salary. > Long term incentive plan award of equivalent to 100% of base salary.
Sign-on payments	> The Company does not provide sign-on payments to Executive Directors.

Share buy-outs	> 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:
	  > 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	> In instances where the new Executive Director is relocating from one work location to another, the Company may provide, as a one-off or otherwise, a relocation allowance as part of the Director's relocation benefits. > The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost of living differences, housing allowance and schooling.

Service contracts

The Company's policy on Directors' service contracts is that they should be on a rolling basis without a specific end-date providing for one year's notice. All Executive 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	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. There will be no compensation for normal resignation or in the event of termination by the Company due to misconduct.
Annual bonus	If the individual is a good leaver, 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). Deferred share awards would normally vest at the normal vesting date (although may vest at the date of cessation). 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. 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.
Long term incentives (LTIP)	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. 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. 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 for any other reason which the Committee in its absolute discretion permits. 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.
Other	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.

Statement of consideration of shareholders' views

The views of our shareholders are very important to the Committee and we have actively consulted with our major shareholders and the main representative bodies to help formulate our amended Remuneration Policy and arrangements proposed in this report.

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 inform 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 2017 Remuneration Report and the binding vote on the Remuneration Policy at the AGM held on 21 July 2015.

	Votes for	%	Votes Against	%	Votes withheld
2017 Remuneration Report	120,565,327	99.17	1,006,046	0.83	3,811,797
2015 Remuneration Policy	124,032,466	99.22	979,331	0.78	177,620

ANNUAL REPORT ON REMUNERATION

This section of the Remuneration Report contains details of how the Directors' Remuneration Policy will, subject to shareholder approval, be implemented for the year ending 31 March 2019 and how it was implemented during the year ended 31 March 2018.

Implementing the Policy for the Year Ending 31 March 2019

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 a review of Executive Director base salary levels as part of the Remuneration Policy review, the Remuneration Committee has concluded that current salary levels are no longer reflective of 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 Remuneration Policy review, the following base salary increases are proposed:

	Chief Executive (James Gibson)	Executive Chairman (Nicholas Vetch)	Chief Financial Officer (John Trotman)	Operations Director (Adrian Lee)
Current	£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

The Committee considers the proposed base salary levels to be more appropriate in light of each individual's role and contribution to Big Yellow and Big Yellow's size and complexity (although they remain conservatively positioned against the sector and market more generally). Further, in addition to his Executive Chairman role, it should also be noted that Nicholas Vetch has also taken on executive responsibility for the property team in the past year, covering both property acquisitions and development.

The proposed salary increases are neither post freeze catch-up awards, nor are they benchmarking driven and while the Committee had originally intended to increase salary levels from 1 April 2018 and 1 April 2019, the Committee has decided to phase the salary increases over three years following consultation with investors.

Further, in line with best practice, the increases from 1 April 2019 and 1 April 2020 are not guaranteed but will be subject to satisfactory Group and individual performance during the years ending 31 March 2019 and 31 March 2020. Other than for a material role change, 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).

Annual bonus

Annual bonus potential will be capped at 150% of salary for the year ending 31 March 2019.

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 2019.

The remaining 125% of salary will be measured against financial, operational, real estate and strategic targets measured over the financial year ending 31 March 2019. Any award under this part will be deferred into Big Yellow shares for three years (with vesting subject to continued employment).

Pension

Reflecting the proposed base salary increases and the Investment Association's recent encouragement for company pension provision to be aligned to that provided to the general workforce (as a percentage of salary), Executive Director pension provision was reduced from 15% of salary to 10% of salary (being the pension provided for the Company's Department Heads) from 1 April 2018.

LTIP

LTIP awards will continue to be granted to Executive Directors annually, over shares equal to 100% of salary. The performance conditions for awards intended to be granted to Executive Directors in 2018 are as follows:

> 70% adjusted EPS – adjusted EPS growth of RPI+3% p.a. 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.

Subject to the new Remuneration Policy receiving shareholder approval, a two year post vesting holding period will be applied to any LTIP award granted to Executive Directors following the 2018 AGM.

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 fees for the year ending 31 March 2019, together with the fees for the year ended 31 March 2018, are as follows:

Non-Executive	2018/19 fee	2017/18 fee
Richard Cotton	£45,100	£44,200
Tim Clark	£45,100	£44,200
Georgina Harvey	£45,100	£44,200
Steve Johnson	£40,000	£39,200
Anna Keay	£40,000	£39,200 [1]
Vince Niblett	£45,100	£44,200 [1]

1 Annual fee from appointment.

How the Policy Was Implemented for the Year Ended 31 March 2018

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 2018.

