The Company has performed exceptionally and continued to deliver significant shareholder value during 2020/21

Claire Balmforth
Chair of the Remuneration Committee

Part A: annual statement

Dear shareholder

On behalf of the Remuneration Committee (the "Committee"), I am pleased to provide an overview of our work in relation to both Director and wider workforce remuneration for the year ended 31 October 2021. Following this year's AGM, both I and the other members of the Committee were encouraged to see that the remuneration report was positively received by our shareholders, with 96.6% of the votes in favour. I would like to thank all our shareholders for their overwhelming support on remuneration matters.

Responding to the challenging environment

As set out in this Annual Report, the Board is proud of Safestore's achievements this year, with the business performing exceptionally well despite the continued challenges from the ongoing pandemic. We achieved a record set of financial results, significantly ahead of budget, and continue with our progressive dividend policy. We have also made good strategic progress in the year through continuing to focus on the significant upside from filling the 1.1 million sq ft of fully invested currently unlet space in our UK, France and Spain markets as well as the 0.8 million of additional pipeline capacity. Our joint venture with Carlyle, operating in Belgium and the Netherlands, continues to perform in line with its business plan. The inherent resilience of the business model has allowed us to respond to the economic uncertainty without having to access the UK government's Covid-19 related support funds and schemes in 2021 or 2020.

Over the past year, our priority has continued to be the health and wellbeing of our customers and colleagues. We are exceptionally proud that our commitment to colleagues has been recognised externally during the year by the award of the prestigious Investors in People ("IIP") Platinum accreditation.

We have continued to operate our stores in all geographies in line with government guidance on social distancing measures and provided personal protective equipment to colleagues working in stores. We are fortunate to be able to provide stability and security of pay for our workforce throughout this difficult period and are pleased to say that we have continued to pay all colleagues in full, regardless of hours worked during lockdown, and especially those who had to shield for medical reasons. We have not had to furlough any of our colleagues or make any redundancies as a result of Covid-19.

The Company continues to increase base salaries for all colleagues (including Board Directors), and I am pleased to report that an average increase of 4.2% was provided to colleagues during 2021, well ahead of inflation at that time. In addition, to show our appreciation for the commitment and resilience of all our colleagues, we paid a one-off recognition award.

Committee activities in 2021

Clearly, a significant amount of the Committee's time in 2021 was spent continuing to assess the impact of Covid-19. In addition, we also did the following:

- approved the alignment of the Executive Director pension contribution rate with the wider workforce (further details below);
- considered wider workforce pay policies and practices and feedback from the workforce panel;
- approved the salary increase for Executive Directors and senior managers alongside the wider workforce salary budget;
- agreed annual bonus targets for 2021;
- reviewed and approved the 2021 LTIP grant and the associated performance conditions;
- discussed and approved Executive Director and senior manager remuneration outcomes for 2021 including measuring the performance of the EPS element of the 2017 LTIP award;
- reviewed the gender pay gap analysis results and signed off actions;
- reviewed and approved the Directors' remuneration report for 2020/21; and
- reviewed the Committee's terms of reference.

Planned activities for 2022

We set out below the activities which the Committee expects to undertake next year:

- our normal oversight of the annual remuneration cycle including approving Company-wide salary increases, approving the annual bonus and LTIP targets for 2022, measuring performance against the bonus targets and determining the vesting outcomes of the relative TSR element of the 2017 LTIP award and the EPS element of the 2020 LTIP award;
- review of Executive Director and senior manager salaries;
- review of wider workforce pay policies and practices and feedback from the workforce panel; and
- review of the Directors' Remuneration Policy to enable the Committee to design a new Policy, engage with investors and present it for approval by shareholders at the 2023 AGM.

Part A: annual statement *continued*

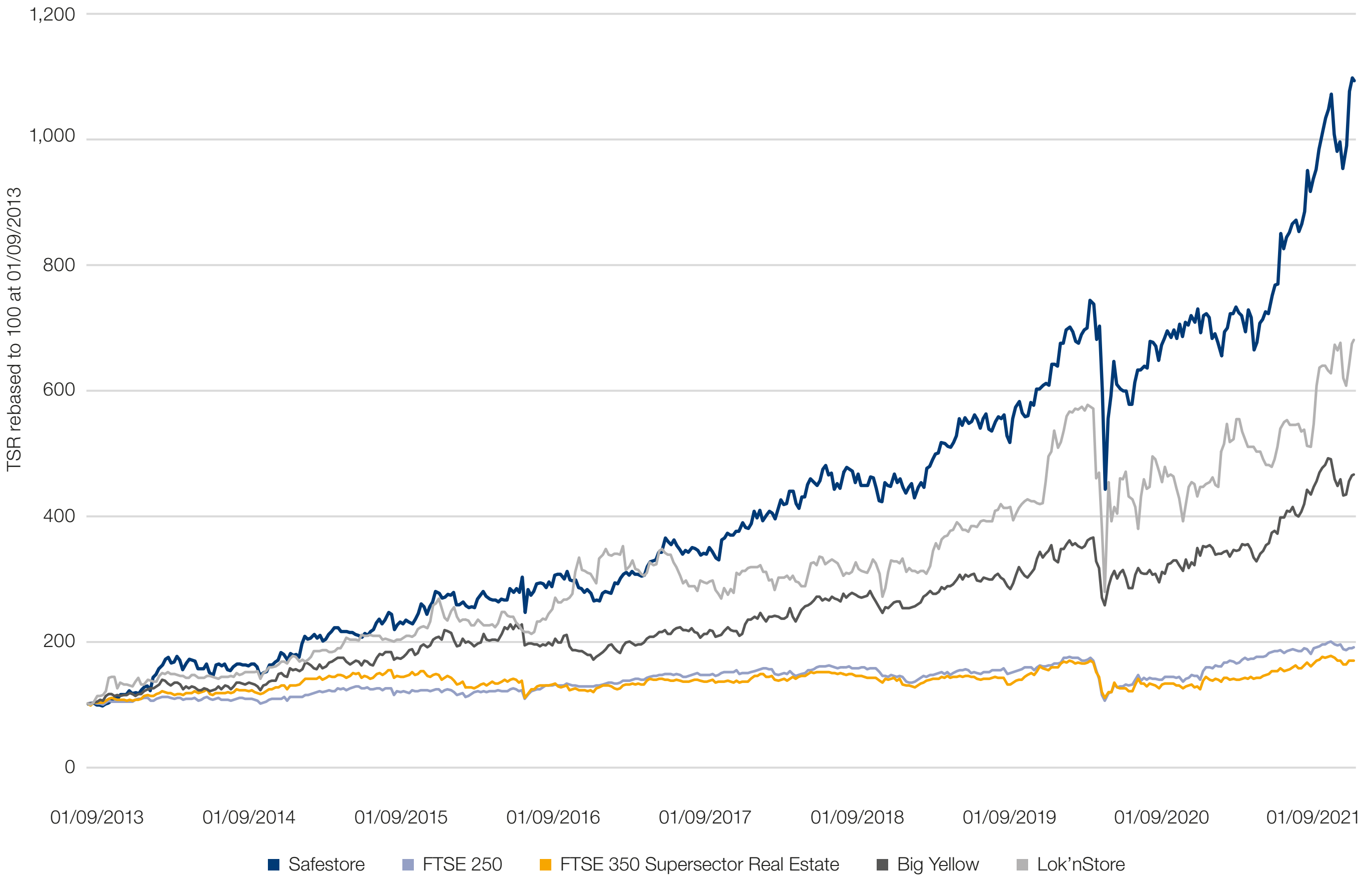
Remuneration outcome for 2021

How we have performed in 2021

It has been an exceptionally strong year for Safestore and we are proud of everything the Executive Team has achieved, not least the very significant value created for shareholders during the period. In the context of a global pandemic, we exceeded both our own and investor expectations and this is reflected in our 2021 performance outcomes. Highlights for 2021 performance include:

- Group revenue up 15.1% to £187.0 million;
- underlying EBITDA up 25.7% to £118.0 million;
- Adjusted Diluted EPRA Earnings per Share up 34.1% to a record 40.5 pence resulting in 105% growth over the five years to 31 October 2021;
- TSR growth of 53% over 2021 and £840 million of value created for shareholders through the increase in the Company's market capitalisation;
- expansion of the property pipeline to over 800,000 sq ft of MLA through securing a combination of freehold and leasehold sites;
- Group occupancy at 31 October 2021 stood at 84.5%, up 5.0ppts on 2020, and total occupancy was 5.883 million sq ft, up 7.9% on 2020;
- significant progress on the Company's joint venture with Carlyle in the Netherlands and Belgium;
- significant strides made in relation to sustainability including successfully removing gas from a number of gas-consuming sites and exceeding our target of 97.5% diversion of construction waste away from landfill; and
- awarded the prestigious Investors in People ("IIP") Platinum accreditation and made the final top ten shortlist for the Platinum Employer of the Year (250+) category in The IIP Awards 2021.

The results for 2021 are a continuation of the strong performance of the business since 2013, when the current team took over the management of Safestore. £100 invested in Safestore in September 2013 would be worth about £1,100 as at 31 October 2021, taking account of share price growth and reinvested dividends, and represents significant outperformance against key competitors and industry benchmarks as shown below.



Base salary increases

After several years of below wider workforce increases, the Committee determined, as part of the annual pay review, to increase the Executive Directors' salaries by 5% from 1 May 2021 resulting in salaries of £441,338 and £314,453 for the CEO and CFO respectively. This increase was slightly above that of the average for the general workforce (4.2%). The Executive Directors' salary increase was in line with Policy, of providing higher increases for experienced individuals who have a proven track record of strong performance and who are paid significantly below market rates.

Following the increase, the Committee is aware that the base salary levels of the Executive Directors remain significantly below the FTSE 250 median of £580,000 for CEOs and £389,000 for CFOs.

Pension alignment

In line with our commitment in the 2020 Annual Report, the Committee reviewed the alignment of the Executive Directors' pension contribution rates with the wider workforce. I am pleased to report the Committee approved a reduction in the Executive Directors' pension contribution rate from 10% of salary to the average workforce rate of 4.1% of salary. In addition, with the agreement of the Executive Directors the reduction was implemented on 1 May 2021.

Annual bonus outcome

Targets for the 2021 annual bonus set by the Committee were based on adjusted EBITDA (two-thirds) and strategic/operational measures (one-third) with a maximum opportunity of 150% of salary. The Committee confirms that no performance target has been adjusted in the year because of the pandemic or any other reason.

Notwithstanding the challenging targets and the tough operating environment, the adjusted EBITDA measure was achieved in full as the adjusted EBITDA (adjusted for budgeted exchange rates) of £118.0 million significantly exceeded the maximum EBITDA target of £98.8 million.

The Committee also assessed that 100% of maximum for the strategic/operational measures would pay out reflecting the strong strategic progress made during 2021 (full details of this assessment are set out on pages 96 to 98).

In total, the overall bonus payout was 100% of maximum and 150% of salary for both Executive Directors, versus a maximum opportunity of 150% of base salary. In line with Policy, 100% of salary will be paid in cash and 50% of salary will be deferred into shares.

In determining the payouts under the annual bonus plan for the Executive Directors, the Committee has been mindful not only of the formulaic outcome against the targets set, but also of the underlying performance of the business. Specifically, the Committee took account of the following factors:

- The Company achieved an outstanding set of financial results with substantial year-on-year growth in all its financial KPIs.
- The financial results were reflected in strong growth in the share price, particularly in the second half of the year which led to TSR growth of 53% over 2021 and £840 million of value created for shareholders through the increase in the Company's market capitalisation.
- The Company paid its final dividend for 2020 to shareholders. The full year dividend for the year ended 31 October 2021 increased by 34.9% from 18.6 pence to 25.1 pence.
- The Company-wide bonus pool has increased by 20% including the one-off colleague recognition bonus, reflecting the exceptional work of all our colleagues.
- The Company has not taken advantage of any UK government support schemes or loans during the pandemic and no redundancies have been made because of Covid-19 with all colleagues paid in full for Covid-19 related absence.