	Salary £		Taxable benefits[1] £		Annual bonus £		Long term incentives £		Pensions[2] £		Total £	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Nicholas Vetch	**275,200**	269,800	**5,120**	5,313	**35,501**	26,980	**1,328,117**	433,011	**41,280**	40,470	**1,685,218**	775,574
James Gibson	**302,000**	296,000	**5,120**	5,713	**38,958**	29,600	**1,786,688**	474,914	**45,300**	44,400	**2,178,066**	850,627
Adrian Lee	**223,700**	219,300	**4,313**	4,806	**28,857**	21,930	**1,253,430**	329,102	**33,555**	32,895	**1,543,855**	608,033
John Trotman	**223,700**	219,300	**1,806**	2,061	**28,857**	21,930	**1,250,216**	329,102	**33,555**	32,895	**1,538,134**	605,288
Total	**1,024,600**	1,004,400	**16,359**	17,893	**132,173**	100,440	**5,618,451**	1,566,129	**153,690**	150,660	**6,945,273**	2,839,522

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 values shown in long term incentives in the current year are as follows:

> the LTIP award granted in 2014 which vested on 29 July 2017 to 100% of its maximum value and is valued using the share price on that date of 787p. The award granted for 2018 is 100% of salary for each Executive Director;
> the Long Term Bonus Performance Plan, which vested to 93.33% of its maximum value. The award is exercisable from July 2018; and
> for James Gibson and John Trotman, Sharesave awards which matured in the financial year.

The average salary increase across the Group in the year was 2%; this increase was also applied to the Executive Directors from 1 April 2017.

Annual Bonus Plan awards

The policy of the Company is that the cash 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, and in line with the average bonus as a percentage of salary paid across the stores the Executive Directors' received a cash bonus of 12.9% 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 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	37	1	4	3	2	26	73
Average bonus paid	0%	0.8%	2.1%	4.2%	9.0%	12.8%	5.2%

Additionally, twelve stores were awarded bonuses for averaging 85% occupancy and above earning a total weighted average bonus of 0.7%. The weighted average bonus paid to stores for performance against occupancy targets is therefore 5.9% 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	29	12	13	9	10	73
Average bonus paid	0.1%	1.3%	3.6%	4.4%	7.7%	2.5 %

The weighted average bonus paid to stores for performance against profitability targets is therefore 2.5% 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 51 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 1.4% of salary.

Annual Bonus Plan awards (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	22	51	73
Average bonus paid	0%	1.9%	1.4%

The weighted average bonus paid to stores for performance against net promoter scores is therefore 1.4% of salary for the year.

The bonus paid to stores for individual customer service awards amounted to a further 1.7% of salary, which, combined with the net promoter score, amounted to a weighted average bonus paid to the stores for customer satisfaction of 3.1% 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	46%	5.9%
2. Profitability	19%	2.5%
3. Store audits	11%	1.4%
4. Customer satisfaction	24%	3.1%
Total	100%	12.9%

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 12.9% of salary, which equated to the following payments for the Executive Directors:

- Nicholas Vetch – £35,501
- James Gibson – £38,958
- Adrian Lee – £28,857
- John Trotman – £28,857

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.

Vesting is conditional on the achievement of EPS growth of an average of 3% above RPI per annum. This hurdle was met for the 2014 awards, with average annual growth in EPS of 23%, compared to RPI plus 3% of 5% per annum.

The Committee assessed the extent to which the EPS and TSR performance condition has been satisfied for the 2014 award which vested in 2017, 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%	7 out of 31 in comparator group of companies in the FTSE Real Estate Index	100%
Total	**100%**					100%

The full vesting of the 2014 LTIP award in 2017, equated to the following value for the Executive Directors based on the share price at the date of vesting:

- Nicholas Vetch – £397,680 (50,467 shares)
- James Gibson – £431,674 (55,352 shares)
- Adrian Lee – £322,993 (40,989 shares)
- John Trotman – £306,737 (38,926 shares)

LTIP awards granted in year ended 31 March 2018 (Audited)

The table below sets out the details of the long term incentive awards granted in 2017 in the year ended 31 March 2018 where vesting will be determined according to the achievement of performance conditions that will be tested in future.