On this basis, the Committee felt comfortable that the formulaic bonus outcome reflected the individual Executive Director and Company performance and, as a result, the Committee determined that no overriding discretion will be applied to the bonus outcome as corporate performance was exceptional.

Long Term Incentive Plans

2017 LTIP – EPS element performance measurement

The performance period of the EPS element of the 2017 LTIP ended on 31 October 2021; EPS performance accounts for two-thirds of the award. On that basis, the Committee measured the Company's EPS over the five-year performance period ending on 31 October 2021 and also measured the Cash on Cash Return in relation to the LTIP underpin. The final vesting level for the 2017 LTIP will not be determined by the Committee until the vesting date of 29 September 2022 and will also take account of the relative TSR element which accounts for the final one-third of the award.

As set out above, Adjusted Diluted EPRA EPS increased by 105% over the five-year performance period to 31 October 2021 equivalent to 15.4% p.a., significantly ahead of the 12% p.a. growth required for maximum performance. The average Cash on Cash Return over the same period was 11.6% which also exceeded the 8% underpin target resulting in 100% of the awards being earned under the EPS element of the 2017 LTIP.

The purpose of the introduction of the 2017 LTIP was to focus 56 colleagues to drive sustainable growth over a five-year period. The Committee believes that the awards earned by the Executive Directors and their colleagues, which will vest in September 2022, are commensurate with the corporate success of the Company achieved over this period as follows:

- EPS growth has flowed through to shareholder returns such that over the five years since the start of the EPS performance period on 1 November 2016 the Company's market capitalisation has increased by £1.79 billion, with £172.1 million of dividend payments made.
- The successful execution of strategy has created a unique business model that combines advanced digital marketing and pricing analytics, a well-located portfolio with extensive pipeline, and a focus on store team sales skills.
- The management team has successfully built a larger and more diversified business, expanding operations into Spain, the Netherlands and Belgium and ensuring that all parts of the Company are run in a sustainable manner.
- Financial success has been achieved in parallel with the Company receiving several accolades in relation to its colleague initiatives and consistently outstanding customer feedback scores.

On this basis the CEO and CFO have earned 1,333,333 and 893,333 shares respectively which will become exercisable on or after the vesting date of 29 September 2022. The Executive Directors will also become entitled to dividend equivalents on these shares when they vest in September 2022 based on the value of dividends accrued between the grant and vesting dates of the award. The value of these awards, plus an estimate of the value of dividend equivalents accrued to 31 October 2021, has been included in the single figure of remuneration table in line with the relevant regulations. I am also delighted that 56 colleagues who participated in the 2017 LTIP will benefit from the awards in line with their exceptional performance.

As mentioned above, the balance of the 2017 LTIP awards depends on the Company's relative TSR performance measured over the five-year period ending on 28 September 2022 and will be reported in our 2022 remuneration report. As at 31 October 2021, Safestore's TSR growth is significantly in excess of the upper quartile of both the FTSE 250 (excluding Investment Trusts) and FTSE 350 Supersector Real Estate Index peer groups which would equate to maximum performance.

Part A: annual statement *continued*

Remuneration outcome for 2021 *continued*

Annual bonus deferred shares

Deferred bonus award nil-cost options granted in respect of annual bonus earned in the year to 31 October 2018 under our previous remuneration policy vested on 1 November 2020. This amounted to 17,191 nil-cost options for the CEO and 12,248 nil-cost options for the CFO, including dividend equivalents.

2021 LTIP grant

The Committee made a grant of nil-cost option awards under the 2020 LTIP on 28 January 2021. In line with Policy the awards had a face value of 200% of base salary, vesting over three years subject to Adjusted Diluted EPRA Earnings per Share growth (two-thirds of the weighting) and relative TSR (one-third of the weighting) performance criteria, together with a Cash on Cash Return underpin. The awards were also subject to a two-year post-vesting holding period. The Committee will have overriding discretion to change the formulaic outcome (both downwards and upwards) if it is out of line with the underlying performance of the Company.

Full details of the performance conditions attached to the awards can be found in the annual report on remuneration on pages 99 and 100.

Non-Executive Directors' fees

The Executive Directors recommended to the Board that Non-Executive fees should rise with base fees increasing to £56,000 and Committee Chair fees increasing to £10,500. The increases are being made following external feedback that the current level of fees did not support the recruitment and retention of Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives. In addition, in line with market practice, from 1 May 2021 the Company paid a Senior Independent Director fee of £10,500, whilst the Chairman fee was increased by 2% to £185,436. Fee levels remain below the median of the FTSE 250.

Implementation of the Policy for 2022

On the basis that the Committee feels that the approved Policy remains fit for purpose, and has overwhelming shareholder support, it is not intended that there will be any deviation from it during 2022. The Committee is comfortable that the Policy, and its overarching remuneration principles, remains relevant for Safestore taking account of the challenges faced by the business and the wider economy. In particular, the Committee tested that the Policy continues to meet the six factors set out in Provision 40 of the UK Corporate Governance Code (see pages 89 and 90 for details). Implementation details for 2022 are set out as follows:

Base salary

Base salary for the CEO and CFO for 2020/21 was reviewed in May 2021. As explained above, a 5% increase was awarded such that base salary is £441,338 for the CEO and £314,453 for the CFO. The next review will take place in May 2022.

Pension

As set out above Executive Directors will receive the average workforce rate of 4.1% of salary.

Annual bonus

The CEO and CFO will be eligible to participate in the annual bonus scheme with a maximum opportunity of 150% of salary. Performance will be assessed against financial (two-thirds of the weighting) and strategic/operational (one-third of the weighting) measures with a financial underpin ensuring no payout for the strategic/operational element if financial performance is below threshold. The measures will continue to support the Group's proven strategy to further increase earnings by optimising the trading performance of the existing portfolio, maintaining a strong and flexible capital structure, and taking advantage of selective portfolio management and expansion opportunities. See the strategic report on pages 6 to 17 for further information. The specific targets and their achievement, where not deemed commercially sensitive, will be disclosed in the 2022 annual report on remuneration.

Any bonus in excess of 100% of salary will be held in shares on a net of tax basis, via an agreement with the Executive, until the end of two years following the financial year in which the bonus is earned, with malus applying for this period and claw-back for three years thereafter.

LTIP

The structure and performance measures of the awards remain unchanged from 2021. In particular, the Committee is comfortable that vesting under the LTIP will be achieved through the continued successful execution of the Company's strategy leading to Adjusted EPRA EPS growth and strong TSR performance relative to FTSE 250 and sector peers.

The Committee notes the EPS performance targets will be 5% p.a. growth for threshold vesting increasing on a straight-line basis to 8% p.a. growth for full vesting. The Committee determined that the EPS targets should remain the same as those used in 2021 taking account of internal and external forecasts and the wider economic environment. The Committee will have overriding discretion to change the formulaic outcome (both downwards and upwards) if it is out of line with the underlying performance of the Company.

Please see the "at a glance" section on pages 84 to 87 for further details on the process the Committee follows to determine performance targets.

The CEO and CFO will receive LTIP awards of 200% of base salary.

Wider workforce pay

Safestore's pay principles set out a framework for making decisions on colleagues' pay. Reward packages consist of a combination of fixed and variable elements, including base pay, a pay-for-skills model, performance related pay, bonus and pension. In the UK, we also operate an annual all-colleague share plan to foster the culture of ownership, reflecting our remuneration principles by rewarding colleagues for the successful execution of strategy over a multi-year horizon. We are delighted that 50% of UK colleagues are enrolled in our Sharesave plan.

The Committee receives remuneration information from across the Group regarding annual salary reviews, bonus, gender pay gap and CEO pay ratios, together with the principles that are applied in relation to broader incentive schemes operated, and how these align with culture. We recognise that it is critical for our colleagues to feel valued as well as to be paid fairly.

I am pleased that we have continued to invest in our reward offering for the wider workforce through a higher average workforce salary increase with targeted above market increases for selected roles and the one-off recognition award for store colleagues.

I am also exceptionally proud that we were awarded the prestigious Investors in People ("IIP") Platinum accreditation this year. Colleague feedback on all matters of reward is provided as part of this survey, which showed improved scores in all areas of the reward indicator.

Our approach to colleague engagement through our formal workforce advisory panel is now fully embedded. Our 15 People Champions have continued to engage directly with the CEO on a wide range of subjects including remuneration. The key themes from this engagement resulted in continued support for colleague welfare and Company sick pay for all Covid-19 related absence during 2021. In addition, the CEO also ran two virtual town hall sessions where colleagues had the opportunity to raise questions, discuss business issues and provide feedback. As a result of the aforementioned Sharesave plan, a significant portion of colleagues are shareholders meaning that they are also able to express their views in the same way as other shareholders. Please see the section on our communication with colleagues for more information.

Our 2020 median gender pay gap of 8.1% remains significantly below the UK average* (15.5%), but we know we still have work to do. Our colleague engagement levels show that people enjoy working at Safestore, but high retention, particularly in more senior roles, means the pace of change is slower than we would like. We would like to see more women at Safestore; our aim is to attract 40% female applicants by 2022, and we are working hard on attracting, retaining and supporting women in our workforce. However, in the short term, this does negatively impact our gender pay gap and therefore we know we must combine this with working hard to support the development of all women at Safestore.

We have also published our CEO pay ratio for the third time in line with the reporting regulations. Given the guidance by several shareholders that option A is preferred, we have updated our methodology to maintain market best practice disclosures. The Committee acknowledges that the ratio has increased significantly in 2021, given that the value of the 2017 LTIP EPS element is included this year compared to 2019 and 2020 when no long term incentives were earned.

Note

* ONS Gender Pay Gap in the UK 2020.

Summary

Overall, the Company has performed exceptionally and continued to deliver significant shareholder value during 2020/21. The Committee believes that the 2021 remuneration outcomes are appropriate and reflective of the business performance and the wider economic and social context.

We will be asking shareholders to vote in favour of our Directors' remuneration report at our 2022 AGM; I would welcome any feedback or comments on this report or our remuneration principles and Policy in general and look forward to receiving any written questions ahead of our AGM. You will find details of the conference facility and how to submit written questions on our website at www.safestore.co.uk/corporate.

Finally, I want to recognise that the Company's performance would not be possible without the resilience and flexibility shown by our colleagues during these unprecedented times. Colleagues have been working extremely hard to make these results possible, with many continuing to work in our stores, supporting our customers to enable them to maintain their key supply chains throughout the pandemic. To all colleagues – thank you for your hard work and commitment to making Safestore the strong business it remains today.

Approved by the Board on 12 January 2022 and signed on its behalf by:

Claire Balmforth
Chair of the Remuneration Committee
12 January 2022

Part B: Our remuneration at a glance

Ahead of the annual report on remuneration, we have summarised below the key elements of our current Policy approved at the AGM held on 18 March 2020 and how we intend to implement it in 2022 in line with the Remuneration Committee Chair's annual statement on pages 79 to 83. We also summarise the key remuneration outcomes for 2021.

Our full Policy can be found on the Safestore website at www.safestore.co.uk.

Summary of our Directors' Remuneration Policy and implementation of the Policy for 2022

Element	Key features of Policy	Implementation for 2022	
Executive Directors		**Frederic Vecchioli**	**Andy Jones**
Base salary	Reflects an individual's responsibilities, experience and role. It is anticipated that salary increases will generally be in line with the colleague population. In certain circumstances the Committee has discretion to make appropriate adjustments to salary levels. Such circumstances could include where an Executive Director is paid significantly below the market rate or there is a change in role or responsibilities.	Base salary of £441,338. (5% increase in May 2021.) The increases were slightly above the average for the general workforce (4.2%). Both salaries remain below the FTSE 250 lower quartile.	Base salary of £314,453. (5% increase in May 2021.)
Benefits and pension	Maximum contribution to pension scheme or cash in lieu is equal to 10% of salary. New hires will receive the pension contribution received by the majority of the workforce (the average employer contribution rate is currently 4.1% of salary). Market-competitive benefits package provided.	Current Executive Directors will receive a pension cash supplement of 4.1% of salary in line with the average workforce contribution level. Benefits in line with Policy.	
Annual bonus	Maximum award equal to 150% of salary per annum. Performance measures are two-thirds financial and one-third strategic/operational, with a financial underpin ensuring no payout for strategic/operational element if financial performance is below threshold. Payout for threshold performance is 20% of maximum and for target performance is 50% of maximum. Any bonus in excess of 100% of salary will be held in shares on a net of tax basis (referred to hereinafter as restricted shares). The restricted shares will be held by the Executive Directors by agreement and are subject to a two-year holding period that expires on the second anniversary of the end of the financial year in which the bonus was earned. Malus provisions apply during the holding period and claw-back provisions apply for three years thereafter. Dividend equivalents are payable on restricted shares. The Committee will continue to have overriding discretion to change formulaic outcomes (both downwards and upwards) if they are out of line with underlying performance of the Company.	No change to maximum opportunity of 150% of salary. Performance measures, deferral, their weighting and the payout curve will be as described in the column to the left. Specific targets and their achievement, where not deemed commercially sensitive, will be disclosed in the 2022 annual report on remuneration.	
LTIP	Annual award of nil-cost options of up to 200% of salary. Vesting period of three years followed by a holding period of two years, via an agreement with the Executive (during which any vested and exercised awards cannot be sold except for tax purposes on exercise). Two-thirds of award subject to Adjusted Diluted EPRA Earnings per Share growth and one-third subject to relative TSR balanced equally against the FTSE 250 (excluding Investment Trusts) and the FTSE 350 Supersector Real Estate Index. 8% p.a. Cash on Cash Return underpin. 25% vesting for threshold performance increasing on a straight line to 100% for maximum performance. Dividend equivalents are payable on vested shares. The Committee will have overriding discretion to change formulaic outcomes (both downwards and upwards) if they are out of line with underlying performance of the Company.	200% of salary for both Executives under the 2020 LTIP. Performance measures, their weighting and the associated vesting schedule will be as described in the column to the left. Threshold performance (25% vesting) for the relative TSR elements will equate to median performance amongst each peer group with maximum performance (100% vesting) equal to upper quartile. The EPS targets will be 5% p.a. growth for threshold vesting increasing on a straight-line basis to 8% p.a. growth for 100% vesting.	

Element	Key features of Policy	Implementation for 2022	
Executive Directors		**Frederic Vecchioli**	**Andy Jones**
Shareholding guidelines	Executive Directors are expected to meet the guidelines by 29 September 2022 (the vesting date of the 2017 LTIP) or five years after joining, if later. Deferred and vested but unexercised awards on a net of tax basis and beneficially owned and restricted shares would count towards the shareholding guidelines. These guidelines will continue to apply for two years post cessation of employment. For the avoidance of doubt shares beneficially owned at the date of adoption (18 March 2020) of the current Policy and the 2017 LTIP award will be exempt from this post cessation of employment guideline but all share-based awards granted under the current Policy approved by shareholders at the 2020 AGM would be captured.	350% of salary for the CEO and CFO.	
Non-Executive Directors			
Fees	Non-Executive Directors may receive a base fee and additional fees for chairing a Committee or being the Senior Independent Director.	The Chairman's fee: £185,436. Non-Executive base fee: £56,000. Committee Chair and SID fee: £10,500. Non-Executive Director fees were increased above the general workforce increase in May 2021. The increases were made following external feedback that the current level of fees did not support the recruitment and retention of Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives. In addition, in line with market practice, from 1 May 2021 the Company will pay a Senior Independent Director fee of £10,500. The Chairman fee was increased by 2% to £185,436. Fee levels remain below the median of the FTSE 250.	

Executive Directors are eligible to receive payment under any award made prior to the approval and implementation of the Policy summarised in this report including under the existing 2017 LTIP. For the avoidance of doubt, it is noted that the Company will honour any commitments entered into that have been disclosed previously to shareholders.

In setting the performance targets for the incentive arrangements, the Committee follows the process as set out below:

Arrangement	Process for setting performance targets
Annual bonus	The performance targets are determined annually by the appropriate line manager and calibrated by the Committee considering the Company's business plan, market conditions and external forecasts.
LTIP	EPS targets: The performance targets are determined annually taking account of the business plan, external forecasts and the economic environment. Relative TSR targets: These are defined in full in the Policy, so no process required.

The Committee is satisfied that the Remuneration Policy is in the best interests of shareholders and does not promote excessive risk taking.

Part B: Our remuneration at a glance *continued*

Business performance and incentive outcomes in 2021

KPI	Measured in	2021 performance	2021 incentive outcome
Underlying EBITDA growth in 2021	Annual bonus	25.7%.	●
Adjusted Diluted EPRA Earnings per Share growth over five years to 31 October 2021	LTIP	105%, i.e. 15.4% per annum.	●
TSR growth over five years to 31 October 2021	LTIP	283%.	The TSR element of the 2017 LTIP will be tested on 28 September 2022. (Based on performance to 31 October 2021, Safestore is above upper quartile for both comparator groups.)
Optimisation of performance of existing portfolio	Annual bonus	Despite the ongoing challenges presented by the pandemic, our continued focus on our colleagues and culture has enabled us to continue to deliver exceptional sustainable business performance. Our commitment to colleagues is evidenced by being awarded the prestigious Investors in People (“IIP”) Platinum accreditation and making the final top ten shortlist for the Platinum Employer of the Year (250+) category in The IIP Awards 2021. Despite Covid-19 lockdowns, enquiry growth was captured in all territories at lower cost per enquiry and, ultimately, lower cost per new let as a result of extensive training and innovation.	●
Strong and flexible capital structure	Annual bonus	The Company’s strong capital structure allowed it to continue to take advantage of opportunities across the Group and with its joint venture partner in order to deliver incremental earnings growth over the longer term. The Group’s free cash flow increased to £89.5 million and the Group’s leverage was just below the targeted level at an LTV ratio of 25% for 2021. The Company successfully extended borrowing facilities with the issuance of the equivalent of £150 million new Sterling and Euro denominated US Private Placement Notes providing further capacity for medium term growth with a further agreement for an uncommitted €115 million shelf facility.	●
Take advantage of selective portfolio	Annual bonus	Continued progress of the Company’s joint venture with Carlyle in the Netherlands. Acquired new development opportunities in the UK and Spain, in addition to opening new stores and completing store extensions in various locations.	●
ESG	Annual bonus	External recognition of ESG achievements and disclosures through the following: • EPRA Sustainability BPR Silver Award • GRESB Public Disclosure A • MSCI ESG “AA” • Support the Goals – 5*	●

Key: ● Threshold or below ● Threshold to target ● Target to maximum

This resulted in the following incentive outcomes:

- The annual bonus is assessed against adjusted EBITDA performance (two-thirds of the weighting) and strategic/operational measures (one-third of the weighting). Based on the formulaic outcome, 100% of maximum was achieved in relation to the EBITDA measure and 100% of maximum for the strategic/operational element, noting that the EBITDA threshold financial gateway had been met.
- The Committee determined that the annual bonus formulaic outcome was representative of overall performance; as a result, the 2021 annual bonus payout for the Executive Directors was 100% of maximum. The factors considered by the Committee are set out on pages 80 to 82 of the Remuneration Committee Chair's annual statement and the annual report on remuneration.
- In line with the approved Directors' Remuneration Policy, any bonus payment above 100% of salary will be held in shares for two years on a net of tax basis.
- The performance period of the EPS element of the 2017 LTIP ended on 31 October 2021; EPS performance accounts for two-thirds of the award. On that basis, the Committee measured the Company's EPS over the five-year performance period ending on 31 October 2021 and Cash on Cash Return in relation to the LTIP underpin. Based on performance, 100% of the EPS element has been earned and will vest in full on 29 September 2022.
- The Committee believes that the LTIP awards earned by the Executive Directors and their colleagues are commensurate with the corporate success of the Company achieved over the five-year performance period (as set out on pages 80 and 81 of the Remuneration Committee Chair's annual statement and the annual report on remuneration).
- The Committee is comfortable that the current Policy operated as intended and that the overall 2021 remuneration paid to Executive Directors was appropriate.

Remuneration in the wider context

Context to our Executive Director remuneration in light of wider workforce considerations:

- The wider workforce predominantly has access to competitive bonus arrangements, can participate in all-colleague share plans and/or recognition schemes and is eligible to be auto-enrolled into the Safestore Group Personal Pension Plan.
- Average workforce salary increases of 4.2% well above inflation at that time.
- Alignment of Executive Director and general workforce pension contributions from May 2021.
- The Company-wide bonus pool has increased by 20%, including a one-off colleague recognition bonus of £500, reflecting the exceptional work of all our colleagues.
- Participation in our SAYE remained well above typical levels at 50%.
- Continued to provide stability and security to our colleagues by investing over £200,000 throughout the pandemic period in paying for Covid-19 related absence.
- Safestore's 2020 UK median gender pay gap of 8.1%.

Part C: Annual report on remuneration

The 2021 annual report on remuneration contains the details of how the Company's Policy was implemented during the financial year ended 31 October 2021. An advisory resolution to approve this report and the Remuneration Committee Chair's annual statement will be put to shareholders at the 2022 AGM.

Pay fairness

To attract and retain the highest calibre individuals, we aspire to become the employer of choice within our sector, maintaining a competitive reward package that balances fairness to the colleague with the responsible use of shareholders' funds.

The colleague value proposition

We review our pay principles, which set out a framework for making decisions on colleagues' pay, annually. The aim is to:

- support the recruitment and retention of high quality colleagues;
- enable us to recognise and reward colleagues appropriately for their contribution;
- help to ensure that decisions on pay are managed in a fair, just and transparent way; and
- create a direct alignment between Company culture and our reward strategy.

As part of our commitment to fairness, we have set out further information about our colleague offering. The various factors which make up our colleague value proposition are set out below:

Pay and benefits

- We pay all our colleagues above the over-23 National Living Wage rate, regardless of their age. The average annual salary for our store sales colleagues is £22,822, over £4,280 above the current National Living Wage for an over-23 year old on a 40-hour contract.
- All our sales colleagues are eligible for our performance-based monthly bonus scheme and can earn up to 50% of their monthly salary. Our Head Office colleagues are eligible to receive a discretionary annual bonus, which is calculated against business targets and objectives.
- For 2021, bonus payouts were increased for all roles commensurate with Company performance.
- Colleagues can join our Sharesave scheme on an annual basis for a fixed three-year term. Membership across all the current schemes is 50%.
- Under the 2021 LTIP 64 key colleagues were invited to participate allowing them to share in the success of the Company. The performance conditions for below Board-level colleagues are the same as those for the Executive Directors.
- All eligible colleagues are auto-enrolled into the Safestore Group Personal Pension Plan provided through Scottish Widows with a minimum employer contribution rate of 4% of salary.
- Additional benefits include private healthcare cover, life insurance from day one of employment, paid holiday allocation and a Cycle to Work scheme.
- Our family friendly policy means we offer new mothers twelve weeks' full pay and new fathers two weeks' full pay, as well as sending new parents a beautiful gift when their child is born.