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	Annual cycle of awards over nil cost options	100% of salary	£275,200	25%	100%	3 August 2020	Adjusted EPS growth and relative TSR
James Gibson			£302,000				
Adrian Lee			£223,700				
John Trotman			£223,700				

1 The face value of the award is calculated using the average share price three days prior to the grant date of 3 August 2017 (average share price of 773.3 pence).

The performance conditions applicable to the awards granted in 2017 are set out below. There are no changes to the performance measures, their weightings and the targets from the awards granted in 2016:

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 (Audited)

The only outstanding LTBPP awards are those granted in 2015 which are due to vest in 2018:

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				

Long Term Bonus Performance Plan (Audited) (continued)

The report on the targets for the year ended 31 March 2018 (other than those which remain commercially sensitive) is summarised in the table below:

Objective	Committee Comment
Grow the Group's annual operating cash flow by £4 million for the year to 31 March 2018 compared to the year to 31 March 2017.	The Group's annual operating cash flow grew by £7.0 million in the year to 31 March 2018.
Increase the Group's occupied space by 175,000 sq ft in the year ending 31 March 2018 compared to a net growth of 112,000 sq ft in the prior year.	Overall occupied space increased by 179,000 sq ft in the year.
Grow the occupancy of the like-for-like stores open at 31 March 2017 to 81.7% by 30 September 2017, and following the seasonal occupancy loss in the third quarter, recover to this level by 31 March 2018, compared to an increase of 2.8 ppts last year.	Occupancy of the like-for-like stores increased to 83.8% by 30 September 2017, a year on year increase of 5.3 ppts. The third quarter saw a slightly larger seasonal occupancy loss than the prior year, due to the strong summer's trading, but after a return to growth in Q4, the closing occupancy was 81.9%, a year on year increase of 3.9 ppts.
Grow the average net rent per square foot across the stores from £26.03 per square foot by 1.5% to £26.43 by 31 March 2018, compared to growth of 0.5% in 2017.	The average net rent across the portfolio at 31 March 2018 was £26.74, an increase of 2.7% from 1 April 2017.
Meet budgeted revenue (£114.6 million) and adjusted profit before tax (£59.2 million) targets.	Revenue for the year was £116.7 million, 2% ahead of budget. Adjusted profit before tax was £61.4 million, 4% ahead of budget.
Meet or exceed the budgeted adjusted earnings per share of 37.2 pence.	Adjusted earnings per share were 38.5 pence for the year, 3% ahead of the budgeted amount.
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 acquired five development sites since 1 April 2017 in Wapping (London), Uxbridge (London), Hove, Bracknell and Slough, increasing the development pipeline to 10 sites (including one extension site). The Group continues to monitor other opportunities.
Maintain the Group's online market share measured against the top 35 self storage operators by Connexity Hitwise, at on average greater than 30%.	The Group's online market share for the year as measured by Connexity Hitwise was 31%.
The planning application for Camberwell has been rejected on design grounds. We have submitted an appeal by way of an informal hearing rather than a full public inquiry. The objective is to have a planning consent by March 2018.	Planning consent has now been granted for the development of a 72,000 sq ft stores at Camberwell. We are now starting detailed design work.
Obtain planning consent for Manchester.	Planning consent was granted in September 2017 for a 60,000 sq ft store. We have started construction with a view to a store in opening in spring 2019.
Maintain the net promoter score for customer satisfaction from the Customer Experience programme in excess of 70 for move ins and 65 for move out surveys.	The move in NPS score for the year was 86, an increase from 83 in the prior year. The move out NPS score for the year was 70, an increase from 67 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 YouGov survey commissioned in April 2018 has shown our prompted awareness to be at 71% in London, over two and half times higher than our nearest competitor and 46% for the rest of the UK, over three times higher than our nearest competitor. For unprompted brand awareness, our recall in London is 46%, six and a half times higher than our nearest competitor and for the rest of the UK it is 23%, nearly eight times higher than our nearest competitor.
Reduce the carbon intensity for the year to 31 March 2018 ($KgCO_2/m^2$ of occupied space) by 5% from the year to 31 March 2017.	Carbon intensity was reduced by 20% for the year to 31 March 2018.

Long Term Bonus Performance Plan (Audited) (continued)

The other targets, covering areas such as real estate, staffing and certain financial targets, were met in the majority of cases. They have not been disclosed as they are commercially sensitive.