Working environment

- Our leadership teams have created an environment where our managers and leaders are provided with the skills, tools and, crucially, time to dedicate to their teams. This has been achieved through maintaining good colleague–manager ratios; for example, no Regional Manager oversees more than twelve stores.
- Our "Make the Difference" people forum, launched in 2018, is a formal workforce advisory panel which enables frequent opportunities for us to hear and respond to our colleague voice. We drive change and continuous improvement in responding to the feedback we receive, via our internal communications channels and through our network of People Champions. During the Covid-19 lockdown periods, our People Champions, supported by our HR team, conducted welfare calls to over 200 colleagues, to obtain a "temperature check" on how they were coping with the changes and to obtain feedback and ideas about our new Covid-19 secure workplace.
- We have a comprehensive Colleague Assistance Programme where our teams can find guidance on coping strategies. They can speak to a professional who is ready to support and guide them through any concerns they have; in addition, for those who need it, they can access up to five counselling sessions.
- We support a healthy work–life balance through offering a Company sick pay scheme and encouraging all team members to take their rest breaks. We welcome and consider all requests for flexible working and at-home working. At-home working has increased significantly since the Covid-19 pandemic and we have further enabled this through digital developments.
- Sustainability is embedded into day-to-day responsibilities at Safestore and our people are at the heart of this. We strive to ensure that every colleague at Safestore feels like a valued member of our friendly and supportive team. We achieve this through building, improving and maintaining safe and secure working environments and advocating a diverse and inclusive workforce, free from harassment and victimisation. Our People Principles set out our commitments in relation to respecting the rights of our people.
- The Covid-19 pandemic has had an extraordinary impact on all of us. In order to continue to manage risk, we have had to anticipate new health and safety challenges and respond with pace to ensure a healthy and safe environment for our colleagues, customers, suppliers and contractors. This has involved commitment from all levels of the organisation as well as daily decision making on how to respond to a constantly changing and uncertain situation.

Development opportunities	
• In 2021 we invested over 21,000 hours into developing our people. From online learning modules to face-to-face sales training, every one of our colleagues can take part in structured learning. • We offer health and safety training including first aid, forklift and fire safety.	• Our Store Manager Development programmes offer the opportunity to gain a nationally recognised qualification from either the Institute of Leadership & Management ("ILM") or the Chartered Management Institute ("CMI") utilising the Apprenticeship Levy.
Recognition	
• We recognise great performance and behaviours through our annual appraisal process. • Our values, created by our store teams, are at the heart of everything the organisation does. • The values are accompanied by a set of behaviours and everyone is assessed against these every six months.	• To show our appreciation for the commitment and resilience of our colleagues during Covid-19, we have awarded a colleague recognition bonus of £500 in 2021. • Our annual pay review/bonus schemes are based on individual performance ratings. • We also reward our sales consultants for completion of training modules through a pay-for-skills approach.

Informing the Committee on the wider workforce

To build the Remuneration Committee's understanding of reward arrangements applicable to the wider workforce, the Committee is provided with data on the remuneration structure for management level tiers below the Executive Directors and pay outcomes for these roles. The Committee has been provided with feedback from the formal workforce advisory panel, in addition to the Investors in People survey, which provides further context for the Committee in making decisions on future pay outcomes in line with Policy. The Committee uses this information to ensure consistency and fairness of approach throughout the Company in relation to remuneration.

Alignment with Provision 40 of the Corporate Governance Code and Company strategy

The table below sets out how the current Policy addresses the factors in Provision 40 of the Corporate Governance Code, the objective of which is to ensure that the remuneration arrangements operated by the Company are aligned to all stakeholder interests including those of shareholders.

Factor	How this was addressed in the Remuneration Policy
Clarity *Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.*	In line with our commitment to full transparency and engagement with our shareholders in relation to the Policy. The Company engages directly with the broader colleague population on their remuneration through a variety of methods including the workforce advisory panel and town hall events led by the CEO.
Simplicity *Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.*	Taking on board shareholder feedback, we reverted to a traditional LTIP construct in 2020, which is well understood by shareholders and participants alike.
Risk *Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.*	Identified risks have been mitigated as follows: • deferring an element of bonus into shares and a two-year holding period for the LTIP helps ensure that the performance earning awards were sustainable and thereby discourages short term behaviours; • aligning any reward to the agreed strategy of the Company; • reducing the awards or cancelling them if the behaviours giving rise to the awards are inappropriate through malus and claw-back; and • reducing annual bonus or LTIP awards (made under the current Policy) or cancelling them, if it appears that the criteria on which the awards were based do not reflect the underlying performance of the Company.
Predictability *The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy.*	The Committee undertook external benchmarking of the current Policy (see page 92) which determined that the new packages would pay out below median of the FTSE 250 companies on a reasonable range of performance outcomes. The Remuneration Policy in the 2019 DRR sets out the potential remuneration available in several performance scenarios. The Committee is comfortable that the discretions available to it set out in the current Policy are sufficient.

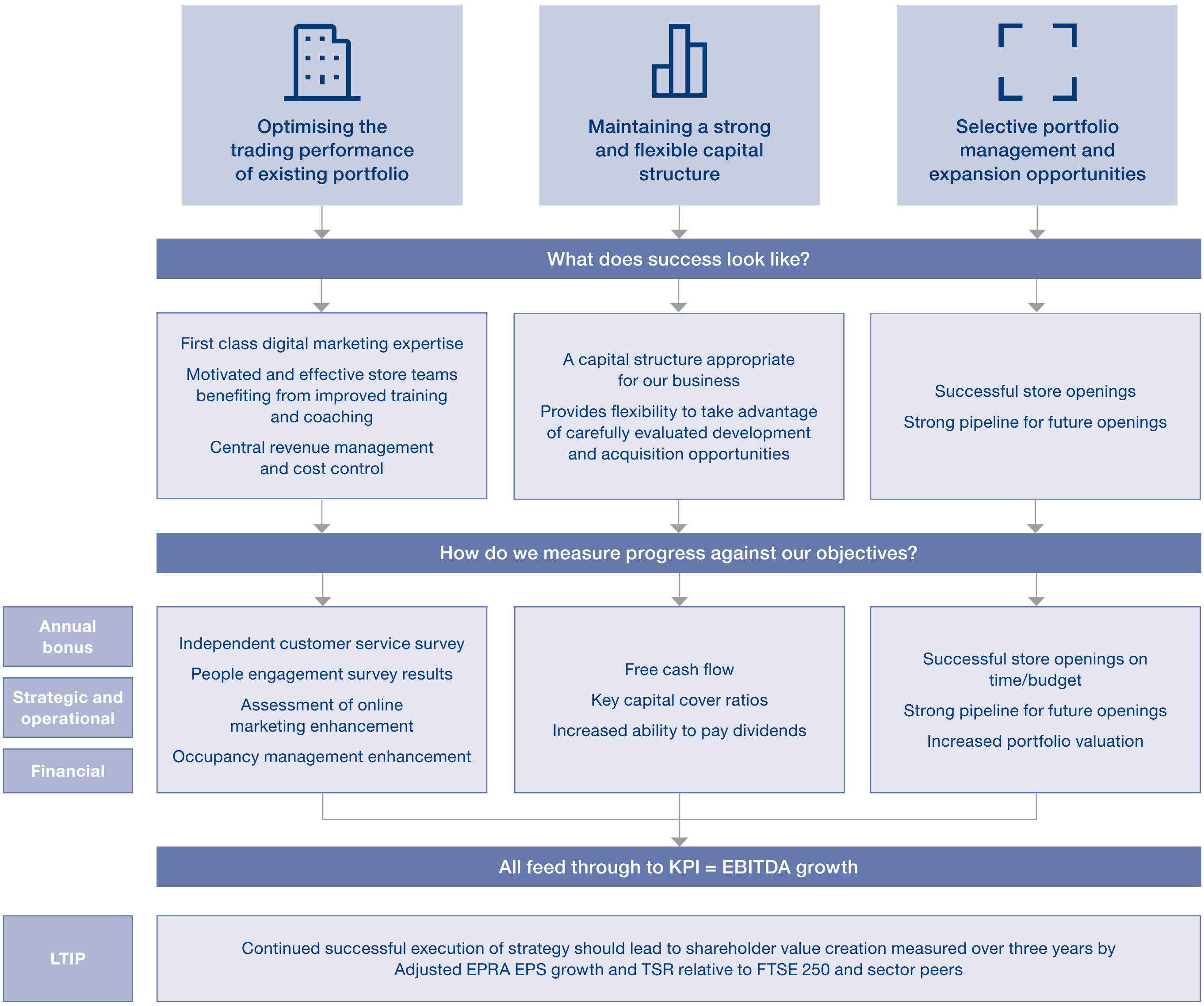
Part C: Annual report on remuneration *continued*

Pay fairness *continued*

Alignment with Provision 40 of the Corporate Governance Code and Company strategy *continued*

Factor	How this was addressed in the Remuneration Policy
Proportionality *The link between individual awards, the delivery of strategy and the long term performance of the Company should be clear. Outcomes should not reward poor performance.*	One of the key strengths of the current approach of the Company to remuneration is the direct link between the returns strategy and the value received by Executive Directors. Please see the schematic below which sets out in detail the link between Company strategy and the performance measures in the incentive arrangements.
Alignment to culture *Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.*	The 2020 LTIP rewards long term sustainable performance. This focus on long term sustainable value is a key tenet of the Company’s strategy and its purpose and values are set out in our sustainability report on page 40.

In line with the proportionality factor from Provision 40 of the Corporate Governance Code set out above, the Committee designed the incentive arrangements such that they were closely aligned with Company strategy as set out in the schematic below:



Pay relativities

Internal – CEO pay ratio

Our CEO to colleague pay ratios for 2021 are set out in the table below. We also provide the 2019 and 2020 data for comparison purposes.

Financial year	Method used	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2019	Option B (gender pay gap data)	60:1 Total pay and benefits: £19,067 Salary: £17,197	55:1 Total pay and benefits: £20,669 Salary: £18,175	37:1 Total pay and benefits: £31,278 Salary: £25,029
2020	Option B (gender pay gap data)	49:1 Total pay and benefits: £22,820 Salary: £18,500	41:1 Total pay and benefits: £27,244 Salary: £24,240	32:1 Total pay and benefits: £34,857 Salary: £30,852
2021	Option A	726:1 Total pay and benefits: £23,502 Salary: £19,540	656:1 Total pay and benefits: £26,019 Salary: £19,540	478:1 Total pay and benefits: £35,686 Salary: £28,829

For 2021, the Company has chosen methodology option A for the calculation, which takes into consideration the full-time equivalent basis of all UK employees and provides a representative result of employee pay conditions across the Company. In 2019 and 2020 the Company used methodology option B. However, given the guidance by several shareholders that option A is preferred, we have updated our methodology to maintain market best practice disclosures.

The CEO remuneration figure is as shown in the single total figure for Executive Directors' remuneration table on page 95. The remuneration figures for the employee at each quartile were determined as at 31 October 2021. Each employee's pay and benefits were calculated using each element of employee remuneration, consistent with the CEO, on a full-time equivalent basis. This therefore included the following elements of pay:

- base salary;
- private medical insurance;
- car/car allowance;
- employer pension contribution;
- annual bonus;
- overtime and extra pay;
- 2017 LTIP EPS element; and
- Sharesave.

No components of pay have been omitted. The following estimates and adjustments were made:

- For new joiners, salary and benefits were annualised, and bonus was calculated based on average payout for the relevant store.
- For colleagues on the annual bonus scheme, which pays out in January 2022, awards were estimated based on expected outcomes.
- Adjustments were made to achieve full-time equivalent rates.

As our Sales Consultants represent around 50% of our workforce, the 50th percentile employee may vary annually between a Sales Consultant and a Store Manager. This year, the 50th percentile employee was a Sales Consultant, compared with 2020 when the 50th percentile employee was a Store Manager, and as a result the 50th percentile total pay and benefits is around 5% lower.

The Committee recognises that there has been a significant increase in the 50th percentile ratio this year. This is as a result of the CEO's single figure of remuneration increasing due to the inclusion of the value of the 2017 LTIP's EPS element, whereas in 2019 and 2020 no long term incentives completed their performance period and were therefore not included in the comparative figures. The Committee is also aware that the 75th percentile employee is below the seniority to receive a 2017 LTIP award.

The Committee noted that if the 2017 LTIP EPS element were excluded from the 2021 analysis, then the pay ratios would be broadly similar to 2020.

The above analysis demonstrates that the ratio is driven by the different structure of our CEO's pay versus that of our colleagues, as well as the make-up of our workforce. This ratio varies between businesses even in the same sector. What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the CEO and the wider workforce.

The Committee considers the 50th percentile pay ratio to be consistent with pay and progression policies for UK colleagues.

Part C: Annual report on remuneration *continued*

Pay relativities *continued*

Internal – gender pay gap reporting and diversity

We are committed to providing an inclusive workplace, encouraging and welcoming diversity with zero tolerance of harassment and discrimination. We promote equality of opportunity in all our employment practices, policies and procedures. No colleague or potential colleague will receive less favourable treatment due to a protected characteristic.

Whilst our 2020 median gender pay gap at 8.1% remains significantly lower than the 2020 UK average* (15.5%), we know we still have work to do. Our colleague engagement levels show that people enjoy working at Safestore, but high retention, particularly in more senior roles, means the pace of change is slower than we would like. We would still like to see more women at Safestore, and we are working hard on attracting, retaining and supporting women in our workforce. However, in the short term, this does negatively impact our gender pay gap and therefore we know we must combine this with working hard to support the development of all women at Safestore.

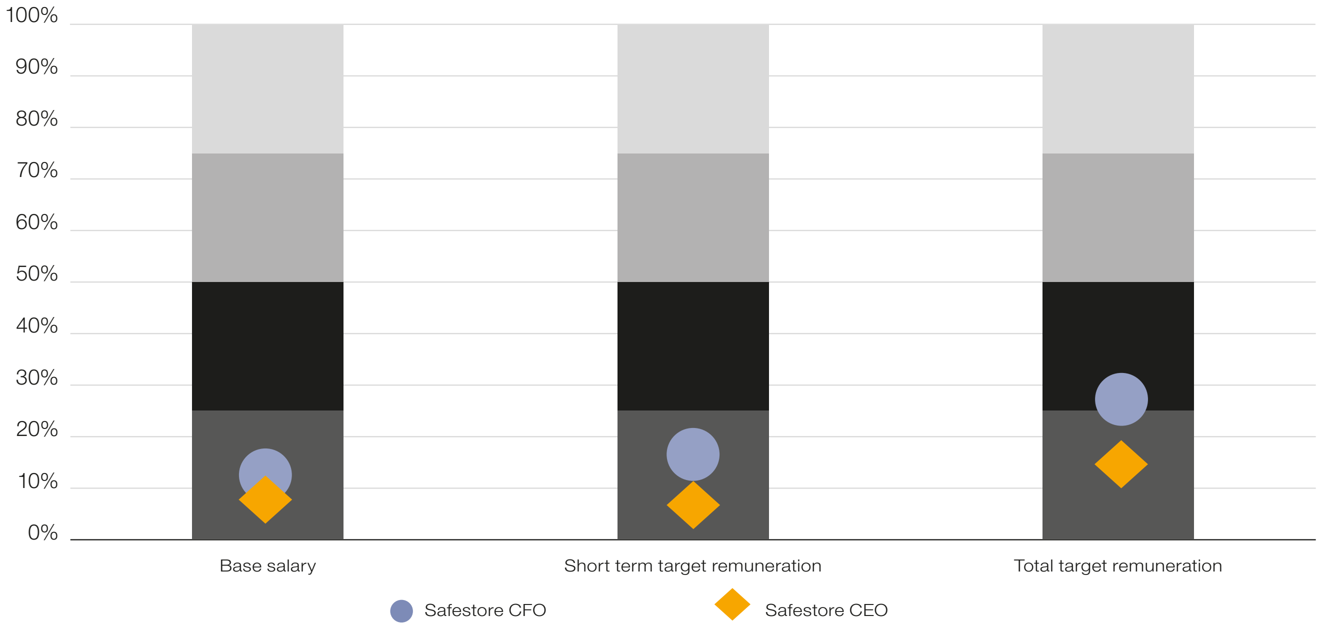
We are pleased that, in line with our strategy, we have increased the number of women within Safestore, by a factor of 12%. We have also seen a positive shift from the lower-mid quartile into the upper-mid quartile. However, the vast majority of women have joined us in the lower quartile. Combined with zero movement in the upper quartile, this has resulted in the negative impact on our gender pay gap. Our hope is that, with more women joining Safestore, we can offer the support and opportunity required to develop more women into our senior roles.

Note

* ONS Gender Pay Gap in the UK: 2020.

External – Executive Director benchmarking

The following chart shows the relative position of salary, short term target remuneration (salary plus on-target annual bonus and pension contributions) and total target remuneration (short term target remuneration plus expected value of LTIP) for our current Executive Directors' remuneration policy compared to the FTSE 250. For example, 25% would represent lower quartile positioning against the FTSE 250.



The chart demonstrates that the remuneration levels under the current Policy are at a relatively conservative level when compared to companies of a similar size and scale in the FTSE 250. It should be noted that the chart excludes the impact of the 2017 LTIP awards.

Remuneration justification

The Committee is comfortable that the internal and external pay relativity reference points set out above provide justification that the implementation of the Policy for 2022 is entirely appropriate.

The Committee believes that the 2017 LTIP awards earned by the Executive Directors and their colleagues in 2021, which will vest in September 2022, are commensurate with the corporate success of the Company achieved over this period.

Communication with colleagues

During the year we communicated with colleagues and gathered their feedback in a number of ways as set out below:

Colleague survey: The results from our Investors in People colleague survey provide the data and subject matter which are then discussed by management and the workforce advisory panel (see below). In 2021, we achieved a leadership engagement score of over 90%.

Workforce Advisory Panel: As set out in the Committee Chair's statement, in 2018 the Company established a formal workforce advisory panel to facilitate engagement with colleagues. The formal workforce advisory panel has now been successfully embedded in the business. Our 15 People Champions have continued to engage directly with the CEO across a wide range of subjects including remuneration. Appropriate feedback from these sessions was presented to the Remuneration Committee, which the Committee considered when determining the remuneration levels for Executive Directors in 2021. In addition, over the past few years feedback from the panel has resulted in the Remuneration Committee and Board approving colleague benefits such as enhanced Company sick pay, improved healthcare provision, and more frequent all-colleague share scheme opportunity.

CEO town hall events: The CEO also ran two virtual town hall sessions where colleagues had the opportunity to raise questions, discuss business issues, and provide feedback on subjects including remuneration. As part of these events, colleagues were engaged on how the Executive Directors' remuneration policy aligned with the wider Company pay policy.

Communication with shareholders

The table below shows the results of the latest shareholder votes on the Directors' remuneration report and Policy resolutions:

	Votes for	%	Votes against	%	Votes withheld
2020 AGM vote on Remuneration Policy	167,676,057	97.89	3,615,427	2.11	87,100
2021 AGM vote on annual report on remuneration	158,436,298	96.58	5,615,966	3.42	19,095

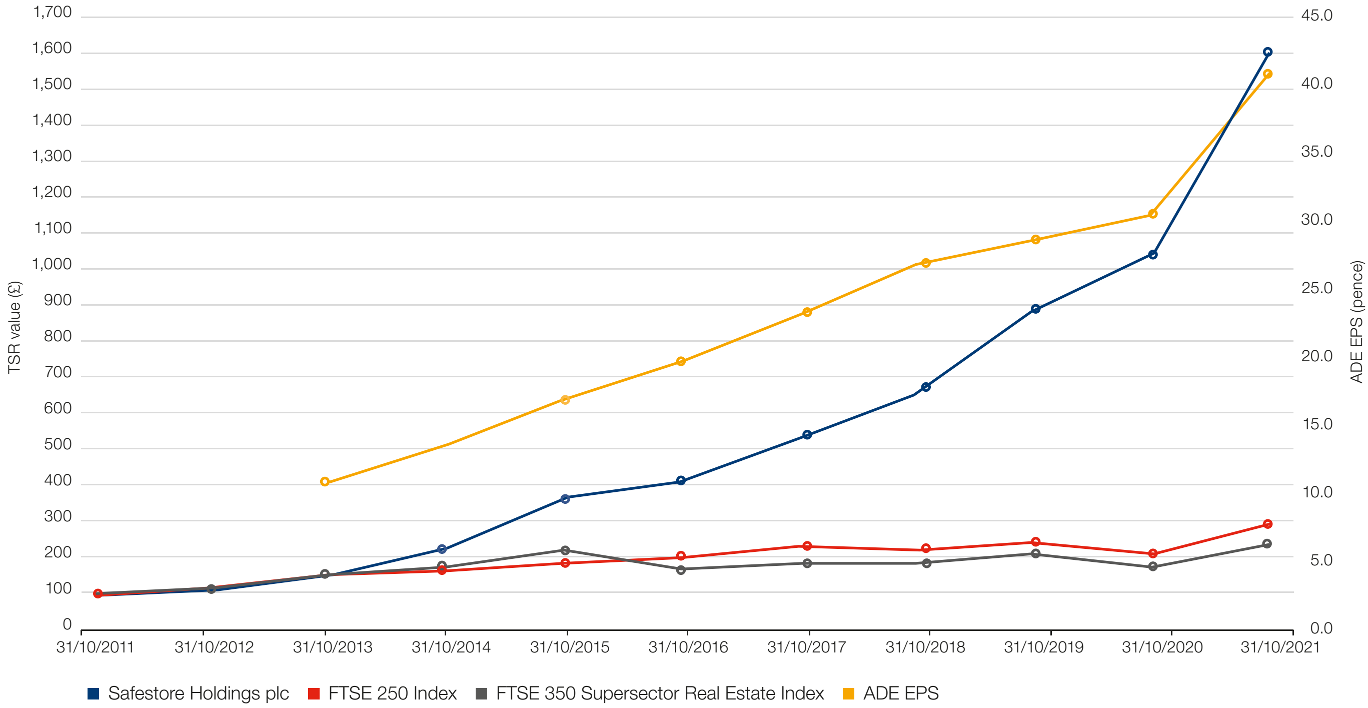
Following this year's AGM, the Committee was encouraged to see that the implementation of our Policy was positively received by shareholders, with 96.6% of the votes in favour of the remuneration report. In formulating the Policy approved at the 2020 AGM, the Committee ensured that all decisions were consistent with what it heard during its extensive shareholder engagement in 2018 and investor body pay guidelines at that time. In addition, prior to the 2020 AGM, the Committee reached out to the Company's largest 20 shareholders and the investor bodies setting out the new Policy and its rationale. The Committee received constructive feedback from a number of shareholders and representative bodies. It considered each piece of feedback but ultimately determined to keep the original proposals unchanged. Given the Company is only part-way through its current Policy, the Committee did not feel it necessary to engage with shareholders on pay over the past twelve months. The Committee will keep this under review.

Chief Executive Officer and colleague pay

Total shareholder return and Chief Executive Officer pay over the last ten years

The graph below shows the value of £100 invested in Safestore Holdings plc over the past ten years compared with the value of £100 invested in the FTSE 250 and the FTSE 350 Supersector Real Estate Index. These comparators have been chosen on the basis that they are the markets within which Safestore operates and against which it benchmarks performance. The chart is rebased to 31 October 2011. The chart also shows the increase in Adjusted Diluted EPRA ("ADE") Earnings per Share from 31 October 2013 onwards as this figure was not calculated by the Company before that date (see right-hand scale).