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 2018 has vested at 100% of its potential amount for the year. For the years ended 31 March 2016 and 31 March 2017, the Committee concluded that the award had provisionally vested as to 90% of its potential amount for each year.

The Committee has also then assessed the vesting for the three years of the plan and has determined an overall vesting of 93.33% for the whole period of the plan. In reaching this determination, the Committee took into account the fact that, over the three years of the plan, substantially all of the annual targets set at the outset of each year (by reference to the relevant business plan) had been met as well as the significant progress which has been made by the Group over the past three years. By way of illustration, over the past three years, the Group's revenue has increased by 38%, with adjusted EPS increasing by 42% and dividends declared increasing by 42%. The Committee believes that this level of vesting is therefore consistent with the Group's performance and the shareholder experience and, as such awards under the plan will formally vest in July 2018. Once vested, part of the award will then be subject to a holding period in line with the current 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 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 83.

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 2018, the Company contribution was 15% of salary for the Executive 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 2018 (2017: 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 2018 (2017: 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 2018:

	2018	2017
Tim Clark	44,200	43,700
Richard Cotton	44,200	41,000
Georgina Harvey	44,200	38,400
Steve Johnson	39,200	38,400
Anna Keay	3,267[1]	–
Vince Niblett	36,833[2]	–
Mark Richardson	13,442[3]	41,000
Total	225,342	202,500

1 From appointment on 1 March 2018
2 From appointment on 1 June 2017
3 Until retirement on 20 July 2017

For the year ended 31 March 2018, the Company reviewed the Non-Executive Director base fee and decided to adjust it to £39,200 from £38,400 (2% increase) and to harmonise the fees provided for Committee Chairs and the Senior Independent Director to £44,200. Non-Executive Directors received no taxable benefits for the year ended 31 March 2018.

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 (Audited)

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 2018 and the date of this report.

The table below shows, in relation to each Director, the total number of shares and share options in which they have an interest. LTBPP 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 March 2018 salary	Beneficially owned shares	LTIP awards subject to performance conditions	Unexercised Sharesave options	Options exercised in the financial year
Nicholas Vetch	2x	Yes	279x	8,988,366	111,120	–	50,467
James Gibson	2x	Yes	70x	2,465,309	121,908	2,812	57,171
Adrian Lee	2x	Yes	33x	854,643	90,324	2,960	40,989
John Trotman	2x	Yes	7x	179,788	90,324	2,665	42,565

Non-Executive Directors' shareholdings (Audited)

Non-Executive	Beneficially owned shares
Richard Cotton	88,485
Tim Clark	20,615
Georgina Harvey	15,293
Steve Johnson	10,000
Vince Niblett	3,000
Anna Keay	–

Directors' share awards (Audited)

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:

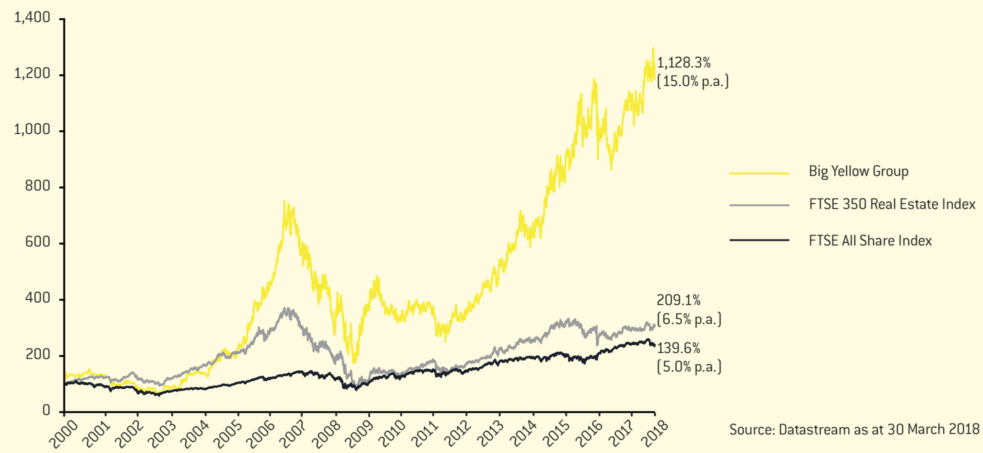
Name	Date option granted	Scheme	No. of shares under option at 31 March 2017	Granted during the year	Exercised during the year	Lapsed during the year	**No. of shares under option at 31 March 2018**	Exercise price	Market price at date of exercise	Date from which first exercisable	Expiry Date
Nicholas Vetch	29 July 2014	LTIP	50,467	–	(50,467)	–	**–**	nil p	748.5p	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
	3 August 2017	LTIP	–	35,588	–	–	**35,588**	nil p	–	3 August 2020	2 August 2027
James Gibson	29 July 2014	LTIP	55,352	–	(55,352)	–	**–**	nil p	775.1p	29 July 2017	28 July 2024
	16 March 2015	SAYE	1,819	–	(1,819)	–	**–**	494.6p	853.0p	31 March 2018	1 October 2018
	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
	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	29 July 2014	LTIP	40,989	–	(40,989)	–	**–**	nil p	775.1p	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
	3 August 2017	LTIP	–	28,928	–	–	**28,928**	nil p	–	3 August 2020	2 August 2027
John Trotman	29 July 2014	LTIP	38,926	–	(38,926)	–	**–**	nil p	775.1p	29 July 2017	28 July 2024
	16 March 2015	SAYE	3,639	–	(3,639)	–	**–**	494.6p	853.0p	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
	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	–	31 March 2021	1 October 2021