Total shareholder return and Adjusted Diluted EPRA ("ADE") Earnings per Share (pence)



The chart illustrates the sustained EPS growth has resulted in significant TSR outperformance which is reflected in the bonus payouts and vesting of the long term incentive awards over several years.

Part C: Annual report on remuneration *continued*

Pay relativities *continued*

Total shareholder return and Adjusted Diluted EPRA ("ADE") Earnings per Share (pence) *continued*

	Oct 2012	Oct 2013	Oct 2013	Oct 2014	Oct 2015	Oct 2016	Oct 2017	Oct 2018	Oct 2019	Oct 2020	Oct 2021
Role	P D Gowers CEO	P D Gowers[1] CEO	F Vecchioli[2] CEO	F Vecchioli CEO	F Vecchioli CEO	F Vecchioli CEO	F Vecchioli CEO	F Vecchioli CEO	F Vecchioli CEO	F Vecchioli CEO	F Vecchioli CEO
Single figure of total remuneration (£'000)	390	910	359	973	1,224	1,481	1,728	1,719	1,134	1,108	17,064
Annual bonus payout (% of max)	—	70%	70%	76%	100%	100%	82%	81%	91%	100%	100%
LTIP earned (% of max)	—	—	—	96%	100%	100%	100%	100%	n/a	n/a	100%

Notes

1 Stepped down as Chief Executive Officer on 4 September 2013 and left the Company on 31 October 2013.

2 Appointed as Chief Executive Officer on 4 September 2013.

Percentage change in Executive and Non-Executive Director remuneration

The table below shows the percentage change in remuneration of the Directors undertaking the role of Chief Executive Officer, Chief Financial Officer and Non-Executive Directors, and average pay of the Company's colleagues in the listed entity on a full-time equivalent basis.

	% change from 2020 to 2021			% change from 2019 to 2020		
	Base salary/fees[1]	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus
F Vecchioli (CEO)	3%	0%	5%	1%	0%	11%
A Jones (CFO)	3%	0%	5%	1%	0%	11%
D Hearn (NE Chair)[2]	19%	n/a	n/a	n/a	n/a	n/a
I S Krieger (NED)	22%	n/a	n/a	1%	n/a	n/a
J L Kenrick (NED)	15%	n/a	n/a	1%	n/a	n/a
C Balmforth (NED)	12%	n/a	n/a	1%	n/a	n/a
B Oliver (NED)	15%	n/a	n/a	1%	n/a	n/a
G van de Weerdhof (NED)[3]	175%	n/a	n/a	n/a	n/a	n/a
Colleague pay	4.2%	0%	20%	2.3%	0%	19%

Notes

1 The increases to Non-Executive Director fees are a result of the increase to the base fee, Committee chairmanship fees and the Company starting to pay a Senior Independent Director fee of £10,500. All increases were effective 1 May 2021.

2 The Chairman was appointed on 1 December 2019 so received a pro-rated fee for 2020.

3 G van de Weerdhof was appointed on 1 June 2020 so received a pro-rated fee for 2020.

Laure Duhot and Delphine Mousseau not included as appointed Non-Executive Directors on 1 November 2021.

Relative importance of spend on pay

The table below sets out the overall spend on pay for all colleagues compared with the returns distributed to shareholders.

Significant distributions	**2021**	2020	% change
Colleague costs (£'m)	**43.8**	31.7	38.2%
Distributions to shareholders (£'m)	**42.6**	37.7	13.0%

Note

The above figures are taken from notes 10 and 26 to the financial statements.

Executive Director remuneration for the year ended 31 October 2021

Single figure remuneration table (audited)

The remuneration of Executive Directors showing the breakdown between components with comparative figures for the prior financial year is shown below.

		Base salary £'000	Taxable benefits[1] £'000	Annual bonus[2] £'000	Long term incentives[3] £'000	Pension[4] £'000	Other £'000	Total fixed remuneration £'000	Total variable remuneration £'000	Total £'000
F Vecchioli	**2021**	**431**	**24**	**662**	**15,919**	**28**	**—**	**483**	**16,581**	**17,064**
(Chief Executive Officer)	2020	417	24	630	—	37	—	478	630	1,108
A Jones	**2021**	**307**	**19**	**472**	**10,666**	**20**	**—**	**346**	**11,138**	**11,484**
(Chief Financial Officer)	2020	297	19	449	—	26	—	342	449	791

Notes

1 Taxable benefits comprise a car allowance, private medical and dental insurance.

2 The 2020 and 2021 annual bonus figures include the portion subject to deferral.

3 The 2021 figure is the 2017 LTIP EPS element valued based on the three-month average share price to 31 October 2021 of £11.243 and includes dividend equivalents of £0.6965 per share accrued from the date of grant to 31 October 2021. Please see page 99 for further detail on the amount of the LTIP values attributable to share price appreciation.

4 Until 30 April 2021, the Executive Directors were provided pension payments in the form of a cash allowance of 10% of salary reduced by the associated employer's National Insurance contribution. From 1 May 2021, the pension cash allowance was reduced to 4.1% of salary in line with the average workforce pension contribution.

Annual bonus outcomes for the financial year ended 31 October 2021 (audited)

For 2021, the Executive Directors had a maximum annual bonus opportunity of 150% of salary. For each Executive Director, the 2021 annual bonus determination measures were weighted two-thirds for adjusted EBITDA and one-third for strategic/operational measures. The achievement of the strategic/operational measures was assessed by the Remuneration Committee as the financial gateway of outperforming the threshold adjusted EBITDA target was met. The table below provides information on the targets for each measure, actual performance and resulting bonus payment for each Executive Director:

		Performance required			Actual performance		CEO		CFO	
Measure	Weighting	Threshold (20% payout)	On target (50% payout)	Maximum (100% payout)	Actual	% of element payable	Achievement as % salary	Bonus value £'000	Achievement as % salary	Bonus value £'000
Adjusted EBITDA before non-recurring items[1]	Two-thirds	£94.0m	£96.9m	£98.8m	£118.0m	100.0%	100.0%	441	100.0%	314
Strategic/ operational measures	One-third	Objectives based on strategic/operational			See below	100.0%	50.0%	221	50.0%	157
Total bonus achieved in 2021							**150.0%**	**662**	**150.0%**	**472**

Note

1 Adjusted EBITDA before non-recurring items is equivalent to the reported EBITDA in the financial statements with French results translated at the budget rate of 1.15.

Part C: Annual report on remuneration *continued*

2021 annual bonus outcomes: strategic objectives

The Group's proven strategy remains unchanged. We believe that the Group has a well-located asset base, management expertise, infrastructure, scale and balance sheet strength to exploit the current healthy industry dynamics. As we look forward, we consider that the Group has the potential to further increase its EPS by: optimising the trading performance of the existing portfolio; maintaining a strong and flexible capital structure; and taking advantage of selective portfolio management and expansion opportunities. Therefore, the Executive Directors' strategic/operational objectives reflect the Company's priorities in these areas for 2021.

In line with our commitment to fully transparent disclosure of remuneration outcomes, the Executive Directors' strategic/operational objectives and their achievement are fully disclosed in detail below. The maximum opportunity under this element of the annual bonus is 50% of salary.

Objective	Achievement	Outcome	Committee assessment
Optimisation of performance of existing portfolio (20% of salary)			
Enhancing people performance through engagement and improved capabilities in order to increase conversion of enquiries into new lets.	Despite the ongoing challenges presented by the pandemic, our continued focus on our colleagues and culture has enabled us to continue to deliver sustainable business performance. Highlights included: • Delivered over 21,000 hours of training, coaching and development. • During Covid-19, we have accelerated the digitalisation of our business, improving our resilience and demonstrating that we are well placed to handle ongoing change. We achieved our highest ever leadership engagement score of 90%. • We are exceptionally proud that, this year, we were awarded the prestigious Investors in People ("IIP") Platinum accreditation. • We made the final top ten shortlist for the Platinum Employer of the Year (250+) category in The Investors in People Awards 2021. • 15 internal promotions from 2020 to 2021.	✔✔✔	The Committee assessed that the achievements of the year were exceptional given the operational challenges and warranted full payout for this element. (20% out of 20% of salary).
Enhance search visibility and website performance to drive new lets and marketing spend in line with budgeted expectations.	• Technical improvements to website platforms to meet updated Google expectations on user experience and speed. • Further evolution of paid marketing strategy driving UK growth and efficiency. • Despite Covid-19 lockdowns, enquiry growth was captured in all territories at lower cost per enquiry and, ultimately, lower cost per new let.	✔✔✔	
Leverage Group knowledge, experience and resources to improve productivity and drive efficiencies.	• Successfully deployed our Group telephony solution to Spain. Belgium, the Netherlands and France on schedule. • Further enhanced systems and processes to improve our cyber resiliency, efficiency and effectiveness. • Completion of migration of European markets to Global Platform with OMB in Spain on-boarding in Q2. • Non-UK markets saw significant improvements in marketing efficiency within Safestore control.	✔✔✔	

✔✔✔ indicates that the objective was exceeded, ✔✔ indicates that it was met, ✔ indicates that it was partially achieved and ✘ shows that the objective was not achieved.

Objective	Achievement	Outcome	Committee assessment
Strong and flexible capital structure (12% of salary)			
Ensure the financial flexibility exists to deliver selected development and acquisition opportunities whilst maintaining conservative leverage and a progressive dividend policy.	The Company's strong capital structure allowed it to continue to take advantage of opportunities across the Group and with its joint venture partner in order to deliver incremental earnings growth over the longer term. Highlights included: • The Group's free cash flow (before investing and financing activities) increased from £68.8 million to £89.5 million for the year ended 31 October 2021. • The Company successfully extended its borrowing facilities with the issuance of the equivalent of £150 million new Sterling and Euro denominated US Private Placement Notes providing further capacity for medium term growth with a further agreement for an uncommitted €115 million shelf facility, which can be drawn in Euros or Sterling ensuring financing flexibility. • Group leverage was just below the Group's strategic targeted level of an LTV ratio between 30–40% (25% for 2021). • The full year dividend for the year ended 31 October 2021 increased by 34.9% demonstrating a continued progressive dividend policy.	✔✔✔	The Committee noted that the free cash flow target has been exceeded and that Group LTV was well below the bottom of the targeted range as at 31 October 2021 which enabled the Company to pay an above target dividend of 17.6 pence and warranted full payout for this element. (12% out of 12% of salary).
Take advantage of selective portfolio management and expansion opportunities (12% of salary)			
Grow store portfolio through development or acquisition by at least two stores per year within the Board approved ROI guidelines. Improve property valuations of the stores in the refurbishment and extension programme by more than the capital investment.	Continued progress of the Company's joint venture with Carlyle in the Netherlands. Acquired new development opportunities in the UK and Spain, in addition to opening new stores and completing store extensions in various locations. Highlights included: • Birmingham Middleway: store opened in the UK. • London Bow: acquired property and obtained planning permission. • London Lea Bridge: acquired site. • London Woodford: exchanged contracts to acquire a site subject to planning. • Shoreham: exchanged contracts to acquire a site subject to planning. • Old Kent Road: acquired a site for a future new store. • Edgware and Southend: successfully completed store extensions. • Winchester: obtained planning to extend our store. • Paddington Marble Arch: exchanged contracts and obtained planning permission for an extension to our store. • Wimbledon: exchanged contracts to acquire adjacent land subject to planning to extend our store.	✔✔✔	Overall, the Committee determined that targets were significantly exceeded, given the operational challenges, and recognised the revenue generated from both refurbished and acquired businesses was above target. (12% out of 12% of salary).

✔✔✔ indicates that the objective was exceeded, ✔✔ indicates that it was met, ✔ indicates that it was partially achieved and ✘ shows that the objective was not achieved.

Part C: Annual report on remuneration *continued*

2021 annual bonus outcomes: strategic objectives *continued*

Objective	Achievement	Outcome	Committee assessment
ESG (6% of salary)			

Improve the Group's ESG activities in order to deliver real value to all our stakeholders by:
• YOY carbon footprint reduction; and
• customer satisfaction initiatives.
Align sustainability reporting with appropriate framework(s).
	Substantial uplift in our commitment to responsible and sustainable business practices.
	Highlights included:
	• Reduction in total carbon emissions and emissions intensity (per unit area) primarily driven by a decrease in electricity usage vs 2020.
	• Maintained positive ratings on all relevant customer service platforms:
	  • Feefo Platinum Trusted Service award for Safestore UK; and
	  • Trustpilot "Excellent" rating achieved in the UK and France and average Google rating of 4.8 achieved in Spain.
	• 98% diversion of construction waste from landfill.
	• External recognition of ESG efforts and disclosures: EPRA Sustainability BPR Silver Award, GRESB Public Disclosure A, MSCI ESG "AA" and Support the Goals – 5*.
	• Advocating a diverse and inclusive workforce is a key part of our wellbeing strategy. In our IIP survey, 89% of colleagues agreed that Safestore values and respects individual differences.
		✔✔✔	Given the continued efforts across the Company and the external recognition with regard to sustainability activities, the Committee determined that this warranted full payout.
			(6% out of 6% of salary).

Overall strategic/operational objective performance		**50% of salary (out of 50% of salary).**	

✔✔✔ indicates that the objective was exceeded, ✔✔ indicates that it was met, ✔ indicates that it was partially achieved and ✘ shows that the objective was not achieved.

The Committee assessed that 50% of base salary (or 100% of maximum) of the strategic/operational objectives had been achieved for 2021.

Therefore, the formulaic outcome for the 2021 Executive Director overall bonus was 150% of base salary (100% of maximum). The Committee considered not only the achievement against the pre-determined objectives set out above, but also the wider Company performance to ensure that any achievement was representative of overall performance. The Remuneration Committee took account of the following:

- The Company achieved an exceptional set of financial results with substantial year-on-year growth in all its financial KPIs.
- The financial results were reflected in strong growth in the share price, particularly in the second half of the year which led to TSR growth of 53% over 2021 and £840 million of value created for shareholders through the increase in the Company's market capitalisation.
- The Company paid its final dividend for 2020 to shareholders. The full year dividend for the year ended 31 October 2021 increased by 34.9% from 18.6 pence to 25.1 pence. The Company-wide bonus pool has increased by 20.4% including the colleague recognition bonus, reflecting the exceptional work of all our colleagues.
- The Company has not taken advantage of any UK government support schemes or loans during the pandemic and no redundancies have been made because of Covid-19 with all colleagues paid in full for Covid-19 related absence.

On the basis of the above, the Committee is comfortable that an overall bonus payout of 100% of maximum is reasonable. As a result, the Committee did not apply any overriding discretion. The 2021 bonuses for Executive Directors will be 150% of salary and will be paid 100% of salary in cash, with the remainder of 50% of salary held in shares on a net of tax basis, via an agreement with the Executive, until 1 November 2023 with malus applying for this period and claw-back for three years thereafter.

LTIP awards included in single figure for the year ended 31 October 2021 (audited)

The performance period for the EPS element of the 2017 LTIP ended on 31 October 2021, which accounts for two-thirds of the award. Therefore, the Committee measured the Company's EPS growth over the five-year performance period and also measured the Cash on Cash Return in relation to the LTIP underpin. Adjusted Diluted EPRA EPS increased by 105% over the performance period equivalent to 15.4% p.a., significantly ahead of the 12% p.a. growth required for maximum performance. The average Cash on Cash Return over the same period was 11.6% which also exceeded the 8% underpin target resulting in 100% of the awards being earned under the EPS element of the 2017 LTIP. This is summarised in the table below:

Adjusted diluted EPRA EPS growth[1]				Cash on cash return underpin[2]		
Threshold performance[3] (10% vesting)	Maximum performance (100% vesting)	Actual performance	% of awards earned	Underpin performance required	Actual performance	Overall % of awards earned
6% p.a.	12% p.a.	15.4% p.a.	100%	8%	11.6%	100%

Notes

1 Adjusted Diluted EPRA Earnings per Share is based on the European Public Real Estate Association's definition of earnings and is defined as profit or loss for the period after tax but excluding corporate transaction costs, change in fair value of derivatives, gain/loss on investment properties and the associated tax impacts. The Company then makes further adjustments for the impact of exceptional items, IFRS 2 share-based payment charges, exceptional tax items and deferred tax charges. This adjusted earnings is divided by the diluted number of shares. The IFRS 2 cost is excluded as it is written back to distributable reserves and is a non-cash item (with the exception of the associated National Insurance element). Therefore, neither the Company's ability to distribute nor pay dividends are impacted (with the exception of the associated National Insurance element). The 2021 financial statements disclose earnings on a statutory, EPRA and Adjusted Diluted EPRA basis and provide a full reconciliation of the differences.

2 Cash on Cash Return p.a. is the average Cash on Cash Return over the performance period, where Cash on Cash Return is Underlying EBITDA after leasehold rent divided by original cost of investments calculated for each financial year in the performance period.

3 The vesting under the EPS growth measure increases on a straight-line basis from 6% p.a. to 12% p.a. However, in 2018 the Committee determined there would be zero vesting if growth achieved was between 6% p.a. and 7% p.a. for the Executive Directors only.

The Committee believes that the awards earned by the Executive Directors and 56 colleagues, which will vest in September 2022, are commensurate with the corporate success of the Company achieved over this period as follows:

- EPS growth has flowed through to shareholder returns such that over the five years since the start of the EPS performance period on 1 November 2016 the Company's market capitalisation has increased by £1.79 billion, with £172.1 million of dividend payments made.
- The successful execution of strategy has created a unique business model that combines advanced digital marketing and pricing analytics, a well-located portfolio with extensive pipeline, and a focus on store team sales skills.
- The management team has successfully built a larger and more diversified business, expanding operations into Spain, the Netherlands and Belgium and ensuring that all parts of the Company are run in a sustainable manner.
- Financial success has been achieved in parallel with the Company receiving several accolades in relation to its colleague initiatives, ESG performance, and consistently outstanding customer feedback scores.

On this basis the CEO and CFO have earned 1,333,333 and 893,333 shares respectively which will become exercisable on or after the vesting date of 29 September 2022. Dividend equivalents will also be awarded on vested shares; however, their value is yet to be determined as it will be based on dividends accrued between the grant and vesting date of the award. In line with the reporting regulations, the value of dividend equivalents accrued between the grant date and 31 October 2021 has been included in the value of the awards in the single figure of remuneration table as set out below:

Name	Number of 2017 LTIP awards granted	Number of 2017 LTIP awards granted subject to EPS growth measure	Number of 2017 LTIP awards earned	Value of 2017 LTIP awards earned[1]	Value attributable to share price growth[2]
F Vecchioli (Chief Executive Officer)	2,000,000	1,333,333	1,333,333	£15,919,329	£9,168.000
A Jones (Chief Financial Officer)	1,340,000	893,333	893,333	£10,665,949	£6,142,560

Notes

1 Based on three-month average share price to 31 October 2021 of £11.243 and includes dividend equivalents of £0.6965 per share accrued from the date of grant to 31 October 2021.

2 Based on growth in share price from date of grant (£4.367 – 29 September 2017) to three-month average share price to 31 October 2021 (£11.243).

The balance of the 2017 LTIP awards depends on the Company's relative TSR performance measured over the five-year period ending on 28 September 2022 and will be reported in our 2022 remuneration report. As at 31 October 2021, Safestore's TSR growth is significantly in excess of the upper quartile of both the FTSE 250 (excluding Investment Trusts) and FTSE 350 Supersector Real Estate Index peer groups which would equate to maximum performance.

Part C: Annual report on remuneration *continued*

2021 annual bonus outcomes: strategic objectives *continued*

LTIP awards included in single figure for the year ended 31 October 2020 (audited)

None, as no long term incentive awards completed their performance period during the 2020 financial year.

LTIP awards granted in the year ended 31 October 2021 (audited)

The second LTIP award under the current Remuneration Policy was granted on 28 January 2021. In line with Policy the awards had a face value of 200% of base salary and no consideration was paid for the grant which was structured as a nil-cost option. The normal vesting date of the LTIP awards will be 28 January 2024, being the third anniversary of the award date. Once vested, the LTIP award will normally be exercisable until the day before the tenth anniversary of the award date and is subject to a two-year holding period commencing on vesting.

Name	Role	Base salary at date of grant	Face value of 2021 LTIP award (% of base salary)	Face value of 2021 LTIP award	Face value at minimum vesting of 25%	Number of shares granted under nil-cost option*
F Vecchioli	CEO	£420,322	200%	£840,644	£210,161	101,465
A Jones	CFO	£299,479	200%	£598,958	£149,740	72,294

Note

* Dividend equivalents will be payable on vested shares.

The number of shares granted under the award was calculated using a share price of 828.5 pence, being the closing share price on the dealing day immediately before the date of grant.

The LTIP awards will vest based on the satisfaction of the following performance conditions which are each measured over three-year periods:

i. two-thirds based on Adjusted Diluted EPRA Earnings per Share growth: 5% p.a. growth (threshold) and 8% p.a. growth (maximum);

ii. one-sixth based on relative TSR against the FTSE 250 excluding investment trusts: median performance (threshold) and upper quartile performance (maximum); and

iii. one-sixth based on relative TSR against the FTSE 350 Supersector Real Estate Index: median performance (threshold) and upper quartile performance (maximum).

25% of the relevant element of the award will vest for threshold performance, with straight-line vesting in between to full vesting for the achievement of maximum performance. In addition, no award will vest unless a minimum level of Cash on Cash Return ("CoCR"[3]) of 8% p.a. has been met. The Committee will have overriding discretion to change formulaic outcomes (both downwards and upwards) if they are out of line with underlying performance of the Company. Full details of the performance conditions attached to the awards can be found in the table below.

Measure	Performance period	Performance target	Vesting[1] (% of award)
Adjusted diluted EPRA earnings per share[2] growth (two-thirds weighting)	Three financial years ending 31 October 2023	Less than 5% p.a. growth	0%
		Threshold: 5% p.a. growth	25%
		Maximum: 8% p.a. growth	100%
Relative TSR vs FTSE 250 (excluding Investment Trusts) (one-sixth weighting)	Three years from grant date ending 27 January 2024	Below median TSR	0%
		Threshold: Median TSR	25%
		Maximum: Upper quartile TSR	100%
Relative TSR vs FTSE 350 Supersector Real Estate Index (one-sixth weighting)	Three years from grant date ending 27 January 2024	Below median TSR	0%
		Threshold: Median TSR	25%
		Maximum: Upper quartile TSR	100%

Notes

1 Vesting between the threshold and maximum based on a sliding scale.

2 Adjusted Diluted EPRA Earnings per Share is based on the European Public Real Estate Association's definition of earnings and is defined as profit or loss for the period after tax but excluding corporate transaction costs, change in fair value of derivatives, gain/loss on investment properties and the associated tax impacts. The Company then makes further adjustments for the impact of exceptional items, IFRS 2 share-based payment charges, exceptional tax items and deferred tax charges. This adjusted earnings is divided by the diluted number of shares. The IFRS 2 cost is excluded as it is written back to distributable reserves and is a non-cash item (with the exception of the associated National Insurance element). Therefore, neither the Company's ability to distribute nor pay dividends are impacted (with the exception of the associated National Insurance element). The financial statements will disclose earnings on a statutory, EPRA and Adjusted Diluted EPRA basis and will provide a full reconciliation of the differences in the financial year in which any LTIP awards may vest.