A proportion of the LTIP awards that were exercised in the year by the four Executive Directors were delivered through CSOP approved options. Each Executive Director exercised an option over 5,838 approved shares. The value delivered through these approved options was surrendered in the unapproved LTIPs above.

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.

TSR Performance from flotation



Source: Datastream as at 30 March 2018

CEO Remuneration

The table below sets out the details of remuneration of the CEO over the past nine 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 %
2018	2,178,066	51.6% (12.9% of salary)	95%
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 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 2018 compared with 2017	
	CEO	Employees
Salary and fees	2%	2%
All taxable benefits	(10%)	2%
Annual bonuses	29%	29%

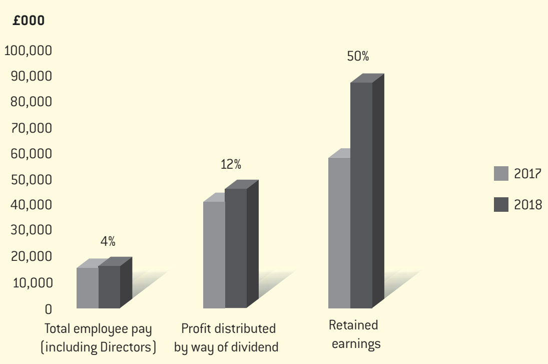
Statement of consideration of employment conditions elsewhere in the Group

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 cash annual bonus 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.

Relative importance of spend on pay

The graph below sets out the relative importance of spend on pay in the year ended 31 March 2018 and 31 March 2017 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 2017. 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 26%, with a median gap of 10%. Excluding Executive Directors (three of whom were founders of the business), the mean gender pay gap falls to 12% with a median gap of 9%. All staff are paid equally according to job role.

The Group recognises that its success stems from attracting the right people and creating a diverse and gender balanced workforce, which not only reflects the communities in which the Group operates but also ensures a fully motivated and engaged team. The Group will ensure that every policy and practice encourages inclusive ways of working, in line with the Big Yellow culture.

Flexible working is promoted across the organisation, with a number of Head Office employees being home based, others working flexibly from home and all employees being able to work from any location within the business.

The family friendly policies include enhanced maternity, paternity and adoption pay and the Group's parental leave policy encourages both men and women to share childcare commitments.

The Group will continue to recruit based on merit and ensure that recruitment processes are bias free. The Group has recently recruited a female at senior management level to replace a position previously held by a male employee and will continue to endeavour to increase the number of women in all senior positions. In addition, the Group intends to review our recruitment practices to actively increase the representation of women within store management positions, as well as better utilising internal development programmes to encourage a greater number of women to progress within the Group. The Group will also be introducing a specific return to work programme for employees returning from maternity leave.

Advisers to the Remuneration Committee

In undertaking its responsibilities, the committee seeks independent external advice as necessary. To this end, FIT Remuneration Consultants LLP replaced PwC as the principal external advisers to the Committee during the financial year, following a tender process overseen by the Committee. 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 Remuneration Policy review. 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 £55,000.

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	●●●●
Anna Keay	●
Vince Niblett	●●●
Mark Richardson	●

● attended
○ absent

Approval

This policy report was approved by the Board of Directors on 21 May 2018 and signed on its behalf by

Georgina Harvey
Remuneration Committee Chair