3 Cash on Cash Return p.a. is the average Cash on Cash Return over the performance period, where Cash on Cash Return is Underlying EBITDA after leasehold rent divided by original cost of investments calculated for each financial year in the performance period.

Annual bonus – deferred bonus awards made in the year ended 31 October 2021

In line with Policy, the bonus awarded in excess of 100% of salary in respect of the year ended 31 October 2020 is held in shares by the Executive Directors on a net of tax basis (referred to as restricted shares). The restricted shares are subject to a two-year holding period that expires on 1 November 2022. Malus provisions apply during the holding period and claw-back provisions apply for three years thereafter. The restricted shares were acquired by the Executive Directors on 4 February 2021 at market value (£8.0846).

Name	Role	Face value of restricted shares	Number of restricted shares*
F Vecchioli	CEO	£110,605	13,681
A Jones	CFO	£78,809	9,748

Note

* Dividend equivalents will be payable.

Operation of Policy

The Committee is comfortable that the current Policy operated as intended in 2021 and that the overall remuneration paid to Executive Directors for 2021, as set out above, was appropriate.

Payments to past Directors or for loss of office (audited)

During the year there were no payments to past Directors or for loss of office.

Implementation of the Remuneration Policy for the year ended 31 October 2022

Please see the at a glance section on pages 84 to 87 of this report for details.

Non-Executive Directors

Single figure remuneration table (audited)

The remuneration of Non-Executive Directors showing the breakdown between components, together with comparative figures for the prior year, is shown below.

Director[3]		Fees £'000	Other £'000	Total £'000
D Hearn[1]	**2021**	**184**	**–**	**184**
	2020	154	–	154
I S Krieger	**2021**	**66**	**–**	**66**
	2020	54	–	54
J L Kenrick	**2021**	**50**	**–**	**50**
	2020	43	–	43
C Balmforth	**2021**	**60**	**–**	**60**
	2020	54	–	54
B Oliver	**2021**	**50**	**–**	**50**
	2020	43	–	43
G van de Weerdhof[2]	**2021**	**50**	**–**	**50**
	2020	18	–	18

Notes

1 David Hearn was appointed as Non-Executive Director from 1 December 2019 and as Non-Executive Chairman on 1 January 2020.

2 Gert van de Weerdhof was appointed as a Non-Executive Director from 1 June 2020.

3 Laure Duhot and Delphine Mousseau not included as appointed Non-Executive Directors on 1 November 2021.

Fees to be provided in 2022 to the Non-Executive Directors

The following table sets out the annual fee rates for the Non-Executive Directors:

Fee component	2022
Chairman fee	£185,436
Non-Executive Director base fee	£56,000
Additional fee for SID and Committee chairmanship	£10,500

Part C: Annual report on remuneration *continued*

Statement of Directors’ shareholding and share interests

Shareholding and other interests at 31 October 2021 (audited)

Directors’ share interests are set out below. As per the Remuneration Policy, in order that the Executive Directors’ interests are aligned with those of shareholders, Executive Directors are encouraged to build up and maintain a personal shareholding equal to 350% of salary. The shareholding guidelines take account of beneficially owned shares, restricted shares, deferred shares at their net of tax value and vested but unexercised awards at their net of tax value. The Executive Directors have five years from the grant of the 2017 LTIP award (29 September 2022) to achieve this guideline. As shown in the table below, both Executive Directors meet the in-employment guidelines under the Policy.

The shareholding guidelines for Executive Directors will continue to apply for two years post cessation of employment. For the avoidance of doubt shares beneficially owned at the date of adoption of the current Policy (18 March 2020) and the 2017 LTIP award will be exempt from this guideline but share-based awards granted under the Policy approved by shareholders at the 2020 AGM are captured.

As at 31 October 2021

Director[3]	Number of beneficially owned shares[1]	% of salary held[2]	Total interests subject to conditions (LTIP nil-cost awards)	Total interests subject to continued service conditions only (2019 deferred bonus nil-cost option award)	Outstanding 2019 Sharesave awards	Total interests at 31 October 2021
F Vecchioli	1,950,049	5,311	2,224,954	22,276	3,529	4,200,808
A Jones	443,608	1,696	1,500,280	15,872	3,529	1,963,289
D Hearn	15,000	n/a	n/a	n/a	n/a	15,000
I S Krieger	60,000	n/a	n/a	n/a	n/a	60,000
B Oliver	10,000	n/a	n/a	n/a	n/a	10,000
J L Kenrick	Nil	n/a	n/a	n/a	n/a	Nil
C Balmforth	Nil	n/a	n/a	n/a	n/a	Nil
G van de Weerdhof	Nil	n/a	n/a	n/a	n/a	Nil

Notes

1 Beneficial interests include shares held directly or indirectly by connected persons and restricted shares acquired on 4 February 2021.

2 Based on the 31 October 2021 share price of 1,202 pence per share and beneficially owned shares only.

3 Laure Duhot and Delphine Mousseau not included as appointed Non-Executive Directors on 1 November 2021.

Between 31 October 2021 and 12 January 2022 (being the latest practicable date prior to the publication of this report), the Executive Directors called upon deferred shares awarded to them in relation to the deferral of part of their annual bonus earned in the financial year ended 31 October 2019. This increased beneficially owned shares by 12,158 for Frederic Vecchioli and 8,663 for Andy Jones. There were no other changes to the Directors’ interests between 31 October 2021 and 12 January 2022.

Annual bonus – deferred bonus awards called during the year ended 31 October 2021

In the year ended 31 October 2021, the Executive Directors were entitled to call upon the deferred shares awarded to them in relation to the deferred element of their annual bonus earned in the financial year ended 31 October 2018. These awards were granted on 5 February 2019 and in line with the previous Policy vested on 1 November 2020 subject to continued employment.

Director	Role	Number of nil-cost options granted	Dividend equivalents	Total number of shares called
F Vecchioli	CEO	16,483	708	17,191
A Jones	CFO	11,744	504	12,248

The Remuneration Committee determined the dividend equivalent share entitlement as the number of shares equal in value to the net dividends of 34.55 pence that had been declared on the nil-cost options from the date of grant to the date of vesting by the Executive Directors, divided by the closing share price on the date of vesting, being 803.5 pence on 1 November 2020.

Outstanding LTIP awards at 31 October 2021

The following LTIP awards remain outstanding at 31 October 2021:

Director	Awards granted	Maximum award	Awards vested	Awards lapsed	**Maximum outstanding awards[1] at 31 October 2021**	Market price at date of vesting (p)	Normal vesting date
F Vecchioli	29/09/2017 LTIP	2,000,000	—	—	**2,000,000**	—	29/09/2022
	18/03/2020 LTIP	123,489	—	—	**123,489**	—	18/03/2023
	28/01/2021 LTIP	101,465	—	—	**101,465**	—	28/01/2024
A Jones	29/09/2017 LTIP	1,340,000	—	—	**1,340,000**	—	29/09/2022
	18/03/2020 LTIP	87,986	—	—	**87,986**	—	18/03/2023
	28/01/2021 LTIP	72,294	—	—	**72,294**	—	28/01/2024

Note

1 These exclude dividend equivalents. Dividend equivalents are included in the 2017 LTIP plan limit of 2 million shares per participant such that if the total of the original LTIP awards which vest, and any dividend equivalent shares payable exceeds 2 million shares then a proportion of the dividend equivalent would need to be paid in cash.

The 2017 LTIP awards are subject to performance measures and a continued service condition over a five-year period, and the 2020 and 2021 awards are subject to performance measures and a continued service condition over a three-year period. The performance measures and targets for the 2017 LTIP awards are set out on pages 60 and 61 of the 2018 Annual Report, for the 2020 LTIP awards are set out on page 90 of the 2020 Annual Report and for the 2021 LTIP awards are set out on page 100 of this report.

Consideration of shareholder views

Please see page 93 for details.

Consideration of conditions elsewhere in the Group

Please see pages 92 and 93 for details.

Considerations by the Committee of matters relating to Directors' remuneration for 2021

The Committee is responsible for recommending to the Board the remuneration policy for Executive Directors and senior management and for setting the remuneration packages for each Executive Director. The Committee also has oversight of the remuneration policy for all colleagues. The written terms of reference of the Committee are available on the Company's website and from the Company on request.

Members of the Committee in the year to 31 October 2021	Independent	Meetings held during tenure during the year	Number of meetings attended
C Balmforth (Chair)	Yes	7	7
D Hearn	Yes	7	7
I S Krieger	Yes	7	7
J L Kenrick	Yes	7	6
B Oliver	Yes	7	7
G van de Weerdhof	Yes	7	7

Clearly, a significant amount of the Committee's time in 2021 was spent continuing to assess the impact of Covid-19. In addition, we also did the following:

- approved the alignment of the Executive Director pension contribution rate with the wider workforce;
- considered wider workforce pay policies and practices and feedback from the workforce panel;
- approved the salary increase for Executive Directors and senior managers alongside the wider workforce salary budget;
- agreed annual bonus targets for 2021;
- reviewed and approved the 2021 LTIP grant and the associated performance conditions;
- discussed and approved Executive Director and senior manager remuneration outcomes for 2021 including measuring the performance of the EPS element of the 2017 LTIP award;
- reviewed the gender pay gap analysis results and signed off actions;
- reviewed and approved the Directors' remuneration report for 2020/21; and
- reviewed the Committee's terms of reference.

Part C: Annual report on remuneration *continued*

Considerations by the Committee of matters relating to Directors' remuneration for 2021 *continued*

None of the Committee members have any personal financial interest (other than as shareholders) in the decisions made by the Committee, conflicts of interest arising from cross-directorships or day-to-day involvement in running the business.

The Chief Executive Officer, the Chief Financial Officer, the HR Director and the Company Secretary may attend meetings at the invitation of the Committee but are not present when their own remuneration outcomes are being discussed. The HR Director acts as the secretary to the Committee.

The Committee received external advice in 2021 from PricewaterhouseCoopers LLP ("PwC") in connection with remuneration matters including the provision of general guidance on market and best practice. PwC was appointed by the Committee after a competitive tender process in August 2016. PwC is considered by the Committee to be objective and independent. 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 reviewed the nature of all the services provided during the year by PwC and was satisfied that no conflict of interest exists or existed in the provision of these services.

The total fees paid to PwC in respect of services to the Committee during the year were £84,300. Fees were determined based on the scope and nature of the projects undertaken for the Committee.

Executive Director service contracts

The service agreements of the Executive Directors are not fixed term and are terminable by either the Company or the Director on the following basis:

Director	Date of current service contract	Notice period
F Vecchioli	3 September 2013	12 months
A Jones	29 January 2013	12 months

Non-Executive Director letters of appointment

The Non-Executive Directors were appointed for an initial three-year term and their appointment continues subject to annual re-election at the Company's AGM up to a maximum term of nine years.

The table below sets out the dates that each Non-Executive Director was first appointed and the notice period by which their appointment may be terminated early by either party:

Director	Date of appointment	Notice period by Company or Director
D Hearn	1 December 2019	Three months
I S Krieger	3 October 2013	Three months
J L Kenrick (resigned 31/10/2021)[1]	8 October 2014	Three months
C Balmforth	1 August 2016	Three months
B Oliver (resigned 31/10/2021)[1]	1 November 2016	Three months
G van de Weerdhof	1 June 2020	Three months
L Duhot[2]	1 November 2021	Three months
D Mousseau[2]	1 November 2021	Three months

Notes

1 Joanne Kenrick and Bill Oliver resigned as Non-Executive Directors of the Company with effect from 31 October 2021.

2 Laure Duhot and Delphine Mousseau were appointed as independent Non-Executive Directors with effect from 1 November 2021.